RED HERRING PROSPECTUS
Dated: November 24, 2017
(Please read Section 32 of the Companies Act, 2013)
100% Book Built Offer

SHALBY LIMITED

Our Company was originally incorporated as Shalby Hospital Private Limited on August 30, 2004, at Ahmedabad, Gujarat, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company, and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the Registrar of Companies, Ahmedabad, Gujarat ("**RoC**") on May 15, 2006, in the name of Shalby Hospital Public Limited. The name of our Company was subsequently changed to Shalby Hospitals Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on July 26, 2006. Thereafter, the name of our Company was changed to Shalby Limited, and a fresh certificate of incorporation, consequent upon change of name was issued by the RoC on February 13, 2008. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters*" on page 177.

Registered and Corporate Office: Opposite Karnawati Club, Sarkhej Gandhinagar Highway, Near Prahlad Nagar Garden, Ahmedabad – 380 015, Gujarat, India
Contact Person: Jayesh Patel, Company Secretary and Compliance Officer; **Tel**: +91 79 4020 3000; **Fax**: +91 79 4020 3120
E-mail: companysecretary@shalby.in; **Website**: www.shalby.org
Corporate Identity Number: U85110GJ2004PLC044667

OUR PROMOTERS: DR VIKRAM SHAH, DR DARSHINI SHAH, SHANAY SHAH, ZODIAC MEDIQUIP LIMITED AND SHAH FAMILY TRUST

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SHALBY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹4,800 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 1,000,000 EQUITY SHARES BY DR VIKRAM SHAH (THE "SELLING SHAREHOLDER") AGGREGATING UP TO ₹[●] MILLION ("OFFER FOR SALE"). THE OFFER COMPRISES A NET OFFER TO THE PUBLIC OF UP TO [●] EQUITY SHARES (THE "NET OFFER") AND A RESERVATION OF UP TO 121,000 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) (THE "EMPLOYEE RESERVATION PORTION").THE OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL AND THE NET OFFER WILL CONSTITUTE [●]% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL.
THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS- ENGLISH, ALL EDITIONS OF JANSATTA AND AHMEDABAD EDITION OF FINANCIAL EXPRESS-GUJARATI (EACH OF WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND GUJARATI NEWSPAPERS, RESPECTIVELY, GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID / OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES

In case of any revision to the Price Band, the Bid / Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid / Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the members of the Syndicate, and by intimation to Self Certified Syndicate Banks (**"SCSBs"**), Registered Brokers, RTAs, and CDPs.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the **"SCRR"**), and in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (**"SEBI ICDR Regulations"**), this is an Offer wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to qualified institutional buyers (**"QIBs"**). Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors (**"Anchor Investor Portion"**) on a discretionary basis, out of which, at least one-third will be available for allocation to domestic Mutual Funds only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining 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 Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors, and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, up to 121,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Offer Price. All Investors (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount (**"ASBA"**) process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. For further details, see "*Offer Procedure*" on page 425.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company and the Selling Shareholder in consultation with the BRLMs, as stated under "*Basis for Offer Price*" on page 117 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (**"SEBI"**), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 19.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for, and confirms that this 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 Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held, and that there are no other facts, the omission or inclusion of which makes this 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. Further, the Selling Shareholder accepts responsibility that this Red Herring Prospectus contains all information about him as the Selling Shareholder in the context of the Offer for Sale, and further assumes responsibility for statements in relation to him included in this Red Herring Prospectus and the Equity Shares offered by him in the Offer and that such statements are true and correct in all material respects and not misleading in any material respect. Further, the Selling Shareholder does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by, or in relation to the Company in this Red Herring Prospectus.

LISTING

The Equity Shares to be offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 8, 2017 and June 12, 2017, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid / Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 507.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
Edelweiss Financial Services Limited 14th Floor, Edelweiss House Off C.S.T. Road, Kalina Mumbai – 400 098, Maharashtra, India **Tel:** +91 22 4009 4400 **Fax:** +91 22 4086 3610 **E-mail:** shalby.ipo@edelweissfin.com **Investor Grievance E-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Shubham Mehta **SEBI Registration No.:** INM0000010650	**IDFC Bank Limited** Naman Chambers, C-32, G Block Bandra Kurla Complex, Bandra (East) Mumbai – 400 051, Maharashtra, India **Tel:** +91 22 6622 2600 **Fax:** +91 22 6622 2501 **E-mail:** shalby.ipo@idfcbank.com **Investor Grievance E-mail:** mb.ig@idfcbank.com **Website:** www.idfcbank.com **Contact Person:** Akshay Bhandari **SEBI Registration No.:** MB/INM000012250	**IIFL Holdings Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai – 400 013, Maharashtra, India **Tel:** +91 22 4646 4600 **Fax:** +91 22 2493 1073 **E-mail:** shalby.ipo@iiflcap.com **Investor Grievance E-mail:** ig.ib@iiflcap.com **Website:** www.iiflcap.com **Contact Person:** Vishal Bangard / Abhishek Joshi **SEBI Registration No:** MB/INM000010940	**Karvy Computershare Private Limited** Karvy Selenium, Tower B Plot 31 – 32, Gacchibowli Financial District, Nanakramguda Hyderabad – 500 032, Telangana, India **Tel:** +91 40 6716 2222 **Fax:** +91 40 2343 1551 **E-mail:** einward.ris@karvy.com **Investor Grievance E-mail:** shalby.ipo@karvy.com **Website:** https://karisma.karvy.com **Contact Person:** M Muralikrishna **SEBI Registration No.:** INR000000221

BID / OFFER PROGRAMME

BID / OFFER OPENS ON	**TUESDAY, DECEMBER 5, 2017**[(1)]
BID / OFFER CLOSES ON	**THURSDAY, DECEMBER 7, 2017**

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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.

GENERAL TERMS

Term	Description
"our Company", "the Company" or "the Issuer"	Shalby Limited, a company incorporated under the Companies Act, 1956, and having its Registered and Corporate Office at Opposite Karnawati Club, Sarkhej Gandhinagar Highway, Near Prahlad Nagar Garden, Ahmedabad – 380 015, Gujarat, India
"we", "us" or "our"	Unless the context otherwise indicates, our Company and our Subsidiaries, on a consolidated basis

COMPANY RELATED TERMS

Term	Description
Ahmedabad Cluster	Krishna Shalby, Shalby Naroda, SG Shalby, and Vijay Shalby
Articles of Association or AoA	Articles of association of our Company, as amended
Audit and Risk Management Committee	Audit and risk management committee of the Board
Auditors / Statutory Auditors	Statutory auditors of our Company, namely, G. K. Choksi & Co.
Board / Board of Directors	Board of directors of our Company, or a duly constituted committee thereof
Corporate Social Responsibility Committee	Corporate social responsibility committee of the Board
Director(s)	Director(s) on the Board
Equity Shares	Equity shares of our Company of face value of ₹10 each
Executive Directors	Executive Directors of our Company
Griffin	Griffin Mediquip LLP (formerly known as Shalby Orthopaedic LLP)
Group Entities	Our Group Entities are: 1. Griffin; 2. Slaney Healthcare Private Limited (formerly known as Alpha Clinical and Therapeutic Research Private Limited); 3. Shalby Orthopaedic Hospital and Research Centre; 4. Uranus Medical Devices Limited; and 5. Friends of Shalby Foundation. For details, see "*Our Group Entities*" on page 210
Indian Subsidiaries	Indian subsidiaries of our Company, namely: 1. Shalby International; 2. VSHL; and 3. Yogeshwar Healthcare
Individual Promoter(s)	Dr Vikram Shah, Dr Darshini Shah, and Shanay Shah
IPO Committee	IPO committee of the Board
Kamesh Hospital	Kamesh Bhargava Hospital and Research Centre Private Limited
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act, 2013, and as disclosed in "*Our Management – Key Management Personnel*" on page 200
Krishna Shalby	The hospital operated by our Company and located at 319, Green City, Ghuma, *via* Bopal, Ahmedabad – 380 058, Gujarat, India

Term	Description
Madhya Pradesh Cluster	Shalby Indore and Shalby Jabalpur
Managing Director	Managing Director of our Company
Memorandum of Association or MoA	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of the Board
Outpatient Clinics	Clinics operated by our Company to provide consultative healthcare advice to patients suffering from orthopaedic ailments.
Preference Share	5% optionally convertible and redeemable preference shares of our Company of face value of ₹10 each
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations. For details, see "*Our Promoters and Promoter Group*" on page 204
Promoters	Promoters of our Company namely, Dr Vikram Shah, Dr Darshini Shah, Shanay Shah, Shah Family Trust, and Zodiac. For details, see "*Our Promoters and Promoter Group*" on page 204
Registered Office / Registered and Corporate Office	Registered and corporate office of our Company located Opposite Karnawati Club, Sarkhej Gandhinagar Highway, Near Prahlad Nagar Garden, Ahmedabad – 380 015, Gujarat, India
Registrar of Companies / RoC	Registrar of Companies, Gujarat at Ahmedabad
Restated Consolidated Financial Statements	The restated consolidated financial statements of our Company, along with our Subsidiaries for the three months period ended June 30, 2017, and for the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, and comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss, and the restated consolidated cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The restated standalone financial statements of our Company for the three months period ended June 30, 2017, and for the Financial Years ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, which comprises the restated standalone balance sheet, the restated standalone statement of profit and loss and the restated standalone cash flow statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations
SACE	Shalby Arthroplasty Centre of Excellence
Samruddhi	Samruddhi Hospital Private Limited
Selling Shareholder	Dr Vikram Shah, one of the Individual Promoters of our Company
SG Shalby	The hospital operated by our Company and located opposite Karnawati Club, Sarkhej Gandhinagar Highway, Near Prahlad Nagar Garden, Ahmedabad – 380 015, Gujarat, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shalby Indore	The hospital operated by our Company and located at Block ##5 and 6, R S Bhandari Marg, New Palasia, Indore – 452 001, Madhya Pradesh, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shalby International	Shalby International Limited (formerly known as Shalby Pune Limited). For details, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 181
Shalby Jabalpur	The hospital operated by our Company and located at Plot B, Scheme #5, Ahinsa Chowk, Kanchnar City Road, Vijay Nagar Colony, Jabalpur – 482 002, Madhya Pradesh, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160

Term	Description
Shalby Jaipur	The hospital operated by our Company and located at Commercial Plot, 200 Feet Bypass, Sector – 3, Chitrakoot, Vaishali Nagar, Jaipur – 302 021, Rajasthan, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shalby Kenya	Shalby (Kenya) Limited. For details, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 181
Shalby Mohali	The hospital operated by our Company and located at Phase IX, Sector 63, SAS Nagar, Mohali – 160 062, Punjab, India, earlier known as Shalby Silver Oaks. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shalby Naroda	The hospital operated by our Company and located at S#679, Off Naroda Dehgam Road, Haridarshan Cross Road, New Naroda, Ahmedabad – 382 330, Gujarat, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shalby Surat	The hospital operated by our Company and located at near Navyug College, Rander Road, Adajan, Surat – 395 009, Gujarat, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shalby Vapi	The hospital operated by our Company and located near Cinepark, Vapi Silvassa Road, Vapi, District Valsad – 396 195, Gujarat, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Shareholder(s)	Shareholder(s) of our Company from time to time
SMJH Trust	Seth Mannoolal Jagannathdas Hospital Trust
Stakeholders' Relationship Committee	Stakeholders' relationship committee of the Board
Subsidiaries, or individually known as Subsidiary	Subsidiaries of our Company, namely: 1. Shalby International; 2. Shalby Kenya; 3. VSHL; and 4. Yogeshwar Healthcare For details, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 181
Vijay Shalby	The hospital operated by our Company and located at 6, Rupam Society, Vijay Cross Road, Near Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009, Gujarat, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160
Vrundavan Shalby	The hospital operated by our Company and located at Karaswada P Otivim Industrial Estate, Bardez, Goa – 403 507, India, whose operations have temporarily been suspended by our Company since December, 2016
VSHL	Vrundavan Shalby Hospitals Limited (formerly known Vrundavan Hospital and Research Centre Private Limited). For details, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 181
Yogeshwar Healthcare	Yogeshwar Healthcare Limited. For details, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 181
ZH Private Limited	Zynova Hospitals Private Limited
Zodiac	Zodiac Mediquip Limited
Zynova Shalby	The hospital operated by our Company and located at Trimurti Arcade, LBS Marg, Ghatkopar West, Near Sarvodaya Hospital, Mumbai – 400 086, Maharashtra, India. For details, see "*Our Business – Description of Business – Hospitals*" on page 160

OFFER RELATED TERMS

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the

Term	Description
	Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee(s)	A successful Bidder to whom the Equity Shares are Allotted
Anchor Escrow Account(s)	Account(s) opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit / NEFT / RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid / Offer Period in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company and Selling Shareholder in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bid / Offer Period	The day, one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company in consultation with the BRLMs to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Escrow Collection Bank(s), Public Offer Bank(s) and Refund Bank(s)
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 425
Bid	An indication to make an offer during the Bid / Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid / Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly

Term	Description
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 two national daily newspapers, one each in English and Hindi, and in one Gujarati daily newspaper, Gujarati being the regional language of the state where the Registered and Corporate Office is located, and in the case of any revision, the extended Bid / Offer Closing Date shall also be notified on the website and terminals of the Syndicate Members, 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 two national daily newspapers, one each in English and Hindi, and in one Gujarati daily newspaper, Gujarati being the regional language of Gujarat, where the Registered and Corporate Office is located, each with wide circulation, and in the case of any revision, the extended Bid / Offer Opening Date shall also be notified on the website and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations
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
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 Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●]
Bidder(s)	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus, and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated 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 XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, Edelweiss, IDFC and IIFL
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow Agreement	The agreement dated November 24, 2017 entered into by our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs and the Banker(s) to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor

Term	Description
	Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
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 #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholder in consultation with the BRLMs. Only Eligible Employees Bidding in the Employee Reservation Portion and Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father / husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI, at http://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 CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which instructions are given to the Escrow Collection Bank(s) to transfer funds from Anchor Escrow Account(s) and SCSBs to unblock the ASBA Accounts and transfer the amounts blocked in the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus and the Prospectus
Designated Intermediaries	Syndicate, sub-syndicate members / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	NSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated May 19, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer
Edelweiss	Edelweiss Financial Services Limited
Eligible Employees	All or any of the following: 1. Permanent and full time employees of our Company or its Subsidiaries or Griffin Mediquip LLP (excluding such employees who are not eligible to invest in the Offer under applicable laws, rules, regulations, and guidelines and the Promoters and the immediate relatives of the Individual Promoters) as of the date of filing of this Red Herring Prospectus with the RoC and who continue to be employees of our Company or a Subsidiary or a material associate (whose financial statements are consolidated with our Company's financial statements as

Term	Description
	per Accounting Standard 21), as the case may be, until the submission of the Bid cum Application Form, and are based and working in India as on the date of submission of the Bid cum Application Form; and 2. A Director of our Company, whether a whole time Director or otherwise (excluding such Directors not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines and the Promoters and the immediate relatives of the Individual Promoters) as of the date of filing this Red Herring Prospectus with the RoC and who continues to be a Director of our Company until the submission of the Bid cum Application Form, and is based in India as on the date of submission of the Bid cum Application Form. An employee of our Company or of Subsidiaries or of Griffin Mediquip LLP, who is recruited against a regular vacancy but is on probation as on the date of submission of the Bid cum Application Form will also be deemed a 'permanent and a full time employee'.
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Regulations, 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 this Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Employee Reservation Portion	Portion of the Offer being 121,000 Equity Shares aggregating up to ₹[●] million available for allocation to Eligible Employees, on a proportionate basis
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, Karvy Computershare Private Limited.
Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Anchor Escrow Account will be opened, in this case being HDFC Bank Limited
First Bidder	Bidder whose name is mentioned first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to [●] Equity Shares aggregating up to ₹4,800 million by our Company
General Information Document / GID	The General Information Document prepared and issued in accordance with the Circular #CIR/CFD/DIL/12/2013, dated October 23, 2013 notified by SEBI, and updated pursuant to, *inter alia*, Circular #CIR/CFD/POLICYCELL/11/2015, dated November 10, 2015 and Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26, dated January 21, 2016, notified by SEBI and suitably modified to include legislative and regulatory updates, and included in "*Offer Procedure*" on page 425
Gross Proceeds	The Offer Proceeds less the amount to be raised pursuant to the Offer for Sale by the Selling Shareholder
IDFC	IDFC Bank Limited
IIFL	IIFL Holdings Limited
Monitoring Agency	The monitoring agency appointed under the Monitoring Agency Agreement dated November 24, 2017 in order to comply with the requirements of Regulation 16 of the SEBI ICDR Regulations to monitor the utilization of the proceeds from the Fresh Issue, namely HDFC Bank Limited.
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid bids received at, or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	Offer less the Employee Reservation Portion

Term	Description
Net Proceeds	Gross Proceeds of the Fresh Issue, less our Company's share of the Offer expenses and listing fees. For further information about use of the Offer Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 106
Net QIB Portion	The portion of the QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Bidders / NIBs	All Bidders that are not QIBs or Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion, and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net 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	A person resident outside India, as defined under FEMA and includes an NRIs, FIIs, FPIs and FVCIs
Offer	The initial public offering of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating to ₹[●] million comprising the Fresh Issue and the Offer for Sale. The Offer comprise of Net Offer to the public aggregating up to ₹ [●] million and the Employee Reservation Portion of up to 121,000 Equity Shares aggregating to ₹[●] million
Offer Agreement	The agreement dated May 19, 2017, executed among our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 1,000,000 Equity Shares by the Selling Shareholder at the Offer Price aggregating up to ₹[●] million in terms of this Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholder, in consultation with BRLMs, on the Pricing Date, in accordance with the Book Building Process and this Red Herring Prospectus
Offer Proceeds	The proceeds of this Offer that will be available to our Company and the Selling Shareholder
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 Selling Shareholder in consultation with the BRLMs, and will be advertised, at least five Working Days prior to the Bid / Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, in all editions of Financial Express - English, all editions of Jansatta and Ahmedabad edition of Financial Express - Gujarati (each of which are widely circulated English, Hindi and Gujarati newspapers, respectively, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located). It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company and the Selling Shareholder in consultation with BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC, on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the

Term	Description
	end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account Bank	The Banker(s) to the Offer with whom the Public Offer Account(s) shall be maintained, in this case being HDFC Bank Limited
Public Offer Account(s)	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Anchor Escrow Account(s) and ASBA Accounts on the Designated Date
QIB Category / QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer or [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at our above the Offer Price
Qualified Institutional Buyer(s) or QIBs or QIB Bidders	Qualified institutional buyer(s) as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	This Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto. This Red Herring Prospectus will be registered with the RoC at least three days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker to the Offer with which the Refund Account(s) will be opened, in this case being HDFC Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members who are eligible to procure Bids in terms of Circular #CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Registrar agreement dated May 10, 2017, amongst our Company, the Selling Shareholder and the Registrar to the Offer
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Resident Indian	A person resident in India, as defined under FEMA
Retail Individual Bidder(s) / RIB(s)	Individual Bidders (other than Eligible Employees Bidding in the Employee Reservation Portion) who have Bid for the Equity Shares for an amount of 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	The portion of the Offer being not less than 35% of the Net Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form(s)	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 and Eligible Employees can revise their Bids during the Bid / Offer Period and withdraw their Bids until Bid /

Term	Description
	Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, and updated from time to time
Share Escrow Agreement	The agreement dated November 24, 2017 entered into among the Selling Shareholder, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Form, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement dated November 24, 2017 entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholder in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Edelweiss Securities Limited, Sharekhan Limited, IDFC Securities Limited and India Infoline Limited
Underwriter(s)	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date, but prior to the filing of the Prospectus with the RoC
Working Day	"Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and (c) with reference to 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 Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

TECHNICAL / INDUSTRY RELATED TERMS / ABBREVIATIONS

Term	Description
ALOS	Average length of stay, calculated by dividing the total number of occupied bed days by the total number of admissions
ARPOB	Average revenue per occupied bed, calculated by dividing the total revenue from operations by the total number of bed occupancy days
Average RoCE	Average return on capital employed, calculated by dividing the earnings before interest and tax by the average total assets
BMD	Bone mineral density
CSSD	Central Sterile Supply Department
CT	Computed tomography
DGCI	Drug Controller General of India
ECG	Electrocardiogram
ENT	Ear, nose and throat
ERP	Enterprise resource planning
IIM	Indian Institute of Management
IMA	Indian Medical Association
IT	Information technology
MCLR	Marginal cost of funds based lending rate
Metro Cities	Chennai, Delhi, Kolkata, and Mumbai
MRI	Magnetic resonance imaging

Term	Description
NABH	National Accreditation Board for Hospitals and Healthcare Providers
NABL	National Accreditation Board for Testing and Calibration Laboratories
NACH	National Automated Clearing House
NAV	Net Asset Value
O&M	Operations and management
OPD	Outpatient department
STT	Securities transaction tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(zla) as a non-banking financial company registered with the RBI and having a net-worth of more than ₹ 5000 million as per the last audited financial statements
THR	Total hip replacement
Tier I Cities	Tier I cities include Ahmedabad and Mumbai
Tier II Cities	Tier II cities include Indore, Jabalpur, Jaipur, Nashik, Surat, and Vadodara
Tier III Cities	Tier III cities include all cities which are not classified as Tier I cities or Tier II cities, in the notification dated July 21, 2015, issued by the Ministry of Finance (Government of India)
TKR	Total knee replacement
X-Ray	Diagnostic radiology

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AS / Accounting Standards	Accounting Standards issued by the ICAI
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as "Category III foreign portfolio investors" under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services Limited
CIN	Corporate identity number
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DIPP under D/o IPP F. No. 5(1)/2017-FC-1 dated August 28, 2017, effective from August 28, 2017
CSR	Corporate social responsibility
CST	Central sales tax
CST Act	Central Sales Tax Act, 1956
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996

Term	Description
DIN	Director identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP / Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
EBITDA	Earnings Before Interest Taxes Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings Per Share
ESOP	Employee stock option plan
EUR	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2 of the FEMA Regulations
Finance Act	Chapter V of the Finance Act, 1994
Financial Year / Fiscal(s) / FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations investing under the portfolio investment scheme under Schedule 2A of the FEMA Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross domestic product
GoI, Government of India, Central Government	Government of India
GST	Goods and service tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards, prescribed in accordance with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
ISO	International Organisation for Standardisation
IT Act	Income Tax Act, 1961
KES	Kenyan Shillings
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N.A./ NA	Not applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NRI	A person resident outside India who is a citizen of India, as defined under the Foreign Exchange Management (Deposit) Regulations, 2016, or is an 'overseas citizen of India' cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955

Term	Description
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s) / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
P / E Ratio	Price / Earnings Ratio
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	The Reserve Bank of India
Regulation S	Regulation S under the Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U. S. Securities Act of 1933, as amended
Service Tax Rules	Service Tax Rules, 1994
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sq. ft.	Square feet
Sq. m.	Square metre
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
UAE	United Arab Emirates
U.S. / USA / United States	United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the USA
USD	United States Dollars
VAS	Value Added Services
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

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

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Significant Differences Between Indian GAAP and Ind AS*", "*Financial Statements*", "*Regulations and Policies*" "*Main Provisions of Articles of Association*" and "*Offer Procedure – General Information Document*" on pages 121, 349, 217, 171, 468 and 436, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page number of this Red Herring Prospectus, unless otherwise specified.

Unless stated otherwise, the meanings ascribed to the terms defined under the "*Glossary and Abbreviations – Part B – General Information Document*" under "*Offer Procedure*" on page 462, shall only be in respect of such terms used in "*Part B - General Information Document*".

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Red Herring Prospectus to "India" are to the Republic of India.

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our Restated Financial Statements prepared in accordance with the Companies Act, 2013 and Indian GAAP, and restated in accordance with the SEBI ICDR Regulations. For further information, see "*Financial Information*" on page 217. Certain other additional financial information pertaining to our Group Entities is derived from their respective audited financial statements.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. In this Red Herring Prospectus, all numerical figures in decimals have been rounded off to the second decimal, and all percentage numbers have been rounded off to two places. Further, unless stated otherwise, references to all financial figures and financial ratios in this Red Herring Prospectus have been derived from the Restated Consolidated Financial Statements.

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

Our Restated Financial Statements have been prepared in accordance with Indian GAAP. The Restated Standalone Financial Statements and the Restated Consolidated Financial Statements have been included in this Red Herring Prospectus. There are significant differences between Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this 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. Our financial statements for periods subsequent to April 1, 2017, will be prepared and presented in accordance with Ind AS. Given that Ind AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind AS may not be comparable to our historical financial statements prepared under Indian GAAP.

For details in connection with risks involving differences between Indian GAAP and IFRS and risks in relation to Ind AS, see "*Risk Factors – Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "**ICDS**"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition*" on page 47 and "*Significant Differences Between Indian GAAP and Ind AS*" on page 349, respectively. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, Ind AS the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this 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 Conditional and Results of Operations*" on pages 19, 150, and 354, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of the restated financial statements prepared in accordance with Indian GAAP and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "INR" or "Rs." are to the Indian Rupee, the official currency of India. All references to "KES" are to the Kenyan Shilling, the official currency of Kenya. All references to "USD" are to the United States Dollar, the official currency of the United States.

Where specifically indicated, our Company has presented all numerical information in this 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 and one billion represents 1,000,000,000.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the EUR, the Rupee and the USD, and the Rupee and the KES.

Currency	As on March 31, 2012 (₹)[(1)]	As on March 31, 2013 (₹)[(1)]	As on March 31, 2014 (₹)[(1)]	As on March 31, 2015 (₹)[(1)]	As on March 31, 2016 (₹)[(1)]	An on March 31, 2017 (₹)[(1)]	As on June 30, 2017 (₹)	As on October 31, 2017 (₹)
1 EUR	68.34	69.54	82.58	67.51	75.10	69.25	74.00	75.42
1 USD	51.16	54.39	60.10	62.59	66.33	64.84	64.74	64.77
1 KES	0.61	0.64	0.69	0.68	0.65	0.63	0.62	0.62

(Source for 1 EUR and 1 USD: https://rbi.org.in*)*
(Source for 1 KES: Bloomberg)
[(1)]*In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered*

Land and Units of Presentation

Our Company has presented units of land in this Red Herring Prospectus in ‘square meters’ and ‘square feet’.

Industry and Market Data

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

Information has been included in this Red Herring Prospectus based on a report published by Frost & Sullivan, titled “*Independent Market Assessment of Indian Healthcare Industry for IPO*” (“**F&S Report**”) commissioned by us, as well as publicly available documents and information, including, but not restricted to materials issued or commissioned by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the F&S Report, see “*Risk Factors – Third party statistical and financial data in this Red Herring Prospectus may be incomplete and unreliable*” on page 43.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry and market data used in this Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholder, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 19. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “*Basis for the Offer Price*” on page 117 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs have independently verified such information.

The extent to which the market and industry data used in this 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.

FORWARD-LOOKING STATEMENTS

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

All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our 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, changes in competition in its industry and incidents of any natural calamities and / or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- Our dependence on our two key hospitals, SG Shalby and Krishna Shalby and the concentration of a majority of our hospitals in the state of Gujarat;
- Our dependence on one field of orthopaedics for a substantial portion of our revenue;
- Our O&M partner, SMJH Trust, not having perfected its leasehold rights upon the land on which Shalby Jabalpur has been constructed;
- Our failure to have executed definitive agreements in respect of some of our Outpatient Clinics with third parties, and Zynova Shalby being operated under a memorandum of understanding;
- Our dependence on in-patient treatment for revenue;
- Our operation of some of our facilities under arrangements with third parties such as O&M agreements and lease agreements;
- Our dependence on one of our Promoters, Dr Vikram Shah;
- Discontinuation of association of our doctors and other healthcare professionals with our hospitals;
- Delay in receipt of payment from our patients directly or through insurance companies and corporates; and
- Change in government policies that relate to patients covered by government schemes.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 19, 150, and 354, 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.

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

Forward-looking statements reflect the current views of our Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the 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 are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, the Selling Shareholder, the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Selling Shareholder shall severally ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus in relation to the statements and undertakings made by it in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus and the Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If one, or a combination of any of the following risks occurs, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all, or part of your investment. In addition, the risks set out in this section may not be exhaustive, and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future.

Unless specified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Any potential investor in, and purchaser of the Equity Shares should pay attention to the fact that we are governed in India, by a legal and regulatory environment which may be different from that which prevails in other countries in material respects.

In making an investment decision, prospective investors must rely on their own examination of us on a consolidated and standalone basis and the terms of the Offer including the merits and the risks involved. To obtain a complete understanding of our business, you should read the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Result of Operations" on pages 150 and 354, respectively. If our business, results of operations or financial condition suffer, the price of our Equity Shares and the value of your investments in the Equity Shares could decline. This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from our Restated Consolidated Financial Statements.

INTERNAL RISK FACTORS

1. ***A significant portion of our revenue is currently generated from two hospitals SG Shalby and Krishna Shalby. Further, a majority of our hospitals are located in the state of Gujarat. Any material impact on the revenue from these hospitals will impact our business, prospects, financial condition and results of operations significantly.***

   A significant portion of our revenue is currently generated from two hospitals, SG Shalby and Krishna Shalby, both of which are located in Ahmedabad. SG Shalby, which commenced operations in March, 2007 and Krishna Shalby, which commenced operations in October, 2012, together had an aggregate patient volume of 22,369 and 88,749 for the three months period ended June 30, 2017 and Fiscal 2017, respectively, which constituted 41.26% and 46.41% of the aggregate patient volume of the Company during the said periods. For the three months period ended June 30, 2017 and Fiscal 2017, SG Shalby and Krishna Shalby together contributed to 68.28% and 77.01% of our total revenue. Further, a substantial portion of our revenue is derived from the hospitals that we operate in the state of Gujarat. For the three months period ended June 30, 2017, and Fiscal 2017, the hospitals that we operated in state of Gujarat contributed to 71.79% and 80.37% of our total revenue, respectively. We recently set up two new hospitals in Gujarat, namely, Shalby Naroda and Shalby Surat in March, 2017 which commenced providing inpatient services from July, 2017 and August, 2017, respectively. As on the date of this Red Herring Prospectus, out of the 11 operational hospitals, six operational hospitals are located in Gujarat.

   Due to this concentration of our revenue in the state of Gujarat, and our dependence on SG Shalby and Krishna Shalby, a number of factors could cause material fluctuations or decline in our revenue, and could reduce our operating margins, as a result of which there could be a material adverse impact on our business, prospects, financial condition and results of operations. These factors could *inter alia*, include:

   - decrease in the number of new patients registered;
   - loss of key experienced medical professionals;
   - adverse publicity and loss of reputation;
   - regulatory changes;
   - decrease in profitability;
   - increase in competition;
   - liabilities on account of medical negligence; and / or
   - loss due to natural calamities.

2. ***We are dependent on one field of specialty for a substantial portion of our revenue, i.e. orthopaedics. Any material impact on our earnings from orthopaedics will impact our financial condition and results of operations significantly.***

We are led by Dr Vikram Shah, an orthopaedic surgeon with more than 25 years of professional experience. Having performed approximately 54,105 joint replacements since 2007, our Company has been a market leader in the area of joint replacement surgeries (*Source: F&S Report*). While all our hospitals provide multi-speciality services, we derive a substantial portion of our revenue from our orthopaedic services.

For the three months period ended June 30, 2017 and Fiscal 2017, our orthopaedic services contributed to as much as 67.51% and 67.77%, respectively, of our total revenue. Our financial conditions and results of operations are dependent on our revenue from orthopaedics. Due to our dependence on the field of orthopaedics, a number of factors could cause material fluctuations or decline in our revenue. These factors could include our inability to use modern technology and infrastructure while undertaking orthopaedic surgeries and procedures, the innovation and implementation of modern orthopaedic techniques by other hospitals which we are unable to implement, a decrease in the number of new patients registered, a loss of key experienced medical professionals, liabilities on account of medical negligence, or regulatory changes. A decline in our revenue from orthopaedics could materially and adversely impact our business, prospects, financial condition and results of operations.

3. ***Our O&M partner, SMJH Trust, has not perfected its leasehold rights upon the land on which Shalby Jabalpur has been constructed. Accordingly, our rights arising out of our O&M arrangement with SMJH Trust in respect of Shalby Jabalpur may be impaired, thus adversely affecting our revenue, profits, and financial conditions.***

Our Company and the SMJH Trust have filed an appeal before the High Court of Madhya Pradesh against the Jabalpur Development Authority ("**JDA**"), seeking a revocation of the cancelation of the lease deed dated January 12, 2004, executed between the SMJH Trust and the JDA ("**Lease Deed**"). The dispute relates to the land on which Shalby Jabalpur has been constructed, a hospital presently being managed and operated by our Company, pursuant to the terms of the O&M agreement dated January 31, 2014, executed between our Company and the SMJH Trust ("**Jabalpur O&M Agreement**"). As per the terms of the Jabalpur O&M Agreement, our Company agreed to operate and manage a hospital located at Plot B in Scheme #5, Ahinsa Chowk, Kachnar City Road, Vijay Nagar, Jabalpur – 482 002, Madhya Pradesh, India ("**Disputed Land**"). The Disputed Land was leased out to the SMJH Trust by the JDA, by way of the Lease Deed, specifically for the purpose of providing educational services. In pursuance of the Lease Deed, the SMJH Trust commenced operating a nursing institute on the Disputed Land. For the purposes of providing practical training to its nursing and paramedical students, the SMJH Trust approached our Company to set up Shalby Jabalpur on the Disputed Land. The Lease Deed restricted the SMJH Trust from transferring the lease of the Disputed Land, or subletting it to any third person.

On September 8, 2014, a public interest litigation was filed by Kamlesh Agrawal against the SMJH Trust and our Company in the High Court of Madhya Pradesh, alleging that the Disputed Land on which Shalby Jabalpur has been constructed, is being used for purposes other than educational use. The High Court of Madhya Pradesh, pursuant to an order dated October 8, 2014 directed the commissioner of the JDA or the chief executive officer of the JDA, as the case may be, to conduct inquiries and pass an appropriate order before December 31, 2014. In the meanwhile, the SMJH Trust filed a review petition on December 15, 2014, seeking a review of the order dated October 8, 2014, passed by the High Court of Madhya Pradesh, claiming that it was in the process of establishing a dental college on the Disputed Land, and that Shalby Jabalpur was being constructed to comply with regulations issued by the Dental Council of India, which require that dental colleges be supported by a hospital with a minimum capacity of 100 beds. In the review petition, the SMJH Trust also submitted that all permits to operate a dental college were obtained by it. The review petition was disposed by the High Court of Madhya Pradesh, pursuant to an order dated December 16, 2014, and the chief executive officer of the JDA was directed to enquire into the terms of the Lease Deed in accordance with the order dated October 8, 2014, and in the event the decision of the chief executive officer of the JDA is adverse to SMJH Trust's interest, the same shall not be given effect for a period of two weeks to enable SMJH Trust to take up the matter before an appropriate forum.

By way of an order dated December 26, 2014, the JDA cancelled the Lease Deed on the ground that the SMJH Trust had violated the terms of the Lease Deed. Subsequently, the SMJH Trust filed a petition on January 4, 2015 before the High Court of Madhya Pradesh against the JDA, seeking a stay on the order dated December 26, 2014 of the JDA in relation to the cancellation of the Lease Deed, and restraining the respondents from taking any coercive steps for implementing the order. Through an interim order dated January 8, 2015, the High Court of Madhya Pradesh directed the JDA to refrain from taking any coercive steps against the SMJH Trust. Subsequent to the passing of the interim order dated January 8, 2015, Shalby Jabalpur commenced operations in March, 2015. In an order dated October 13, 2015, the High Court of Madhya Pradesh noted that the SMJH Trust and our Company were not permitted to commence operations of Shalby Jabalpur, and the interim order dated January 8, 2015, merely restricted the JDA from undertaking coercive actions. Thereafter, by way of an order dated January 19, 2016, the High Court of Madhya Pradesh directed the SMJH Trust to seek a review of the Lease Deed before the Government of Madhya Pradesh in accordance with Section 74 of the Nagar Tatha Gram Nivesh Adhiniyam, 1973. We understand that the Government of Madhya Pradesh has issued a report which has been submitted to the High Court of Madhya Pradesh. In the event the report finds that our use of the Disputed Land is unauthorised, our ability to operate Shalby Jabalpur out of the Disputed Land may be impacted, which would, in turn, adversely affect our revenue, profits, and financial conditions. In the meanwhile, Kameshwar Sharma, Akhilesh Tripathi, Milindra Jain, the Municipal Corporation of Jabalpur, and the JDA, filed separate writ petitions and writ appeals in the High Court of Madhya Pradesh, either seeking that no commercial activity be undertaken on the Disputed Land, or the abovementioned order passed by the High Court of Madhya Pradesh on January 19, 2016, be set aside. Since the abovementioned writ petitions and writ appeals are all connected to the same matter, the High Court of Madhya Pradesh will be hearing the matters jointly with the writ petition filed by Kameshwar Sharma. The matter is pending. For further details, see "*Outstanding Litigation and Material Developments –Litigation involving our Company – Outstanding litigation involving our Company in accordance with the Materiality Policy – Civil Proceedings against our Company*" on page 388.

While as at June 30, 2017, we have invested capital expenditure of ₹450.45 million (gross block) on Shalby Jabalpur, for the three months period ended June 30, 2017, and Fiscal 2017, we incurred operational expenses of ₹35.08 million and ₹119.65 million, respectively. For the three months period ended June 30, 2017 and Fiscal 2017, Shalby Jabalpur contributed towards 9.00% and 8.41% of our revenue, respectively. Further, if in rendering its judgment the High Court of Madhya Pradesh determines that in operating Shalby Jabalpur, the Company is in violation of the terms of the order dated January 8, 2015, the High Court of Madhya Pradesh may institute contempt proceedings against our Company.

4. ***We have not executed definitive agreements in respect of some of our Outpatient Clinics with third parties. Further, Zynova Shalby is presently being operated under a memorandum of understanding, and a detailed agreement is proposed to be executed upon completion of 36 months from the date of commencement of our management and operation of Zynova Shalby.***

For the purposes of operating some of our Outpatient Clinics, we have not executed definitive agreements with third parties. In the absence of executed agreements, the rights and obligations governing us and such third parties, including payment terms, remain ambiguous. Accordingly, in the event of any dispute between us and the concerned third party, our ability to exercise our rights and enforce any obligations arising against such third party, or ascribe any liability therefrom may be severely impeded. Further, in the absence of a written agreement, third parties in association with whom we set up some of our Outpatient Clinics may unilaterally terminate arrangements, leaving us with limited or no legal recourse against such termination. During Fiscal 2017 and the three months period ended June 30, 2017, our Outpatient Clinics generated a revenue of ₹2.47 million and ₹0.41 million, respectively. As at June 30, 2017, our Company has not incurred any capital expenditure in operating these Outpatient Clinics. In the event where we do not execute definitive agreements in respect of our Outpatient Clinics with third parties, we face the risk of losing future revenues that could be generated by these Outpatient Clinics.

Further, Zynova Shalby is presently being operated and managed by us on the basis of a memorandum of understanding dated July 22, 2015, executed between us and ZH Private Limited as amended by an addendum dated July 1, 2017 (collectively "**Zynova Shalby MoU**"). For further details, see "*Our Business – Description of Business – Hospitals*" on page 160. In accordance with the terms of the Zynova Shalby MoU, ZH Private Limited and our Company have agreed to execute a definitive agreement within a period of 36 months from the date of the Zynova Shalby MoU. While our Company has started operating Zynova Shalby from January, 2017, pursuant to the Zynova Shalby MoU, we are yet to execute an O&M agreement, setting out in detail the terms envisaged in the Zynova Shalby MoU which relate to the manner in which Zynova Shalby shall be operated and managed. There can be no assurance that we will be able to continue to manage and operate Zynova Shalby on the terms and conditions set out in the Zynova Shalby MoU, and this may result in an adverse impact on our revenue, profits, and financial conditions.

For the three months period ended June 30, 2017, Zynova Shalby generated a revenue of ₹ 0.90 million. As at June 30, 2017, our Company has not incurred any capital expenditure in operating Zynova Shalby.

5. ***Our revenue is primarily dependent on inpatient treatments, which could decline due to a variety of factors. Any such decline will adversely affect our financial condition and results of operations.***

Our inpatient admissions and treatment contribute significantly to our revenue, compared to our outpatient consultative care. For instance, for the three months period ended June 30, 2017, and Fiscal 2017, while our inpatients contributed to 89.92% and 89.36%, respectively, of our revenue, our outpatients contributed to 7.37% and 6.71%,respectively. In the event there is a decline in the number of inpatients serviced by us, our financial condition and results of operations will materially stand impacted. This apart, in markets where we have an established presence, if our patients choose to avail inpatient healthcare services from our competitors, instead of availing such healthcare services from us, our growth in revenue could stand materially impaired.

6. ***We operate some of our facilities under arrangements with third parties such as O&M agreements and lease agreements. Further, our SACE operate at third party hospitals and offer orthopaedic services on the basis of agreements with such third party hospitals. Counterparties may unilaterally terminate these arrangements and may require us to cease doing business out of such facilities, or may refuse to renew such agreements on expiry. Any such action by the counterparties may adversely affect our revenue and financial condition.***

Some of our multispecialty hospitals are operated out of premises over which we have no ownership rights. We have entered into arrangements with third parties, to operate these facilities, either on a lease basis or on an O&M basis. Further, our SACE operate at third party hospitals and offer orthopaedic services to their patients on the basis of agreements executed by us with such third party hospitals. For further details, see "*Our Business – Description of Business*" on page 158. Our ability to operate out of these facilities going forward is dependent on the continued validity of these arrangements. Our counterparties may seek to unilaterally terminate these arrangements, regardless of the validity of such agreements. In such an event, our Company may need to take legal action against such termination, and seek to continue to operate out of these facilities. Such actions may not be successful, or legal remedies may not be obtained in a timely fashion. Any action by a counterparty to terminate the arrangement entered into with us may therefore materially impact our business, prospects, financial condition, and results of operations.

A part of the Offer Proceeds is proposed to be utilised for the purchase of medical equipment, interiors, furniture, and allied infrastructure for Shalby Nashik and Shalby Vadodara, hospitals being set up in Nashik and Vadodara with a bed capacity of 113 beds and 150 beds, respectively. While Shalby Nashik is being set up pursuant to an O&M agreement dated May 6, 2014, executed with Samruddhi, Shalby Vadodara is being set up pursuant to a memorandum of understanding dated April 14, 2017, executed with Company and Akshar PHC Relacon and Vadodara Land Owners. For further details, see "*Objects of the Offer – Details of the Objects – Purchase of medical equipment for existing, recently set up and upcoming hospitals*" on page 111, "*Objects of the Offer – Details of the Objects – Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals in Nashik and Vadodara*" on page 113, and "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. While we estimate that Shalby Nashik shall commence operations in Fiscal 2019 and Shalby Vadodara in Fiscal 2020, we cannot ascertain that the operations of Shalby Nashik and Shalby Vadodara will commence at the expected time of commencement, or commence at all.

The O&M agreements and lease deeds under which we operate at third party facilities / premises are generally entered into for terms between 10 and 30 years. While certain of our O&M arrangements are valid for a term of 25 or 30 years, our ability to operate from third party facilities is inherently limited in time, by medium to long term agreements we have entered into. Such agreements may not be renewed by the counterparties as and when they expire. While some of our O&M agreements provide that they will be renewed at least three years prior to the date of their expiry, we may have to cease operations out of such facilities as a result of non-renewal of our arrangements with third parties. We may not be able to find alternate locations in the same vicinity to operate our facilities out of. We may have to completely cease operations from such locations until such time we are able to identify alternative land parcels and arrive at a suitable arrangement with the landlord. Our market presence may be impacted by reason of our inability to continue operations and we may lose patients to our competition in such locations. Our revenue and financial condition will be impacted significantly as a result of the above.

7. ***We are significantly dependent on one of our Promoters, Dr Vikram Shah, and a loss of his services could adversely affect our business and results of operations.***

The growth of our business and legacy has been, and is significantly dependent on one of our Promoters, Dr Vikram Shah, who is an orthopaedic surgeon with over 25 years of professional experience across various geographies. Dr. Vikram Shah also received a 'Double Helical National Health Award – 2017' for 'outstanding record in knee replacement surgery with his own innovation 'Zero Technique'' For further details, see "*Our Management – Board of Directors – Brief biographies of Directors*" on page 189. Our brand recall has *inter alia*, been built on the implementation of unique surgical procedures developed by Dr Vikram Shah. These include the development of the OS Needle, which has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and the high rates of failure that once existed while undertaking orthopaedic surgeries. For further details, see "*Our Business – Our Competitive Strengths*" on page 152.

Apart from our reliance on Dr Vikram Shah for his expertise in the medical profession, we are also significantly dependent on him for setting our strategic direction and managing our business affairs. Accordingly, if Dr Vikram Shah is unable, or unwilling to be associated with us, our business and prospects could be severely impaired, and it would be difficult for us to find a suitable replacement. This apart, Dr Vikram Shah's disassociation from the brand "Shalby" could have an adverse impact on our future performance and results of operations.

8. ***Discontinuation of association by doctors and other healthcare professionals with our hospitals for any reason, and our inability to retain them may adversely affect our business and results of operations.***

We operate in an industry which is dependent on the availability of quality human resources, particularly doctors and other healthcare professionals. As on June 30, 2017, we engaged the services of 319 professional consultants, of which, 294 doctors were engaged by us on a full-time basis, and 25 doctors were engaged by us on a part-time basis. This apart, we also engaged the services of 699 nurses and 1,350 paramedical staff, corporate and support staff and pharmacists. Our ability to attract and retain doctors and other healthcare professionals depends on, among other things, the commercial terms of service or employment that we offer them, the reputation of our hospitals and the exposure to technology and research opportunities offered by us. There can be no assurance that we will be successful in controlling an increase in market trends of professional fees or salaries, as applicable, paid to doctors and other healthcare professionals. Further, an increase in the pay packages offered by us to our doctors and other healthcare professionals would lead to a reduction in our profitability. On the other hand, if we are unable to offer our doctors or other healthcare professionals competitive fees, salaries and perquisites, our relationship with them may deteriorate and consequently, we may be unable to retain them. We may not be able to recruit suitable personnel to replace such doctors and medical staff in time, or at all. This may negatively impact our ability to provide quality care to our patients resulting in a drop in the number of new patients registered, and existent patients returning to avail our healthcare services. As a result, our business and results of operations could be materially and adversely affected.

We spend significant time and resources in training the doctors and other healthcare professionals we recruit. Our success is substantially dependent on our ability to recruit, train and retain skilled doctors and other healthcare professionals. However, due to the challenging nature of the job and frequent poaching of manpower by competitors, there is a relatively higher rate of attrition in the healthcare sector. For instance, our Company has initiated arbitration proceedings against Viral Shah and Praveen Saxena, who were doctors engaged by us, for breach of the exclusivity terms of the consultancy agreements executed by them with our Company and commencing competing practice. For further information on the ongoing disputes involving our Company, Viral Shah and Praveen Saxena, see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Outstanding litigation* *involving our Company in accordance with the Materiality Policy – Civil Proceedings by our Company*" on page 390. Apart from doctors, we also face the challenge of a higher rate of attrition among our other employees. The attrition rate of employees during the three months period ended June 30, 2017, Fiscal 2017, and Fiscal 2016, was 13.24%, 48.92%, and,69.64%, respectively. Higher rates of attrition lead to an increase in our recruitment and training costs, which may have an adverse impact on our profitability and financial condition. High rates of attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for us to meet our future growth requirements. There can be no assurance that skilled manpower will continue to be available in sufficient numbers and at wages suitable to our requirement.

9. ***Delay in receipt of payment from our patients / customers may affect our cash flows, which may, in turn affect our financial condition and results of operations.***

Our patients either pay for their medical expenses themselves or through third party payers. Third party payers include central, state and local government bodies, private and public insurers, and corporate entities that pay for medical expenses of their employees. Agreements with third party payers typically specify the services covered, the approved tariffs for each of the services and the terms of payment. Our revenue received through such third party payers constitutes a key component of our total revenue from operations. For the three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, we billed ₹281.72 million, ₹1,049.79 million, ₹578.22 million and ₹843.71 million, respectively, to third party payers, which represented 32.98%, 33.40%, 20.79% and 32.14%, respectively, of our total revenue from operations for such periods. We are dependent on the timely payment of outstanding dues by such third party payers and we suffer from recurring time lapses in recovering our fees and costs incurred from such third party payers. If we do not receive payments on a timely manner from such third party payers, our cash flows could be affected, which may, in turn, materially and adversely affect our financial condition and results of operations.

As at June 30, 2017, we had outstanding gross receivables amounting to ₹97.35 million (less advances) from third party payers, which represented 25.35% of our gross trade receivables. We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payers. Provisions for disallowances increase the amounts we allocate towards provisions for doubtful trade receivables, increase our expenses, and reduce our profitability.

10. ***Change in government policies that relate to patients covered by government schemes could impact our revenue from operations.***

We provide medical services under various government schemes. For instance, we provide healthcare services to patients under the Central Government Health Scheme, the Ex-servicemen Contributory Health Scheme, and the Employees' State Insurance Scheme. Agreements with governmental organisations such as the Central Organisation, Ex-servicemen Contributory Health Scheme, and the Additional Director of the Central Government Health Scheme, specify applicable tariffs for the medical services and the terms of payment. Resultantly, if the applicable tariffs specified in the agreements with government payers or the extent of coverage or limits is reduced, or if the reimbursement policies are changed in the agreements with the government payers, or if the government payers terminate their agreements with us, the number of new patient registrations may decline and our revenue and profitability could be adversely affected. We normally receive payments from government agencies within 30 – 45 days, however, we have experienced delays in receiving these payments occasionally due to reasons not attributable to us.

Further, some of our hospitals may, in the future, be required to provide free or subsidised medical services and consumables to patients belonging to economically disadvantaged sections of the society, and certain other classes of patients. This may materially and adversely impact our financial condition, cash flows, and results of operations. For the three months period ended June 30, 2017 and Fiscal 2017, 11.25% and 10.54%, respectively, of our revenue was generated through patients covered under various government policies and schemes.

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

We compete with other hospitals, clinics and dispensaries of varying sizes with the ability to perform different kinds of services, some or all of which we may or may not be able to offer. Our competitors also include healthcare facilities owned or managed by government agencies and trusts, which may be able to obtain financing or make expenditure on more favourable terms than private healthcare facilities such as us. Our ability to compete in a given market is driven significantly by the extent and depth of diagnosis and procedural capabilities of our competitors and the complexities involved. The healthcare industry is driven by, amongst others, brand value and reputation, including skills of consulting doctors and the abilities of the surgeons. We are constantly required to evaluate and increase our competitive position in each of our markets, including meeting industry standards with regard to compensation of doctors and paramedical staff and offering our patients competitive rates for diagnosis, treatment and procedures. Some of our competitors may be more established and may have greater financial resources, personnel and other resources than us. Existing or new competitors may also price their services at a significant discount to ours or offer greater convenience or better services or amenities than we provide. Our competitors may compete with us for doctors and other healthcare professionals. This may result in a higher attrition rate at our hospital network and could negatively impact our ability to register new patients and provide high quality services. Further, our competitors may plan to expand their healthcare networks, which may exert further pricing and recruiting pressures on us. If we are unable to compete effectively with our competitors, our business and results of operations could be materially and adversely affected.

12. ***If we are unable to keep abreast with technological changes, new equipment and service introductions, changes in patients' needs and evolving industry standards, our business and financial condition may be adversely affected. Further, we will also incur costs associated with replacing obsolete equipment.***

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

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

Additionally, a number of medical equipment we use as part of our business have limited life span, and may become obsolete, including by reason of advancement of technology. We may be required to continually service our existing equipment and replace them whenever required, with new equipment. Replacement of medical equipment may be costly, and may involve significant capital expenditure, requiring that we plan for, and fund such expenditure in advance. Our cash flows and general financial condition may constrain us from replacing our medical equipment as and when appropriate. Any constraints on our ability to replace and upgrade our medical equipment may result in our inability to offer services that involve the use of such equipment, thus adversely affecting our revenue.

13. ***We have in the past ceased operations at certain facilities and / or decommissioned beds out of certain facilities and may continue to do so, which could adversely affect our business, financial condition, results of operations and prospects.***

We are continually impacted by economic and social factors in each of the locations we operate from. Our management decisions are influenced significantly by our current financial condition, expectations of future growth, relationship with our partners and our perception of opportunities, together with associated risks and costs. The foregoing factors may not enable us to implement our growth strategies as we would expect to. Our strategies may also change over a period of time, including having to exit certain markets, based on our experience with implementation and other market factors. For instance, in Fiscal 2017, we have temporarily suspended operations of one of our hospitals, Vrundavan Shalby, which led to the decommissioning of 41 beds on account of losses incurred. We will continue to cease operations out of facilities, the operations of which we believe are not commercially viable, while seeking to deploy our resources in more attractive opportunities. Cessation of operations, depending on the size and scale of the facility, may impact our operating results, such as revenue and profits. Changes in our strategies may require additional capital expenditure or writing-off investments already made. Constraints around implementation of growth strategies and investments that do not meet our expectations could adversely affect our business, financial condition, results of operations and prospects.

14. ***We may lose existing industry accreditations, fail to obtain accreditations for facilities for which we have made applications, or fail to renew our accreditations if we are not able to maintain or meet evolving accreditation standards.***

Our hospitals, Krishna Shalby, SG Shalby, Shalby Indore and Shalby Jabalpur are accredited by the NABH. Further, Krishna Shalby and SG Shalby are also accredited by the NABL. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 179. In addition, we have submitted an application to the NABH for accreditation of Vijay Shalby. These applications are pending scrutiny and inspection at various levels. Our ability to obtain and retain our accreditations depends on the standards and protocols we are required to maintain by the accrediting body. We may also be required to progressively achieve better standards and meet stricter requirements if norms for accreditation are revised. We may not be able to meet such standards. There can be no assurance that our pending applications for accreditations will be granted. We may face reputational risk if our accreditations are either withdrawn or not renewed. Any such action may adversely affect our revenue, prospects and results of operations.

15. ***Our Company is subject to certain financing covenants which, if breached, may trigger an event of default under our financing arrangements.***

Our Company has certain restrictive covenants, including financial covenants, under its financing arrangements. These covenants may involve conflicting interpretations based on derivations of financial information at certain dates. As a result, if our Company breaches certain covenants under such financing arrangements, it may lead to events of default under the relevant facilities and trigger cross-default provisions under other financing agreements, and entitle the respective lenders to enforce remedies under the terms of the financing documents. The various remedies available to lenders include (i) accelerating maturities of facilities sanctioned, (ii) terminating the loan and preventing any further drawing down of available funds under the existing facilities, (iii) imposing default interest charges, (iv) enforcing their security interests, (v) restriction from declaring or paying any dividend or other distribution in respect of share capital, and restriction on pay-out by way of salary to directors (other than professional directors) or by way of interest to other subordinated lenders, and (vi) exercising any other rights as may be available to the lenders under the transaction documents and as per applicable law. Further, in case of breach or event of default, the lenders / Reserve Bank of India / Credit Information Bureau of India Limited will have the unqualified right to disclose the name of our Company and Directors as defaulters in such manner and through such medium as they in their sole discretion deem fit.

We cannot assure you that one or more of our lenders under these financing agreements would not seek to enforce any remedies following any breach or event of default under the relevant financing agreement, as a result of which any one or all of the conditions set out above could be enforced resulting in a material adverse effect on our financial condition, business and results of operations. For details of our total outstanding borrowings, please see "*Financial Indebtedness*" on page 385.

16. ***Third parties from whose hospitals we operate our SACE may not be compliant with applicable laws relating to government approvals and licences, and may not have good and valid freehold or leasehold rights to their respective properties. Any adverse action against such third parties or the respective facilities may adversely affect our operations, revenue, and financial condition.***

We operate our SACE out of hospitals which are owned, managed and operated by third parties. Our revenue generation from our SACE in such hospitals is also dependent on patients visiting such hospitals. We do not exercise any oversight or control over the running or management of such hospitals or the doctors or paramedical staff employed in the hospitals. We are not in a position to monitor compliance by these hospitals with applicable laws, including obtaining and renewing regulatory approvals and licences. Any failure by the respective hospitals to obtain and renew regulatory approvals and licences on a timely basis may potentially result in adverse action being taken against such hospitals, including potentially, cessation of operations from such hospitals. To the extent that we operate out of these hospitals and are also dependent on these hospitals for patient footfall, we may be adversely affected in terms of revenue and financial position, as a result of non-compliance by the third parties with applicable law.

Further, while establishing a SACE in a third party premise, we do not conduct a title due diligence to verify if the third parties hold valid freehold or leasehold rights over the properties. While we believe that we have obtained sufficient contractual assurances as to their capacity to enter into arrangements with us, their title to properties may, as a matter of fact, be defective or subject to competing interests. Any adverse claims as to title or possession with respect to these facilities may potentially result in our inability to continue to operate out of them.

17. ***We may suffer reputational harm from the activities or omissions of hospitals managed by our partner hospitals under our O&M arrangements***.

As on the date of this Red Herring Prospectus, three of our hospitals were being operated under our asset-light O&M arrangement on a revenue sharing basis. As a part of our expansion strategies, we intend to strengthen our hospital presence in western and central India through a combination of various strategies including O&M arrangements with third party healthcare service providers. For further details, see "*Our Business – Our Business Strategy*" on page 156. While we continue to expand our footprint by collaborating with third party healthcare service providers, any reputational harm suffered by such third parties may directly impact us and our ability to generate revenue from such hospitals, including a decline in our patient footfall.

18. ***We are exposed to risks associated with clinical trials we undertake.***

We undertake clinical trials for a number of pharmaceutical companies. For further details, see "*Our Business – Hospitals – Ancillary Business – Clinical Research*" on page 166. Clinical trials involve the testing of new drugs and biologics on human volunteers. This testing carries risks of liability for personal injury, sickness or death of patients resulting from their participation in the study. These risks include, among other things, unforeseen adverse side effects, improper application or administration of a new drug or biologic, and professional malpractice. In addition, regulatory agencies may introduce new, stricter regulations that prevent or restrict clinical trials. The clinical studies may also be the focus of negative attention from special interest groups that oppose clinical trials on ethical grounds. We could be held liable for errors or omissions in connection with the services we perform or for the general risks associated with our clinical trials including, but not limited to, adverse reactions to the administration of drugs. While we have constituted ethics committees to oversee the clinical trials we conduct, which are duly registered with the licensing authority under the Drugs and Cosmetics Act, 1940, phase-wise approvals for clinical trials and registration of trials with the Clinical Trials Registry – India are undertaken by the sponsoring pharmaceutical companies. We do not monitor compliance by our sponsoring pharmaceutical companies with regulatory requirements applicable to them. We have not obtained any insurance coverage against risks associated with conducting clinical trials. If we are required to pay damages or bear the costs of defending any claim outside the scope of, or in excess of, the contractual indemnification provided by our clients, our business and results of operations may be adversely impacted.

19. ***Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business. Further, we may require additional funding to finance our operations, for which financing may not be available on terms acceptable to us or at all.***

As at October 31, 2017, on a consolidated basis, we had outstanding secured borrowings aggregating to ₹ 3,339.62 million. All borrowings availed by us have been utilised for purposes authorised under the Memorandum of Association, and for such purposes for which the borrowings were advanced to us. Many of our financing agreements include various conditions and covenants that require us to obtain consents from lenders prior to carrying out certain activities and entering into certain transactions such as altering the Memorandum and Articles of Association, effecting any change in our capital structure and issuing any fresh capital. Our Company has received consent from its lender to undertake the Offer and related activities, as applicable.For further details of the restrictive covenants, see "*Financial Indebtedness*" on page 385. Further, a number of our lenders require that our Individual Promoter, Dr Vikram Shah shall hold at least 51% of our Company's share capital, directly or indirectly, at all times.

We are dependent on financing facilities to run our business, and may continually require debt funding for expansion and capital expenditure. For instance, we have financed, and will continue to finance the purchase of medical equipment, buildings, and other installations through loans. We have created security interests in favour of our creditors who have extended financing to us by way of hypothecation and mortgages. We are required, on a continual basis to service these loans, including interest owed on the loans. In the event we fail to service our debt obligations in a timely manner, we run the risk of our creditors repossessing our assets hypothecated or mortgaged to them towards recovery of monies due from us. If our lenders take any enforcement action with respect to our assets, we may not be able to utilise such assets. Our financial condition and revenue may therefore be adversely affected as a result of any such action.

Any failure to comply with the requirements, conditions or covenants of any of our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross-default provisions under certain of our other financing agreements, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. Further, we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest. Any default and the consequences thereof may also result in a decline in the trading price of our Equity Shares and you may lose all or part of your investment. Any action initiated by a lender may result in the price of the Equity Shares being adversely affected along with our ability to obtain further financing from banks and financial institutions. Moreover, our ability to borrow and the terms of our borrowings depends on our financial condition, the stability of our cash flows and our capacity to service debt in a fluctuating interest rate environment. As a result, our business and financial condition may significantly and adversely be impacted.

20. ***Our Company and some of our Subsidiaries have availed of unsecured loans, which may be recalled any time. Any recall of such loans may have an adverse effect on our financial condition and the financial condition of our Company and our Subsidiaries.***

As at October 31, 2017, on a consolidated basis, we had outstanding unsecured borrowings aggregating to ₹750.00 million. There can be no assurance that the lenders will not recall such borrowings or if we will be able to repay loans advanced to us in a timely manner or at all. Any failure to repay our loans would expose us to a potential loss which could adversely affect our business, financial condition, cash flows and results of operations. For more further details in relation to our unsecured loans and the unsecured loans availed by our Subsidiaries, see "*Financial Indebtedness*" on page 385.

21. ***A portion of the Net Proceeds would be utilised to pre-pay a loan facility availed by our Company from IDFC Bank Limited, which is one of the BRLMs.***

Our Company has availed a loan from IDFC Bank Limited, one of our BRLMs, as part of its normal borrowing activity ("**IDFC Loan**"). As part of Objects of the Offer, our Company proposes to repay or pre-pay certain loans availed by our Company from various lenders including IDFC Bank Limited. In terms of the sanction letter and the loan agreement for the IDFC Loan, our Company is required to mandatorily prepay atleast 30% of the amount outstanding under the IDFC Loan from the Net Proceeds.

Accordingly, a portion of the Net Proceeds would be utilised towards pre-payment of the IDFC Loan. For further details of the IDFC Loan, see "Objects of the Offer" on page 106.

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

Our profitability is subject to the cost of medical equipment, drugs and consumables. The complex nature of certain treatments, such as joint replacement surgeries, liver and kidney transplantations, and medical procedures we perform, requires us to invest in technologically sophisticated equipment. Such equipment is generally very expensive and forms a major component of our annual capital expenditure. For the three months period ended June 30, 2017 and Fiscal 2017, our expenditure towards purchase of medical equipment (gross block) was ₹1,548.89 million and ₹1,422.13 million, respectively, of our total expenditure. Our profitability is affected by our ability to achieve favourable pricing on our medical equipment, drugs and consumables from our vendors as well as other vendor financing received with respect to our medical equipment in the normal course of business. As vendor negotiations are continuous and reflect the on-going competitive environment, the variability in timing and amount of incremental vendor discounts and rebates can affect our profitability. Further, such increased costs may negatively impact our ability to deliver quality care to our patients at competitive prices, or at all. If we are unable to adopt alternative means to deliver value to our patients, our revenue and profitability may be materially and adversely affected. Further, we may be unable to anticipate and react to the increase in the cost of medical equipment, drugs or consumables in future, or may be unable to pass on such cost increases to our payers, which could materially and adversely affect our profitability.

23. ***We rely on third party suppliers and manufacturers for our equipment, reagents and drugs. Failure of such third parties to meet their obligations, or our failure to negotiate better terms with such third parties could adversely affect our business and results of operations.***

Hospitals require large quantities of medicines, drugs and equipment to treat patients. These will need to be procured across our various locations on a regular basis and at certain quantities to be able to meet expected patient demand. This makes our business heavily dependent on drug and equipment manufacturers, who deal with hospitals through an array of intermediaries, such as distributors and stockists.

We do not have long term contracts for the procurement of drugs, reagents, and equipment. We source our equipment, reagents and drugs from third party suppliers under various arrangements on the basis of various purchase orders issued by us from time to time. Our suppliers have no obligation to supply drugs and reagents to us, or to negotiate any rates with us. They may choose not to renew existing arrangements, which will result in our inability to procure drugs, reagents, and other medical consumables for our hospitals. Further, our ability to obtain drugs or reagents of sufficient quantities is limited by manufacturers' production, and the demand for drugs and reagents in the market generally. A number of micro and macro-economic factors impact the production and supply chain for drugs and reagents and these have a direct bearing on the prices, the availability and our ability to procure drugs, reagents, and other medical consumables from our distributors at competitive rates. Any failure to procure such equipment, reagents or drugs on a timely basis, or at all, from such third parties and on commercially suitable terms, could affect our ability to provide our services. In addition, manufacturers may discontinue or recall equipment, reagents or drugs used by us, which could adversely affect our ability to provide our services, and therefore, could adversely affect our business and results of operations.

24. ***As we continue to expand our footprint internationally, we remain subject to a variety of risks relating to volatile economies, political instability, foreign currencies, and local laws.***

Currently, our international footprint consists of five Outpatient Clinics and one SACE spread across Ethiopia, Kenya, Tanzania, and Uganda in Africa, and two SACE in Ras al-Khaimah and Dubai in the UAE. As we continue to expand our international footprint, some of the risks we are subject to include the following:

- Difficulties and increased expenses in complying with a variety of foreign laws and regulations;
- Unfavourable tariffs and other barriers;
- Risk of change in international political or economic conditions;

- Our inability to defend prosecutions;
- Challenges in procuring qualified manpower, staffing, and managing foreign operations;
- Restrictions on repatriation of earnings;
- Fluctuations in currency exchange and interest rates;
- Our inability to successfully execute partnership arrangements with our SACE partners, and other arrangements with qualified medical professionals;
- Hyperinflation in some countries;
- Natural calamities and unfavourable global conditions such as political disturbances, terrorism, and outbreak of epidemics; and
- The imposition of healthcare, employment, and environmental laws which we may not be able to comply with.

The economies of African countries are extremely diverse and include some of the world's fastest and slowest growing economies. Their variances in gross domestic product place a heavy burden on us, requiring us to have a strong appetite for risk while considering our expansion strategies into certain African nations. Our international operations also expose us to different local political and business risks and challenges. For example, as we continue to expand our presence into underpenetrated countries, we may be faced with periodic political issues which could result in currency risks, or the risk that we are required to include local ownership or management in our businesses. The abovementioned risks in respect of foreign jurisdictions may impair our ability to generate revenue in those regions in future.

25. ***Our Company and certain doctors employed with our Company are involved in, and may in the future, be involved in certain medical negligence cases, and the claims of the complainants in such cases may exceed the professional indemnity insurance cover availed by our Company.***

We are exposed to the risk of alleged malpractice claims and regulatory actions arising out of medical services provided by us, including medical services provided to us through Shalby Homecare. For instance, we are presently party to a civil proceeding instituted by one, Dr Mohamed Vadaliwala, seeking damages amounting to ₹6.99 million for alleged medical negligence caused to him during a knee surgery undertaken at SG Shalby. For details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Outstanding litigation involving our Company in accordance with the Materiality Policy – Civil proceedings against our Company*" on page 388. We rely on our doctors and other healthcare staff to make proper clinical decisions regarding the diagnosis and treatment of our patients at our hospitals and through Shalby Homecare. However, we do not have direct control over the clinical activities of our doctors and other healthcare staff, as their diagnoses and treatments of patients are subject to their professional judgement, and in most cases, must be performed on a real-time basis. Any incorrect clinical decisions or actions on the part of our doctors and other healthcare staff or any failure by us to properly manage their clinical activities may result in unsatisfactory treatment outcomes, patient injuries or possible patient death. Current or former patients or their families may threaten or commence litigation for medical negligence or malpractice against us. If such claims succeed, we may become liable for damages and other financial consequences and may even be exposed to criminal liability, which may materially and adversely affect our reputation, financial condition and results of operations. While medical negligence cases are covered under professional indemnity insurance policies, there can be no assurance that such insurance cover would be adequate to cover compensation claims in such cases if these medical negligence cases were to be decided in favour of the claimants.

Additionally, our clinical trials may cause unforeseen adverse side effects resulting in personal injury, sickness or death of patients participating in such trials. We could be held liable and may be required to pay damages, for errors or omissions in connection with the services we perform with respect to such clinical trials, or for the general risks associated with our clinical trials, including, but not limited to, adverse reactions to the administration of drugs. Additionally, our clinical trials may also be the focus of negative publicity from special interest groups that oppose clinical trials on ethical grounds. In addition, the reputational consequences of any claims may materially and adversely affect our business, reputation and operations. Regardless of their validity, negative publicity arising from such claims may tarnish our professional standing and market reputation and / or that of the physicians and other healthcare staff involved, and may adversely affect the number of new patients registered and treated and the amount of revenue generated by us. Moreover, if any such claims succeed, we may become liable for the damages and other financial consequences, which may materially and adversely affect our financial condition and results of operations.

26. ***Most of our radiotherapy and diagnostic imaging equipment contain radioactive and nuclear materials or emit radiation during operation which could make us liable for damages.***

Radioactive procedures are commonly used in medical applications. Beginning with x-rays, to scans and advanced procedures to treat malignancy, our hospitals routinely use equipment that deal with radioactive substances. We are required by various regulations promulgated under the Atomic Energy Act, 1962, and administered by the Atomic Energy Regulatory Board ("**AERB**"), to obtain certifications, licences and registrations for various processes and medical applications involving radioactive substances. The AERB also imposes stringent control requirements as to the use, handling and disposal of radioactive substances and procedures. A number of record maintenance requirements are also applicable to our Company. Despite precautions and compliance with regulations, the risk exists that accidents could occur during our operation of radiation generating equipment and use of radioactive material, resulting in the release of radiation or leakage of substances in a manner or to an extent unsafe for human beings or for the environment in general. Such accidents involving radioactive substances can be devastating to human life and well-being, including causing death. We may be liable for all such damage caused as a result of any accident, and may be required to compensate persons suffering injury as a result of such exposure to radiation. Such damages may materially impact our business and financial condition.

27. ***Because of the risks typically associated with the operation of medical care facilities, patients may contract serious communicable infections or diseases at our facilities.***

Our operations involve treatment of patients with a variety of infectious diseases. Despite the exercise of abundant caution by us, previously healthy or uninfected people may contract serious communicable diseases in connection with their stay or visit at our facilities. This could result in significant claims for damages against us and, as a result of reports and press coverage, loss of reputation. Furthermore, these germs or infections could also infect employees and thus significantly reduce the treatment and care capacity at our medical facilities in the short, medium and long-term. In addition to claims for damages, any of these events may lead directly to limitations on the activities of our hospitals as a result of quarantines, closing of parts of the hospitals at times for sterilisation, regulatory restrictions on, or the withdrawal of, permits and authorisations, and it may indirectly result, through a loss of reputation, in reduced utilisation of our hospitals. Any of these factors could have a material adverse effect on our reputation and business.

28. ***We administer certain educational courses to doctors and paramedics. Resultantly, we are required to meet accreditation requirements and standards stipulated by third parties as a result. Failure to meet such requirements and standards could result in our being unable to provide these courses.***

We offer certain educational programmes to doctors and paramedics through Shalby Academy, in association with the Gujarat Paramedical Council, and the National Board of Examination. These programmes include diploma in orthopaedics and fellowship in critical care. For further details, see "*Our Business – Description of our Business – Ancillary Business*" on page 166. To this end, we are required to comply with a number of accreditation requirements and maintain standards prescribed by such organisations on a continual basis to be able to continue to provide these courses. Failure to meet such requirements and standards could result in our being unable to provide these courses.

29. ***If we are unable to increase our hospital occupancy rates and reduce ALOS, we may not be able to generate adequate returns on our capital expenditure.***

We have invested and continue to invest a significant amount of capital expenditure in expanding bed capacity and opening new hospitals. Our current expansion plan involves the setting up of two new hospitals, namely, Shalby Nashik and Shalby Vadodara, and expansion of one existing hospital, namely Zynova Shalby, in India. For details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. We have also introduced new technologies, modernized our facilities and expanded our range of services.

We intend to focus on improving occupancy rates throughout our hospital network. Improving occupancy rates at our hospitals is highly dependent on brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain well-known and respected doctors, our ability to develop practices and our ability to compete effectively with other hospitals and clinics.

Our occupancy rates stood at 33.76%, 34.48%, 31.75% and 40.95% for the three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016, and Fiscal 2015, respectively, and we also incurred significant capital expenditure (net) of ₹5,937.95 million, ₹5418.84 million, ₹4,003.39 million, and ₹2,496.18 million for the three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, respectively. If we fail to improve our occupancy rates, but continue to incur significant expenditure in the future, this could materially adversely affect our operating efficiencies and our profitability.

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

There are outstanding legal proceedings against and initiated by us, certain Subsidiaries, our Promoters, our Directors, and certain Group Entities, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company, our Subsidiaries and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. A list of outstanding legal proceedings as on the date of this Red Herring Prospectus are set out below:

Nature of cases	No. of cases	Total amount involved (in ₹ million)
Against our Company		
Tax	NIL	NIL
Civil cases	21	70.18
Criminal cases	NIL	NIL
By our Company		
Tax	12	674.71
Civil cases	13	274.77
Criminal cases	3	1.30
Against our Subsidiaries		
Tax	NIL	NIL
Civil cases	NIL	NIL
Criminal cases	NIL	NIL
By our Subsidiaries		
Tax	2	3.35
Civil cases	NIL	NIL
Criminal cases	NIL	NIL
Against our Promoters		
Tax	NIL	NIL
Civil cases	5	11.09
Criminal cases	2	NIL
By our Promoters		
Tax	5	43.45
Civil cases	NIL	NIL
Criminal cases	NIL	NIL
Against our Directors		
Tax	NIL	NIL
Civil cases	5	11.09
Criminal cases	2(1)	NIL
By our Directors		
Tax	1(2)	0.57
Civil cases	NIL	NIL
Criminal cases	NIL	NIL
Against our Group Entities		
Tax	NIL	NIL
Civil cases	1	*Negligible*
Criminal cases	NIL	NIL
By our Group Entities		
Tax	NIL	NIL
Civil cases	5	0.50
Criminal cases	2	2.45

(1) *Includes criminal proceedings instituted against one of our Individual Promoters, Dr Vikram Shah.*
(2) *Includes tax litigation initiated by one of our Individual Promoters, Dr Vikram Shah.*

For further details, see "*Outstanding Litigation and Material Developments*" on page 387.

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

31. ***Our statutory auditors have included certain qualifications and matters of emphasis in their auditor's reports.***

The Statutory Auditor's report on our restated consolidated financial statements for Fiscals ended March 31, 2015, March 31, 2014, and March 31, 2013 ("**Auditor's Report**"), was qualified to indicate payments made by VSHL to certain of its directors, without any contractual obligation on the part of VSHL to make such payment. Further, the Auditor's Report states that such payment made by VSHL to certain of its directors, amounts to payments in the nature of loans and advances. However, these advances with debit balances amounting to ₹12.17 million which stand receivable from the concerned directors of VSHL, as well as the firm / company / trust in which such directors are interested, may not be recovered, and have become doubtful recovery, especially in view of the fact that no recovery was made during the Fiscal ended March 31, 2013. Further, the Statutory Auditor's report for Fiscal ended March 31, 2013, states that no appropriate provision has been made for doubtful advances and accordingly, the short term loans and advances were overstated by ₹12.17 million. In the Statutory Auditor's report for Fiscal ended March 31, 2014, it was observed that the aforementioned short term loans and advances were overstated by ₹9.87 million, resulting in the consolidated profits of our Company also being overstated, with no appropriate provision having been made for doubtful advances. Further, the aforementioned short loans and advances were advanced to the relative of a director, firm / company / trust, in which such director / relatives of directors are interested, which could not be fully recovered and has hence, become a doubtful recovery.

Further, during the Fiscals ended March 31, 2014 and March 31, 2015, ₹2.30 million and ₹0.54 million, respectively, were recovered from the concerned directors and accordingly, the balance bad debt / advances of ₹9.33 million was written off during the Fiscal ended March 31, 2015, and had been adjusted against the balance amount of the provision so made. Further, in the Auditor's Report for Fiscal ended March 31, 2015, it has been stated that VSHL has carried the balances, including adverse and stagnant balances of trade payables, trade receivables, loans and advances and borrowings from directors as disclosed in the standalone financial statements of VSHL. While VSHL has claimed to have issued letters to all vendors for balance confirmation, the impact of such non-reconciliation and non-adjustments, if any, on the consolidated profit for the year has not been ascertained by the statutory auditors.

Further, the Company Auditors Report Order ("**CARO**") for Fiscal ending March 31, 2013 stated that as per the information and explanation given to the Auditors, and on the basis of their overall examination of the balance sheets of the Company, the funds raised on short term basis had been used for long term investments (including deferred tax assets) to the extent of ₹13.25 million. Additionally, CAROs across Fiscals ended March 31, 2013, March 31, 2014, March 31, 2015, and March 31, 2016 provided details of disputed dues aggregating to ₹543.08 million, which have not been deposited in relation to demand notices issued by assistant commissioners of income tax and sales tax. The CARO for the year ended March 31, 2016 stated that the title deeds of immoveable properties are held in the name of the Company, except freehold land and leasehold land aggregating to ₹473.33 million, which were acquired pursuant to schemes of amalgamation in the nature of a merger. The aforementioned parcels of land are pending for registration in the name of the Company. The aforementioned CARO further stated that all the existing buildings of the Company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

The Auditor's Report also includes certain emphasis of matters. For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Reservations or qualifications or adverse remarks of auditors in the last five Fiscals*" on page 377.

32. ***We have issued Equity Shares during the last one year at a price that may be lower than the Offer Price.***

We have issued Equity Shares during the last one year at a price that may be lower than the Offer Price. For details, see "*Capital Structure – Share Capital History of our Company*" on page 88.

33. ***We are dependent on obtaining and maintaining certain governmental and regulatory licences and we have not obtained certain approvals, registrations and licences with respect to our operations in certain facilities including our hospitals and domestic Outpatient Clinics, and certain approvals for which we have made applications in the past, have been rejected. Our ability to operate out of such facilities or carry on the relevant activity / procedures in question, may be impeded as a result, thus adversely impacting our operations and revenue.***

We operate in a heavily regulated environment and are required to periodically obtain a number of approvals and licences from governmental and regulatory authorities. For an overview of the applicable regulations and the nature of approvals and licences to be obtained, see "*Regulations and Policies*" on page 171. Such approvals and licences may or may not be granted or renewed by the relevant governmental or regulatory authorities. There is no assurance that such approvals and licences will be granted or renewed in a timely manner. For instance, in December, 2014, the SMJH Trust made an application with the Municipal Corporation of Jabalpur, for a works completion certificate in respect Shalby Jabalpur's hospital building. By way of a letter dated December 19, 2014, the Municipal Corporation of Jabalpur, refused to accept the application submitted by SMJH Trust, on the grounds of the public interest litigation, filed by Kamlesh Agrawal against the SMJH Trust in the High Court of Madhya Pradesh, being unresolved and pending. For details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Outstanding litigation involving our Company in accordance with the Materiality Policy – Civil proceedings against our Company*" on page 388.

Failure to obtain or renew such approvals and licences in a timely manner can prevent us from operating the relevant facilities or from operating certain equipment which requires us to obtain the relevant approval or licence. We may, as a result, be compelled to cease using such equipment, or cease operations altogether from such facilities, until such time that the approval or licence applied for has been granted. Our failure therefore to obtain or maintain licences and approvals on a timely basis may adversely affect our business, financial condition, results of operations, cash flows and prospects.

Further, as on the date of this Red Herring Prospectus, we provide outpatient services through 42 domestic Outpatient Clinics, of which three Outpatient Clinics are solely operated by us, and 39 are operated on the basis of revenue sharing arrangements with third party healthcare service providers. In respect of our domestic Outpatient Clinics that are being operated under revenue sharing arrangements, the obligation of obtaining requisite licenses and registrations to operate such Outpatient Clinics lies with our third party partner. For details, see "*Our Business – Description of Business*" on page 158. In respect of the three Outpatient Clinics being solely operated by us, we have neither made applications for, nor obtained, statutory approvals required to operate such Outpatient Clinics. Our failure to obtain such approvals could require us to undertake significant changes to our business and operations. Further, we may also be subject to penal action through fines and penalties, including the potential loss of business licenses and suspension or cessation of operations of our Outpatient Clinics. The occurrence of such events may materially and adversely affect our business and results of operations.

In respect of services offered at some of our hospitals, we have either submitted applications or are yet to make applications for necessary permissions and licenses. Details of the pending approvals, permissions and licenses in respect of our hospitals have been identified in "*Government and other Approvals – Pending Approvals*" on page 400.

Where we have filed applications for grant of approvals, there is no assurance that approvals will be forthcoming. The approvals, registrations and licences which we have not obtained are either fundamental to our ability to continue operations from such facilities or performance of particular procedures and our failure to obtain them may materially and adversely impact our operations and revenue.

34. ***Failure to comply with laws and regulations applicable to our business and the industry in which we operate, could result in prosecution, including imprisonment and fines or incur costs that could have a material adverse effect on our ability to run our business.***

The healthcare industry in India is subject to various laws, rules, regulations, and procedures. For a description of the regulations to which we are subject, see "*Regulations and Policies*" on page 171. Given our line of business and current geographical presence, we are subject to various and extensive local laws, rules, regulations, and procedures. These include laws which govern the stocking and distribution of drugs, the minimum standards for clinical facilities and services provided by healthcare establishments, laws which govern the transplantation of human organs for therapeutic purposes, as well as laws which regulate the control and use of atomic energy in healthcare establishments. Typically, the laws which we are governed by prescribe various standards governing factors such as the quality of medical equipment and services, the adequacy of medical care offered by us, area and equipment specifications, discharge of pollutants in the air and water, handling and disposal of biomedical, radioactive and hazardous wastes, minimum qualifications of medical and support personnel, confidentiality, and maintenance and security issues associated with health-related personal, sensitive information and medical records. For instance, since we use equipment which emit radioactive substances at our hospitals, we continue to remain governed by the Atomic Energy (Radiation Protection) Rules, 2004 ("**Radiation Protection Rules**"). The Radiation Protection Rules *inter alia*, regulates the handling and operation of any radiation generating equipment, and stipulates the requirement for a permission to be obtained for such handling and operating. As per the Radiation Protection Rules, no person is permitted to establish or decommission a radiation installation, or handle or operate any radiation generating equipment, except in accordance with the terms and conditions prescribed under a license obtained in accordance with the Radiation Protection Rules. Failure to comply with the provisions of the Radiation Protection Rules entails imprisonment, which may extend to a term of five years, or fine, or both. This apart, we are also governed by India's information technology regulatory framework which regulates the collection, storage, and dissemination of a patient's medical records and history, which are deemed to be sensitive data or information under the provisions of the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011. In the event where a patient's medical records and / or history are negligently handled by us, we may be subject to penal action, and may also be required to pay an aggrieved patient damages in accordance with the provisions of the Information Technology Act, 2000.

Similarly, the healthcare industry in India is heavily regulated by numerous environmental legislations. The Environment Protection Act, 1986, and the rules made thereunder regulate our discharge of pollutants in the air and water, whilst also dealing the manner in which we are required to handle and dispose hazardous substances and bio-medical wastes. Under extant environmental laws, we are required to obtain registrations from the relevant State Pollution Control Board to be able to discharge pollutants in the air and water, and handle and dispose hazardous and bio-medical wastes. We are also required to take a number of precautionary measures and follow prescribed practices in this regard. Our failure to comply with these laws could result in us being prosecuted, including our directors and officers responsible for compliance being subjected to imprisonment and fines. We may also be liable for damage caused to the environment. Any such action could adversely affect our business and financial condition.

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

We have various transactions with related parties, including our Promoters, Group Entities and Directors. These related party transactions include, among others, sale of pharmacy products and consumables, implants and other consumables. For further details of our related party transactions, see "*Financial Statements – Annexure 35 – Standalone Summary Statement of Related Parties as restated*" and "*Financial Statements – Annexure 35 – Consolidated Summary Statement of Related Parties as restated*" on pages 337 and 279.

Additionally, for details on the interests of our Promoters, Directors and Key Management Personnel, other than reimbursement of expenses incurred, normal remuneration or benefits, see "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 187 and 204, respectively. These transactions may involve conflicts of interests, which may be detrimental to us. We cannot assure you that such transactions could not have been made on more favourable terms with unrelated parties. Wherever related party transactions have not been undertaken by us on an arm's length basis, the approval of our shareholders has been obtained in accordance with the provisions of the Companies Act, 2013. For instance, on February 6, 2017, the approval of our shareholders was obtained for the following related party transactions, which were not being undertaken by our Company on an arm's length basis: (i) the execution of a lease agreement dated March 8, 2017, between our Company with Shalby Orthopaedic Hospital and Research Centre, for lease of the land on which Vijay Shalby is located, for a period of ten years with effect from March 1, 2007 to February 28, 2027, at a lease rental of ₹50,000 per month, (ii) the execution of a lease agreement dated March 8, 2017, between our Company and our Individual Promoter, Dr Vikram Shah, for lease of the land on which SG Shalby is located, for a period of ten years with effect from March 1, 2017 to February 28, 2027, at a lease rental of ₹0.5 million per month, and (iii) the execution of a lease agreement dated May 16, 2017, between our Company, Dr Vikram Shah and Mr Uday Bhatt, for lease of the land on which Shalby Naroda is located, for a period of 30 years with effect from the date on which the building use permission is granted by concerned authorities. The total consideration payable by our Company to both Dr Vikram Shah and Uday Bhatt for use of the land on which Shalby Naroda is located is inclusive of (a) a guaranteed minimum monthly rental of ₹0.1 million, and (b) a revenue sharing of 2.5% of the gross revenue received and / or generated by Shalby Naroda, and booked on the credit side of profit and loss accounts, in the books of accounts of our Company, payable by our Company to both Dr Vikram Shah and Uday Bhatt. For details, see "*Our Promoters and Promoter Group – Interests of Promoters*" on page 206.

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

36. ***We have not entered into formal agreements with some of the landlords / third party hospitals in respect of the premises that we occupy to provide outpatient services through our Outpatient Clinics. Our ability to continue operations from such premises may accordingly be limited or restricted. Further, some of the agreements executed by us are inadequately stamped.***

We occupy properties belonging to third parties for the purpose of operating our Outpatient Clinics under various arrangements with the owners of such properties. As on the date of this Red Herring Prospectus, we are yet to enter into formal lease, leave and license or revenue sharing arrangements for 16 domestic Outpatient Clinics. Accordingly, such arrangements may be viewed as a month to month tenancy, and we may be required to vacate such premises and cease operations from such facilities in the event that we are not able to formalise or renew our rights to such properties. Our revenue may be impacted as a result of loss of rights to operate these clinics from such third party properties. During Fiscal 2017 and the three months period ended June 30, 2017, the Outpatient Clinics generated a revenue of ₹2.47 million and ₹0.41 million, respectively. As at June 30, 2017, our Company has not incurred any capital expenditure in operating these Outpatient Clinics. In the event where we are unable to execute formal agreements with some of the landlords / third party hospitals in respect of our premises that we occupy to provide outpatient services through Outpatient Clinics, we face the risk of losing future revenues that could be generated through these Outpatient Clinics.

Further, our Company has entered into certain agreements in India which are inadequately stamped. Failure to stamp a document does not affect the validity of the transaction embodied therein, but renders the document inadmissible as evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. We cannot assure you that such agreements which are inadequately stamped can be enforced by us. In addition, imposition of penalties by the authorities on us for inadequate stamping of such agreements may have an adverse effect on our business, financial condition and results of operations.

37. ***We may not be able to protect our brand name and trademarks.***

Our name and trademarks support our business. We believe that our reputation and brand are associated with the "Shalby" name, and that this association has contributed towards the success of our business. We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our healthcare services from those of our competitors and creating and sustaining demand for our healthcare services. As on the date of this Red Herring Prospectus, we have filed seven applications under Class 5, Class 10, Class 16, Class 35, Class 41, Class 42, and Class 44 for registration of the trademark "Shalby". This apart, we have also filed six applications under Class 5, Class 10, Class 42, and Class 44 for registration of the trademarks, 'Keep Walking Get Going', "KEEP WALKING", and "Shalby Homecare".

Of these trademark applications, two applications have been objected, and three applications have been opposed. We may be subjected to claims of infringement of trade mark by one or more persons, and proceedings in this regard may be adverse to our Company. We may not be able to use trade marks in the event we are found to be infringing third party intellectual property. Our Company may also be refused registration in the event our Company's trademarks do not qualify for registration. We have neither performed a search nor conducted any enquiry as to the registrability of our trademarks, including assessment of similarities and verification of prior use, if any, by third parties. We may be liable in damages to third parties as a result of infringement of intellectual property.

Third parties may assert intellectual property claims against us, particularly as we expand our business and the number of healthcare services we offer. Our defence of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability. In addition, resolution of claims may require us to cease using those rights altogether.

Unauthorized use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our business, financial condition and results of operations. Intellectual property rights and our ability to enforce them may be unavailable or limited in some circumstances. Loss of intellectual property may significantly affect our media and advertising activities, and loss of equity for the "Shalby" brand, thus adversely affecting our business, revenue and prospects.

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

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of labour unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment of employees. Our employees are not unionised, and in the event that employees at our hospitals seek to unionise, our costs may increase and our business could be adversely affected. Occurrence of any strikes and work-stoppage in the future will adversely affect our reputation, business, financial condition and results of operations.

39. ***The Promoter Group does not include Smita Shah and Parul Shah (sisters of Dr Vikram Shah and sisters-in-law of Dr Darshini Shah, the Individual Promoters), or any entity in which they may have an interest, respectively.***

The Promoter Group does not include Smita Shah and Parul Shah (sisters of Dr Vikram Shah and sisters-in-law of Dr Darshini Shah, the Individual Promoters), or an entity in which Smita Shah and Parul Shah may have an interest. Due to their relationship with Dr Vikram Shah and Dr Darshini Shah, we have not been able to obtain any information or undertakings from Smita Shah and Parul Shah, or any entity in which they may have an interest, as the case may be, as is customarily obtained in offerings in the nature of the Offer. As such, this Red Herring Prospectus does not contain any information or undertakings in relation to Smita Shah and Parul Shah, or an entity in which they may have an interest, respectively. For details, see "*Our Promoters and Promoter Group*" on page 204.

40. ***Our insurance coverage may not adequately protect us against certain operating hazards and this may have an adverse effect on our business. Further, our insurance premia may increase and any significant deterioration in our claims experience, may result in insurance not being available to us on acceptable terms.***

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. We have not provided indemnity insurance for our doctors and there is no certainty that we will be able to adequately satisfy all claims arising from medical negligence or malpractice. Additionally, although pursuant to the terms of the medical consultancy contracts with our doctors, such doctors are required to obtain professional indemnity insurance, some of our specialist physicians do not maintain such insurance. As a result, any successful claims against us in excess of the insurance coverage may adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects. Insurance against losses of this type can be expensive and insurance premiums may increase in the near future. Insurance rates may also vary by speciality and other factors. The rising costs of insurance premiums could have a material adverse effect on our financial position and results of operations.

Additionally, although we maintain workmen's compensation insurance to cover us for costs and expenses we may incur due to radiation injuries to our employees in our workplace, including those resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. Similarly, while we maintain fire insurance to cover us for costs and expenses arising out of damage caused by fire, there is no certainty that such insurance will be adequate to cover all liabilities that may arise on account of fire hazards at any of our hospitals.

We also do not maintain any business interruption insurance. Any business disruption could result in substantial expenses, diversion of resources and could have a material adverse effect on our business, financial condition and results of operations. Further, our expenditure towards obtaining insurance may increase if the premium to be paid on our policies is increased by insurance companies. Further, the more the number of claims we make on an insurer with respect to a particular risk, the worse our claim history becomes, thus resulting in a potential increase in premium payable when we renew our insurance policies. Increase in insurance premium payable may impact our profits adversely.

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

Penetration of health insurance providers in India is very low. In the absence of health insurance, procedures and diagnostics involving significant costs may not be affordable to a number of patients. Such patients may choose not to undergo such procedures, despite being in need of them, or may choose to undergo similar procedures from hospitals which are less costly.

Further, most indemnity plans under health insurance policies in India are designed so that the insured is responsible to pay out-of-pocket expenses to the healthcare providers and then file a claim to get reimbursed. This reimbursement policy favours wealthier patients. In contrast, the lower income households are unable to afford the insurance premium or pay the medical fees upfront. Furthermore, most health insurance policies in India cover only inpatient care costs. Consequently, higher out-of-pocket expenses related to healthcare in India may make healthcare unaffordable for lower income households. Due to the lack of viable health insurance policies in India, demand for our medical services may not increase as expected. As a result, we may not be able to provide medical services and may not benefit from the revenue we may expect to realise from such services.

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

Certain of our Subsidiaries have incurred losses during Fiscals 2017, 2016, and 2015, as set out below.

Name of the Subsidiary	**Losses for the Fiscal (₹ in million)**		
	2017	**2016**	**2015**
Yogeshwar Healthcare	-	(1.76)	(3.11)
VSHL	(22.45)	(28.33)	(28.76)
Shalby International	(0.02)	(0.26)	-
Shalby Kenya	-	(2.22)	*Negligible*

For further details on our Subsidiaries, see "*History and Certain Corporate Matters – Our Subsidiaries*" on page 181.

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

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

As at June 30, 2017, our contingent liabilities, as per Accounting Standards 29 – provisions, contingent liabilities and contingent assets, that have not been provided for are as set out in the table below:

Sr. No.	Particulars	As at 30th June, 2017
A.	**Contingent Liabilities not provided for in respect of**	
(i)	Claim against the company not acknowledged as debt	75.72
(ii)	Income Tax Demand for Assessment Years	
	2010-2011	24.61
	2011-2012	13.43
	2012-2013	2.06
	2014-2015	13.31
	Total	**53.41**
(iii)	Letter of Credit	11.98
(iv)	Bank Guarantee	8.56
(v)	Sales Tax Demand including Interest and Penalty for Financial Years (Based on Expert Advice Received by Client)	
	2009-2010	5.42
	2010-2011	2.02
	2011-2012	1.82
	2012-2013	1.96
	2013-2014	2.94
(vi)	Tax Deducted at Sources Demand for Assessment Year (Inclusive of Interest) (Based on expert advice received by client)	
	2008-2009 to 2016 -2017	0.52
	2014-2015	29.97*
	(*Including Interest of ₹21.04 million)	
(vii)	Export Obligation under EPCG Scheme	46.19
B.	**Capital Commitments**	
	Estimated amount of contract remaining to be executed on capital accounts (Net of Advances)	507.27

If any of these contingent liabilities materialises, our results of operations and financial condition may be adversely affected. For further details on our contingent liabilities, see "*Financial Statements – Annexure 5 – Standalone Summary of Significant Accounting Policies and Notes to Accounts*" and "*Financial Statements – Annexure 5 – Consolidated Summary of Significant Accounting Policies and Notes to Accounts*" on pages 294 and 230, respectively.

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

As with any business, our ability to generate returns for Shareholders is dependent on a host of factors that impact our business and financial condition. For details of dividends paid by our Company in the past, see "*Dividend Policy*" on page 216. The amount of future dividend payments, if any, will depend upon a number of factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditure and cost of indebtedness. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements we may enter into. Even in years in which we may have profits, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We may also require the consent of our lenders to be able to declare dividend, which consent may be withheld by our lenders in their absolute discretion. There can therefore be no assurance that we will be able to pay dividends in the future.

45. ***Any downtime for maintenance and repair of our medical equipment could lead to business interruptions that could be expensive and harmful to our reputation and to our business.***

Our equipment, including operation theatres, require constant maintenance, including cleaning, sanitising and overhaul. Maintenance work on most equipment can be performed only by the manufacturer or a designated service provider and involves significant downtime to complete maintenance. At times, maintenance of some equipment cannot be performed at our hospitals, and may have to be moved to the location of the manufacturer or service provider, adding to the downtime. Our equipment is subject to normal wear and tear and will be in need of repairs from time to time. Some repairs may be routine in nature, involving lower downtime, and some repairs may require replacement of parts of the equipment, which may be time consuming. During such times, we may not be able to put the equipment to use. We may, as a result, suffer losses by reason of not being able to use such equipment.

46. ***We are vulnerable to failures of our IT systems, which could adversely affect our business.***

We are reliant on our centralised cloud-based ERP systems for all our clinical, administrative and procurement needs for hospitals across locations. These systems are maintained and operated electronically by third party technology service providers. We use our ERP systems to continually monitor, respond to and interact with personnel in hospitals situated across the country on a variety of issues, beginning general administration, finances, procurement, maintenance, handling of significant events and compliance. A large part of our communications happens over email, which is cloud-based. Our payroll processes are entirely electronic, operating from a hospital resource management system platform. We are therefore dependent heavily on our IT systems to be able to undertake day-to-day operations, management and administration. We have invested significantly in these resources, and our ability to continue to use these facilities will depend on ongoing licence fees payable and capital expenditure which we may be required to incur from time to time. Our business will be significantly impacted if there are failures in our IT systems or are unable to negotiate favourable terms with our technology service providers going forward.

47. ***We may not be able to effectively manage our growth, which may materially and adversely affect our business, financial conditions and results of operations.***

Our management adopts and implements business strategies taking into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. We routinely expand into and enter new markets within India, by either setting up new hospitals on our own, or entering into lease or revenue share arrangements with existing hospitals. Our entry into a given market is dictated by a host of factors and our perception of the potential the market may offer. We may make significant investment decisions on the basis of the above. For instance, we have recently acquired Shalby Mohali, which was earlier operated by us through an O&M arrangement, from Kamesh hospital pursuant to a scheme of arrangement which was approved by the NCLT by way of an order dated July 13, 2013 and by the High Court of Gujarat by way of an order dated September 30, 2016. For further details, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*" on page 184. Since we are currently in the process of acquiring Shalby Mohali, we are unable to accurately forecast the performance of our investment.

In undertaking an acquisition, we typically conduct limited due diligence exercises on the businesses and entities, and rely heavily on representations, warranties, and indemnities provided by the sellers of their businesses. Despite this, our analysis of a given market, including growth potential, may turn out to be incorrect, regardless of any caution that we may exercise. As with an acquisition of third party businesses, the underlying risk that undisclosed liabilities from the past and historic non-compliance in relation to these businesses may exist, notwithstanding the exercise of due diligence by our Company, or the obtaining of indemnities that our Company considers adequate in context of the acquisitions, including with respect to quantum, time periods, exclusions, and monetary limitations. The existence of undisclosed liabilities or historic non-compliance may, depending on their nature and materiality, impact the acquired business, including resulting in claims, damages, loss, and interruption to business. In such an event, regardless of any contractual rights against counterparties that our Company may have, our Company may have to bear the consequences of such undisclosed liabilities or historic non-compliance, and be entangled in disputes over an indefinite period of time to enforce its rights. Such events may materially affect our Company's and the acquired business' financial condition, revenue, and profitability.

This apart, we may commit errors in judgment in analysing current and future demand for healthcare in particular markets. We may make investments in markets which may take a long time to turn profitable. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. Our business decisions are also influenced by our perception of existing competition in a market and our ability to effectively compete with existing market participants. Our analysis of these factors may turn out to be incorrect, thus materially affecting our business and financial condition.

48. ***We have had instances of non-compliances in relation to certain regulatory filings to be made with the RoC in the past. Further, we have also had instances of errors in the regulatory filings made with the RoC in the past.***

We have had instances of certain non-compliances in the past in relation to certain regulatory filing under the Companies Act, 1956 and the Companies Act, 2013. Further, we have also had instances of errors in the regulatory filings made with the RoC under the Companies Act, 1956. In June 2013, our Company filed an application for compounding before the Regional Director (North-Western Region), Ahmedabad in connection with a delay in filing Form 8 in respect of creation of charge in favour of a lender. The delay was compounded by the Regional Director (North-Western Region), Ahmedabad pursuant to an order dated July 29, 2013 on payment of ₹4,000 by our Company. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Delays of prosecutions filed (whether pending or not), fines imposed or compounding of offences effected in the last five years from the date of filing of this Red Herring Prospectus*" on page 392. Further, for Fiscal 2016, our Company's spend on CSR activities has been less than the limits prescribed under the Companies Act, 2013. The deficiency in spending the requisite amount has been disclosed by our Company, in terms of the requirement under Companies Act, 2013, in the director's report for Fiscal 2016. Going forward, our Company shall endeavour to expend the minimum amount prescribed under the Companies Act, 2013, on CSR activities. However, there is no assurance that our Company will be able to spend the amounts prescribed under the Companies Act, 2013, in the future, towards CSR activities.

We continuously endeavour to ensure utmost compliance with applicable law at all times. However, with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

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

At present, our internal control and compliance records are maintained electronically and may be subject to errors or manipulation. There can be no assurance that deficiencies in our internal controls will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify, or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud. Further, some of our records may not be appropriately archived, and as a result, we may not have back-ups for our records, and such records may also be susceptible to theft or destruction by fire and floods. If we are unable to establish and maintain an effective system of internal controls and compliances, our business and reputation could be adversely impacted.

50. ***Our Promoters, some of our Group Entities, Directors and Key Management Personnel may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

In addition to their respective shareholding in our Company, the commercial transactions undertaken by our Company in the ordinary course of business, and any remuneration, benefits or reimbursements, our Promoters, Group Entities, Directors and Key Management Personnel have certain other interests in us. For instance, pursuant to a consultancy agreement dated February 5, 2014, amended by way of a supplementary agreement dated January 28, 2016, Dr Vikram Shah has been designated as Head – Department of Orthopaedics of our Company. In his capacity as Head – Department of Orthopaedics of our Company, he is entitled to draw professional fees from our Company on the basis of certain agreed margins for arthroplasty surgeries, non-arthroplasty surgery and zero technique procedures undertaken by him at our hospitals. Similarly, by way of a consultancy agreement dated February 5, 2014, Dr Darshini Shah has been designated as Head – Department of Dentistry of our Company. In accordance with the terms of the abovementioned agreement, she is entitled to draw professional fee from our Company on the basis of certain agreed margins from the gross dental income earned by Krishna Shalby, SG Shalby, and Vijay Shalby. Further, pursuant to a letter of appointment dated October 5, 2013, Shanay Shah has been designated as Director (International Business) of our Company. Apart from the abovementioned agreements, our Company has also executed certain lease agreements with Dr Vikram Shah.

For further details, see "*Our Management – Interests of Directors*", "*Our Management – Interests of Key Management Personnel*" and "*Our Promoters and Promoter Group – Interests of Promoters*" on pages 191, 202 and 206, respectively.

Further, some of Group Entities have certain business and other interests in our Company. For details, see "*Our Group Entities – Nature and extent of interest of Group Entities*" on page 212.

Also see, "*Financial Statements – Annexure 35 – Standalone Summary Statement of Related Parties as restated*" and "*Financial Statements – Annexure 35 – Consolidated Summary Statement of Related Parties as restated*" on pages 337 and 279.

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

As of the date of this Red Herring Prospectus, our Promoters and Promoter Group hold 97.86% of our issued and outstanding Equity Share capital. Post the Offer, our Promoters and Promoter Group will continue to hold [●]% of our issued and outstanding Equity Share capital. By virtue of their shareholding, our Promoters and Promoter Group will have the ability to exercise significant control and influence over our affairs and business, including the appointment of 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 substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters and Promoter Group may be different from or conflict with the interests of our other shareholders and their influence may result in change of our management or in our control, even if such a transaction may not be beneficial to our other shareholders.

52. ***We are significantly dependent on our current pool of Key Management Personnel to manage our day-to-day operations and to execute our growth strategy going forward.***

We depend on our current pool of Key Management Personnel to carry out our day-to-day management and overseeing of operations. We also rely on them significantly to plan and execute our growth strategy in the future. For details on our Key Management Personnel, see "*Our Management – Key Management Personnel*" on page 200. The availability of senior management talent in the healthcare industry, especially those with experience in handling large-scale hospitals is limited. We may not be able to retain the services of the current management team, and could lose talent to competition. Replacement of Key Management Personnel may not be easy, and we may need to wait indefinitely to fill positions until we find suitable candidates. Any significant loss of senior management or key personnel could materially and adversely affect our business and prospects.

53. ***Third party statistical and financial data in this Red Herring Prospectus may be incomplete and unreliable.***

This Red Herring Prospectus includes information that is derived from an industry report, "*Independent Market Assessment of Indian Healthcare Industry for IPO*" published by Frost & Sullivan (the "**F&S Report**"). For details, see "*Industry Overview*" on page 128. No person connected with this Offer has independently verified the F&S Report. Generally industry reports and data disclaims the accuracy, adequacy or completeness of information provided in such reports, and further disclaims any responsibility for any errors or omissions in the information provided, or for the results obtained from the use of such industry information. Further, the F&S Report is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that the assumptions considered in the F&S Report are correct or will not change and accordingly our position in the market may differ from that presented in this Red Herring Prospectus. Further, the F&S Report is not a recommendation to invest / disinvest in the Equity Shares. Further, generally industry reports and data disclaims all responsibility and liability for any costs, damages, losses, liabilities incurred by any third party including subscribers / users / transmitters / distributors in the Offer who uses or relies upon the industry information, or extracts there from. Prospective investors are advised not to unduly rely on the F&S Report when making their investment decisions.

54. ***The objects of the Offer for which funds are being raised have not been appraised by any bank or financial institution.***

Our funding requirements and the deployment of the Net Offer proceeds are based on management estimates and discussions and have not been appraised by any bank or financial institution. Accordingly, it cannot be assured that these estimates are accurate. We may have to revise our management estimates from time to time and consequently, our funding requirements may also change. Our estimates may exceed the value that would have been determined by third party appraisals and may require us to reschedule our project expenditure, which may have a bearing on our expected revenue and earnings. Further, if the actual expenditure for the objects of the Offer exceeds the estimates of our management, we may be required to raise additional debt, on terms that may not be entirely favourable to us, which may, in turn affect our financial condition and results of operations.

55. ***Any variation in the utilisation of the Net Proceeds as disclosed in this Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval from Shareholders.***

We propose to utilize the Net Proceeds towards (i) repayment or prepayment of certain loans availed by our Company, (ii) purchase of medical equipment for existing, recently set up and upcoming hospitals, (iii) purchase of interiors, furniture and allied infrastructure for upcoming hospitals, and (iv) general corporate purposes. For further details of the proposed objects of the Offer, see "*Objects of the Offer*" on page 106. At this point, we cannot determine with certainty if we would be able to completely utilise the Net Proceeds towards the objects aforementioned. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in the Prospectus without obtaining the Shareholders' approval through a special resolution. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Offer, at a price and in the ;manner set out under the SEBI ICDR Regulations. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in our best interests. Further, we cannot assure you that the Promoters or our controlling shareholders will have adequate resources at their disposal at the time, which would enable them to provide an exit opportunity at the price prescribed by SEBI under Chapter VI-A of the SEBI ICDR Regulations. In light of these factors, we may not be able to undertake variation of objects of the Offer to use unutilised proceeds of the Offer, if any. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of the Net Proceeds, if any, which may adversely affect our business and results of operations.

56. ***The proceeds from Offer for Sale will not be available to us.***

This Offer comprises of a Fresh Issue of Equity Shares by our Company and an Offer for Sale of Equity Shares by the Selling Shareholder. All the proceeds from the Offer for Sale will be remitted to the Selling Shareholder, and such proceeds will not be available to our Company.

EXTERNAL RISK FACTORS

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

As a provider of health care services, we are impacted by challenges that affect the industry in general. These include general economic conditions and outlook, improvements in technologies, increase in operating costs, government regulation and policy and importantly, our competitive position in the market in general. These factors will impact us and our business on an ongoing basis. We will be constrained to respond to changes adequately to remain profitable, including bringing about changes to operations, cutting down on costs, and reassessing growth plans and strategies. We are unable to predict these challenges and cannot assure you that we will continue to maintain our current levels of financial performance.

58. ***Compliance with applicable health, safety, environmental and other governmental regulations may be costly and adversely affect our results of operations.***

Compliance with applicable health, safety, environmental and other governmental regulations is time consuming, costly and requires a number of dedicated personnel. We are subjected to payment of fees and levies on an ongoing basis with respect to a number of licences, approvals, consents and permissions we are required to obtain from governmental authorities. We are also required to avail a number of third party services with respect to collection, treatment and disposal of wastes generated from our hospitals. We expend significant funds in making such payments. We are required to periodically maintain a number of records and registers and file a number of returns. Ensuring compliance requires that we hire trained personnel across our locations. Our compliance costs may adversely affect our revenue.

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

Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. See *"Regulations and Policies"* on page 171.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditure on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditure to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects:

- The Government of India has recently approved a comprehensive national GST regime that will combine taxes and levies by the Central and State Governments into a unified rate structure. The implementation of this new structure may be affected by any disagreement between certain State Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

- The General Anti Avoidance Rules ("**GAAR**") have recently been notified by way of an amendment to the IT Act, and have come into effect from April 1, 2017. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the IT Act, certain exemptions have been notified, *viz.*, (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹30 million, (ii) where Foreign Institutional Investors

("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the IT Act and have invested in listed or unlisted securities with approval from SEBI, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.

- According to the Order dated August 16, 2017, by the National Pharmaceuticals Pricing Authority, Department of Pharmaceuticals, Government of India, a cap has been introduced in the pricing of orthopedic surgical procedures using knee implants performed by hospitals and clinics, amongst others. As a result, our charges in relation to knee replacement surgeries may have to be reduced in line with the requirements set out in the abovementioned order, which may in-turn adversely impact our margins and profitability.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of 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. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

60. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**") regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial 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 the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government 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 (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for 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 others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

61. ***The determination of the Price Band is based on various factors and assumptions and the Offer Price may not be indicative of the market price of the Equity Shares once the Equity Shares are listed. Further, the current market price of securities listed pursuant to certain initial public offerings managed by the BRLMs is below their respective issue price.***

The determination of the Price Band is based on various quantitative and qualitative factors and assumptions, and shall be determined by our Company and the Selling Shareholder in consultation with the BRLMs. Furthermore, the Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs based on the book building process, on the basis of assessment of market demand for the Equity Shares. For details, see "*Basis of Offer Price*" on page 117. In addition to the above, certain previous initial public offerings managed by the BRLMs have opened at a price lower than their issue price and continue to trade lower than their respective issue price. For details of price information of past issues handled by the BRLMs, see "*Other Regulatory and Statutory Disclosures*" on page 404. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing of its Equity Shares, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares, or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

62. ***Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of this Offer, including by our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters currently hold an aggregate of 97.86% of our outstanding Equity Shares. After the completion of the Offer, our Promoters will continue to hold a significant portion of our outstanding Equity Shares. We cannot predict what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

63. ***It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.***

Our Company is incorporated as a public limited company under the laws of India and all of our directors and executive officers reside in India. Further, certain of our assets, and the assets of our executive officers and directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

64. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI Regulations contained in this Red Herring Prospectus.***

The financial statements included in this Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

65. ***Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the "ICDS"). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.***

Our financial statements, including the restated financial information included in this Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the requirement of SEBI ICDR Regulations. The Ministry of Corporate Affairs, GoI has, pursuant to a notification dated February 16, 2015, set out the Ind AS and the timelines for the implementation of Ind AS. Accordingly, our Company is required to prepare its financial statements in accordance with Ind AS from April 1, 2017. The Ind AS have been prepared on the basis of IFRS, and are different in many aspects from Indian GAAP under which our financial statements are currently prepared and presented. For instance, accounting policies related to determination of control for consolidation, accounting of acquisitions/business combinations, recording of minority interest, accounting for leases and revenue sharing arrangements, accounting of deferred taxes, use of fair value for recording assets and liabilities, classification of financial assets and liabilities, disclosure impact in connection with financial instruments, segment reporting, related party disclosures, interim financial reporting, etc. in terms of the Ind AS are different from the accounting policies for these items under Indian GAAP. As a result, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements.

Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Our management is currently devoting and will continue to need to devote time and other resources for the successful and timely implementation of Ind AS. A failure to successfully transition into the Ind AS regime may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences against our Company. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. There is not yet a significant body of established practice from which to draw references/judgments regarding the implementation and application of Ind AS. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations. For further details in relation to the impact of Ind AS on the preparation and presentation of our financial statements, see "*Significant Differences between Indian GAAP and Ind AS*" on page 349.

Additionally, the Ministry of Finance, GoI has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April

1, 2015 and are applicable from Fiscal 2016 onwards. Therefore, ICDS will have a direct impact on computation of taxable income of our Company from Fiscal 2016 onwards. ICDS differs on several aspects from accounting standards including the Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 217 and 354, respectively. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

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

Under the IT Act, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

67. ***Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulations. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

68. ***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 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 Takeover Regulations.

69. ***Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

70. ***Various political and economic factors, as well as the occurrence of man-made disasters could adversely affect our results of operations and financial condition.***

Various political and economic factors within countries where we operate, such as a change in the Government, a change in the economic and deregulation policies, high rate of inflation, poverty, unemployment, illiteracy, a downgrade of India's sovereign rating by international credit rating agencies, and a slowdown in economic growth or financial instability, could affect our access to capital, and adversely affect our business and results of operations. This apart, the occurrence of man-made disasters such as acts of terrorism, civil unrests, military actions, and other acts of violence or war in India and around the world could impair our business, financial condition, and results of operations.

PROMINENT NOTES:

a. Our Company was originally incorporated as Shalby Hospital Private Limited on August 30, 2004 at Ahmedabad, Gujarat, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on May 15, 2006 in the name of Shalby Hospital Public Limited. The name of our Company was subsequently changed to Shalby Hospitals Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 26, 2006. Thereafter, the name of our Company was changed to Shalby Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 13, 2008. For further details in relation to the change in the name of our Company, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 177.

b. This Offer of up to [●] Equity Shares for cash at price of ₹[●] (including a premium of ₹[●] aggregating to ₹[●] million comprising a Fresh Issue of up to [●] Equity Shares aggregating to ₹4,800 million by our Company, and Offer for Sale of up to 1,000,000 Equity Shares aggregating to ₹[●] million by the Selling Shareholder. The Offer includes a reservation of up to 121,000 Equity Shares aggregating to ₹[●] million for Eligible Employees in the Employee Reservation Portion. The Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company and the Net Offer will constitute [●] % of the post-Offer paid-up Equity Share capital of our Company.

c. Our net worth was ₹2,889.00 million as on June 30, 2017, as per our Restated Consolidated Financial Statements and ₹2,973.42 million as on June 30, 2017, as per our Restated Standalone Financial Statements, which are included in this Red Herring Prospectus. For details, see "*Financial Statements*" on page 217.

d. Our net asset value per Equity Share was ₹32.59 as at June 30, 2017, as per our Restated Consolidated Financial Statements and was ₹33.54 as at June 30, 2017 as per our Restated Standalone Financial Statements.

e. The average cost of acquisition of Equity Shares by Dr Vikram Shah is ₹4.00 per Equity Share, Dr Darshini Shah is ₹4.00 per Equity Share, Shanay Shah is ₹4.00 per Equity Share, Zodiac is ₹3.70 per Equity Share, and Shah Family Trust is ₹0.00 per Equity Share. The average cost of acquisition of Equity Shares held by the Promoters has been calculated by considering the total cost of Equity Shares held divided by the total number of Equity Shares held (including bonus shares for which the Promoters have not paid any monies).

Further, the total number of Equity Shares held by the Promoters is calculated after taking into account the number of Equity Shares transferred by or to the Promoters, as applicable.

f. Except as disclosed in "*Our Group Entities*", "*Financial Statements – Annexure 35 – Standalone Summary Statement of Related Parties as restated*" and "*Financial Statements – Annexure 35 – Consolidated Summary Statement of Related Parties as restated*" on pages 210, 337, and 279, respectively, none of our Group Entities have any business interests or other interests in our Company.

g. For details of related party transactions entered into by our Company with the Group Entities, our Subsidiaries and other related parties during the last Fiscal, the nature of transactions and the cumulative value of transactions, see "*Financial Statements – Annexure 35 – Standalone Summary Statement of Related Parties as restated*" and "*Financial Statements – Annexure 35 – Consolidated Summary Statement of Related Parties as restated*" on pages 337 and 279, respectively.

h. Except for the interest free loan of ₹34.00 million advanced by our Promoter, Dr Vikram Shah to Shalby Medicos Trust, to facilitate the subscription of Equity Shares by Shalby Medicos Trust, there have been no financing arrangements whereby our Promoters, Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the filing of this Red Herring Prospectus.

i. Investors may contact any of the BRLMs for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, see "*General Information*" on page 78.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

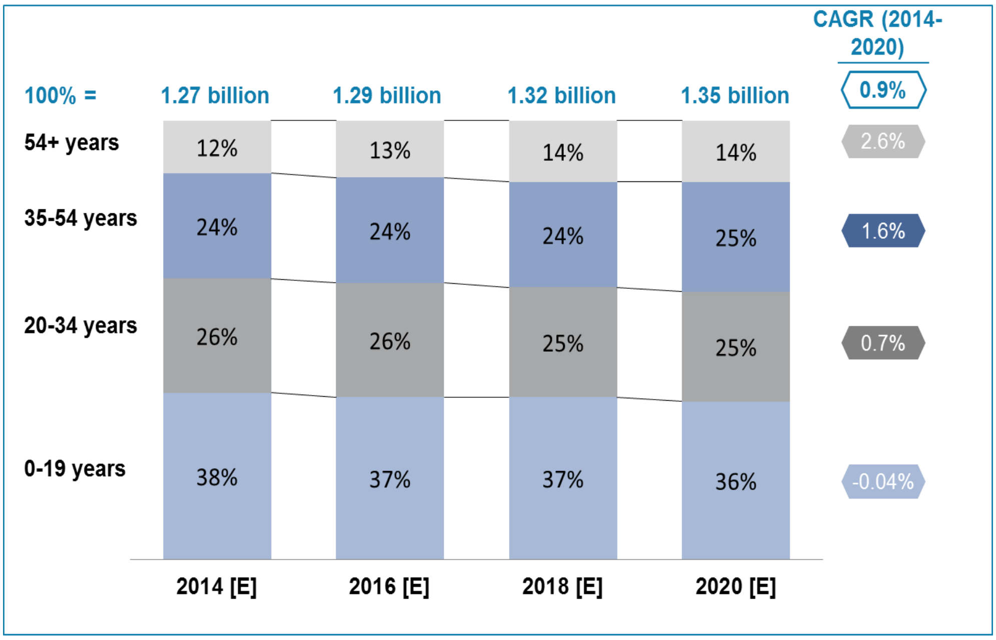
*The information in this section has been extracted from the report titled 'Independent Market Assessment of Indian Healthcare Industry for IPO' dated May 16, 2017 ("**F&S Report**"). We have commissioned the F&S Report to provide industry data and an independent assessment of the healthcare industry. 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. While we have exercised reasonable care in compiling and reproducing such financial, industry, and market data in this document, it has not been independently verified by us or any of our advisors, or the BRLMs or any of their advisors, and should not be relied on as if it had been so verified. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

The information in this section should be read in conjunction with the sections "Risk Factors", "Industry Overview", and "Our Business" on pages 19, 128, and 150, respectively.

Burgeoning population of India

The population of India is expected to grow at a compound annual growth rate (CAGR) of nearly 1.0 % between 2014 and 2020. Growing at this rate, India is expected to be home to 1.35 billion people by 2020.

Figure 1: Population and population growth rate of India (historical and expected)



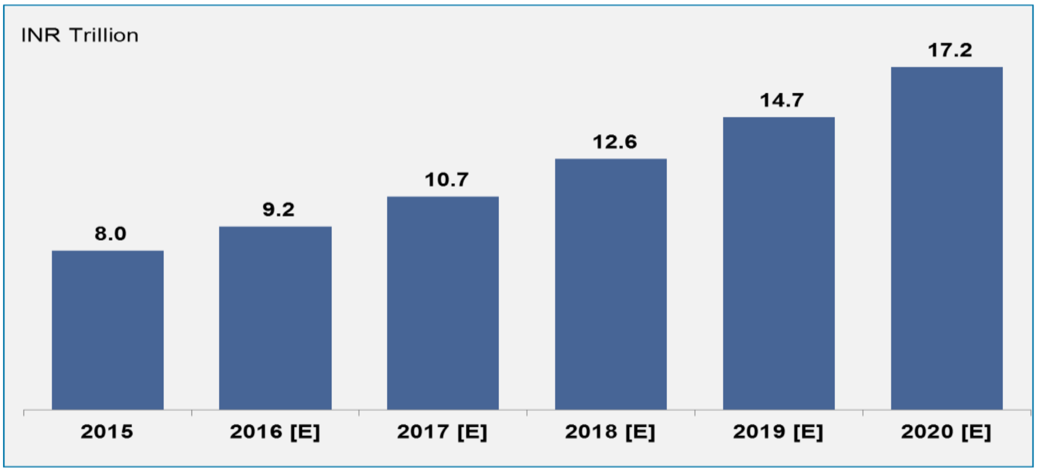
Source: National Commission on Population, Frost & Sullivan analysis

The fact that higher numbers of individuals are attaining old age in future trends (12% of the total population above 54 years of age in 2014 to 14% of the total population in 2020), there is an increasing burden on the healthcare resources as this segment of population is predisposed to various chronic diseases like diabetes, heart diseases, degenerative diseases, neurological disorders and cancer. The burgeoning population of India could pose a serious challenge to healthcare access for all, thereby reemphasizing the need for development of healthcare infrastructure in India.

Overall market size

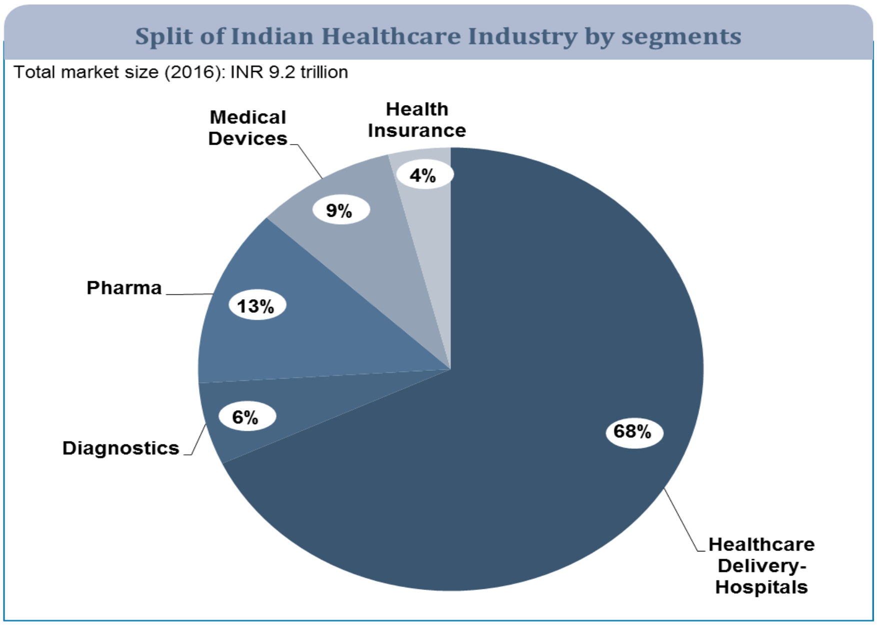
The Indian healthcare industry was estimated to be INR 9.2 trillion in 2016; grew at a CAGR of 14-15% over the last five years (2011 to 2015). The healthcare industry is expected to grow at a CAGR of 15-16% during 2015-20 and expected to reach INR 17.2 trillion in 2020.

Figure 2: Indian healthcare industry size (2015 – 2020)



Source: Frost & Sullivan analysis

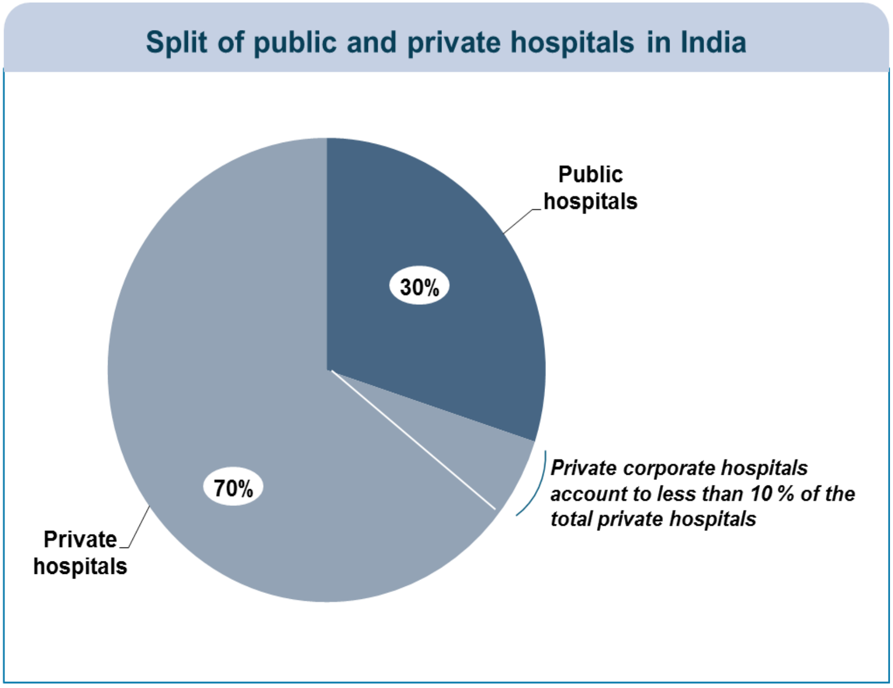
Figure 3: Indian Healthcare Industry size by segment (2016)



Source: Frost & Sullivan analysis

The healthcare delivery segment is largely driven by private sector players and occupies a major share of nearly 70% in the total number of hospitals; of this, organized private corporate hospitals comprise less than 10%.

Figure 4: Split of public and private hospitals in India

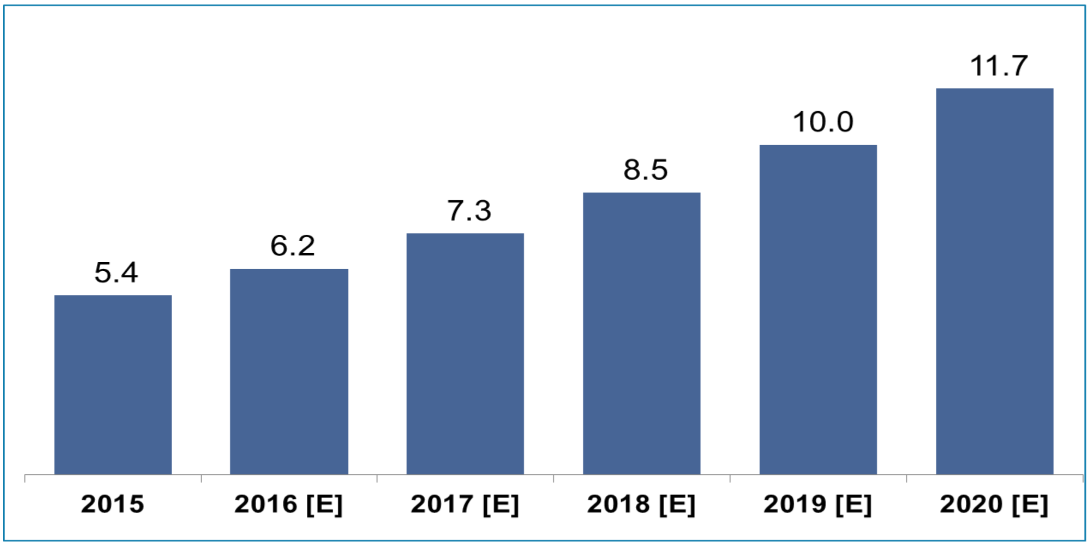


Source: Frost & Sullivan analysis

Indian healthcare delivery industry

The healthcare delivery segment accounts for a major share of the Indian healthcare industry, contributing nearly 68% to the total healthcare industry, an estimated value of INR 6.2 trillion in 2016. One of the fast growing, the healthcare delivery segment grew at a CAGR of 14-15% between 2011 and 2015; is expected to grow at a higher CAGR of 15-16% between 2016 and 2020 to reach INR 11.7 trillion by 2020.

Figure 5: Indian healthcare delivery industry size (2015-2020)



Source: Frost & Sullivan analysis

Growth Drivers of Indian Healthcare Industry

The key growth drivers of the Indian healthcare industry are:

1. Deficient health infrastructure and lack of healthcare workforce;

2. Increasing population and life expectancy;
3. Increasing urbanization and healthcare awareness;
4. Growing prevalence of lifestyle disease;
5. Rising income levels and affordability of healthcare;
6. Growth in insurance coverage;
7. Emergence of medical tourism;
8. Government policies driving healthcare;
9. Increasing private equity, venture capital funds and regulations pertaining to investment in sector; and
10. Licenses and statutory obligations.

Overview of orthopedic diseases in India:

Globally, the prevalence and burden from musculoskeletal conditions is high, the same is well reflected in India as well. India has been facing exceptionally high disease burden of injury, neoplastic, degenerative and metabolic conditions and musculoskeletal disorders.

Among musculoskeletal disorders, osteoarthritis has a high prevalence of 28.7% for the total population, and is higher for females at 31.6% compared to males with 28.1%. Mostly affecting the joints and more often leading to disability of knees and hips in the elderly population, osteoarthritis is expected to become a major disorder in India. Having serious impact on the elderly population and often resulting in the need of joint replacement surgeries; the 30-50 years-group that leads a sedentary lifestyle, lacks exercise, and has nutritional deficiencies is also being affected by osteoarthritis. Specifically, the prevalence of osteoarthritis is at 19.2% for population under 50 years, increasing drastically to 30.7% for population aged between 50 and 59, 39.7% for population aged between 60 and 69, and 54.1% for population over 70 years of age.

Rheumatoid Arthritis is prevalent in 0.7% of the total Indian population, and is more common in females than in men. Gout has a prevalence of 0.12% in India, which is higher than the global prevalence of 0.08%. Gout is another orthopedic disorder that has a higher prevalence in higher age groups, especially in men over 50 years of age. Finally, Low Back Pain has become highly prevalent in India now due to lifestyle changes, and its prevalence is found to be as low as 6.2% and as high as 9.2%.

India’s population is undergoing a demographic shift and gradually adding more numbers to its elderly segment. With a growing elderly population highly susceptible to degenerative disorders and growing incidence of such diseases in the younger population (30-50 years), lack of healthcare infrastructure to cater to rising demand of orthopaedics related treatments is a major challenge. In India, nearly 23% of the population falls in the age group of 45 years and above in 2015, the population group accounting for nearly 95% of joint replacement surgeries. Though the share of population in the age group of 45 years and above is lower in India as compared to the other countries, the large population base of India results in a much higher population in the age group category. However, penetration of joint replacement surgeries is lower than the other countries.

Number of relevant specialists available in the country:

To serve orthopaedic patients in India, over 10,000 orthopaedic surgeons are registered with the Indian Orthopaedic Association (IOA); another estimated 10,000 orthopaedic surgeons are not registered with the IOA. Hence, the ratio of orthopaedic surgeons to total population of India is around 1 per 66,300 people. Of all the orthopaedic surgeons in the country, only 20 to 25% are estimated to practice joint replacement surgeries, and nearly two-thirds of those surgeons are concentrated in metropolitans and tier I cities. As a result, there are only 1.4 to 1.9 joint replacement surgeons per 100,000 populations above 45 years age in India. This is an extremely skewed ratio considering the large requirement of joint replacement surgeries in India.

Healthcare overview and potential in Gujarat and selected states:

Compared to other states, death rate and infant mortality rate (IMR) in Gujarat are very high and given the current status, there is a need to strengthen infant care and develop better infrastructure for elderly care. The neighboring states of Madhya Pradesh and Rajasthan face a situation that is of greater concern due to relatively higher IMR; stringent actions are needed in order to improve health status. In the current scenario, private sector healthcare players have ample opportunities to penetrate with new hospitals and scale up the existing centres while supporting the healthcare system.

The states of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra present underlying opportunities of expansion of healthcare services. As a quick solution, state governments are now actively taking the PPP route to extend the healthcare access to the masses opening better avenues for private healthcare players.

There is a wide gap in the availability of hospital beds in Gujarat, Madhya Pradesh and Rajasthan when compared to the global average of 2.7 beds per 1,000 populations. The overall availability of private hospital beds is much lower and also concentrated in the metro cities of these states, resulting in a higher burden on the private corporate hospitals in metro cities. There is also an outward movement of patients to other nearby states and metro cities for tertiary and quaternary care healthcare services.

SUMMARY OF OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements, and also the section titled "Risk Factors" on page 19 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in, or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which have been disclosed in the section titled "Risk Factors" on page 19. This section should be read in conjunction with such risk factors.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Red Herring Prospectus on page 217.

OVERVIEW

We are one of the leading multi-specialty chain of hospitals in India (*Source: F&S Report*). Our hospitals are tertiary care hospitals, few of which also offer quaternary healthcare services to patients in various areas of specialisation such as orthopaedics, complex joint replacements, cardiology, neurology, oncology, and renal transplantations. As on the date of this Red Herring Prospectus, we provide inpatient and outpatient healthcare services through 11 operational hospitals with an aggregate bed capacity of 2,012 beds. As on June 30, 2017, we had nine operational hospitals with an aggregate operational bed count of 841 beds. We had a 15% market share of all joint replacement surgeries conducted by private corporate hospitals in India in 2016 (*Source: F&S Report*). As on the date of this Red Herring Prospectus, we also provide outpatient services through 47 Outpatient Clinics and have ten shared surgery centres within third party hospitals, which we call "Shalby Arthroplasty Centre of Excellence" ("**SACE**"), where we offer orthopaedic healthcare services including surgeries. Since March 2007, we have conducted an aggregate of 92,100 surgeries, and provided healthcare services to an aggregate of 1,025,533 patients, consisting 133,652 inpatients and 891,881 outpatients.

Headquartered in Ahmedabad, India, we have a domestic and overseas outreach through a network of hospitals in India, and Outpatient Clinics and SACE located in India, Africa, and the Middle East. Having strong presence in western and central India and focus on Tier – I and Tier – II cities, our hospitals operate across five states, our Outpatient Clinics operate across 37 cities in 12 states in India, and our SACE are present in seven cities in six states in India. Our international footprint consists five Outpatient Clinics and one SACE in Africa, and two SACE in the UAE. We are expanding our footprint in western and central India with hospitals being set up in Nashik and Vadodara. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164.

Led by Dr Vikram Shah, an orthopaedic surgeon with more than 25 years of professional experience, we have grown from a single hospital to a chain of multi-specialty hospitals. Our first hospital, Vijay Shalby, was established by Shalby Orthopaedic Hospital and Research Centre, one of our Group Entities, in the year 1994. From the year 2004, the operations of Vijay Shalby have been undertaken by our Company. Our second, and third hospitals, SG Shalby and Vrundavan Shalby commenced operations in the year 2007 and the year 2011, respectively. From four hospitals in April 2012, we have grown to 11 hospitals as on the date of this Red Herring Prospectus.

We have benefited significantly from the experience and expertise of Dr Vikram Shah, one of our Promoters, who has been credited by Ethicon India for his involvement in the development of the 'OS Needle'. The OS Needle has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and the high rates of failure that once existed while undertaking orthopaedic surgeries. Apart from use of the OS Needle, we also employ an innovative surgical procedure which we call 'Zero Technique' that involves minimum incision during the surgery thereby reducing infection rates and surgical time required to complete a total knee replacement surgery.

Apart from a focus on orthopaedics, our hospitals provide advanced levels of care across various specialties such as neurology, cardiac care, critical care, oncology, and nephrology. It has been our endeavour to ensure that our patients are offered quality healthcare services. To this end, our hospitals are equipped with modern medical equipment required to provide multispecialty healthcare services and employ practices and policies to ensure quality of the healthcare services offered. Some of our hospitals are equipped with modern equipment which *inter alia*, include linac systems, holmium lasers, thulium lasers, and intra-operative neuro monitoring systems. Our hospitals, Krishna Shalby, SG Shalby, Shalby Indore and Shalby Jabalpur are accredited by the NABH. Further, Krishna Shalby and SG Shalby are also accredited by the NABL. In addition, we have submitted applications to the NABH for accreditation of one of our hospitals, Vijay Shalby.

We operate and expand our business through a combination of the following models:

- Owning and operating multi-specialty hospitals;

- Operating and managing hospitals on a revenue sharing basis, by adopting an asset-light model;

- Associating with third-party hospitals on a revenue sharing and/or professional fee basis to offer orthopaedic healthcare services under SACE; and

- Providing orthopaedic healthcare services through Outpatient Clinics that are either independently operated by us, or operated by us within third party premises on a revenue sharing basis.

As a part of our ancillary services, we offer certain educational programmes through "Shalby Academy" ("**Shalby Academy**"), home-based healthcare services under "Shalby Homecare" ("**Shalby Homecare**"), and also undertake clinical research trials. Through Shalby Academy, we offer educational programmes including diplomas and fellowships in a range of medical and para-medical disciplines. Under Shalby Homecare, we offer home-based healthcare services, which *inter alia*, include nursing services, physiotherapy services, and home deputation of medical officers. Further, we have been engaged in conducting clinical research trials since 2006. These clinical research trials are conducted at our hospitals SG Shalby and Krishna Shalby. The clinical research trials are supervised and monitored by ethics committees, and are typically sponsored by pharmaceutical companies and various clinical research organisations.

As of June 30, 2017, we employed 2,049 employees and engaged 319 professional consultants, consisting 294 doctors who are full-time consultants and 25 doctors who are part-time consultants. Our staff strength also comprises 699 nurses and 1,350 paramedical, corporate and support staff and pharmacists.

We believe that our brand equity is strongly associated with our leadership in joint replacements. In recognition of our service, clinical, and financial excellence, we have been recipients of various awards, which we believe have created our strong brand value. These awards *inter alia*, include the "*Best Multispecialty Hospital*" award under the *"Metro*" category, instituted by CNBC in the year 2015, the "*Emerging Tertiary Care Hospital of the Year*" award instituted by VCCircle Network in the year 2015, and the "*Healthcare Service Provider Company of the Year*" award instituted by Frost and Sullivan in the year 2013. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 179.

We have invested in, and have established a robust IT system both for clinical purposes as well as integrating systems and processes through ERP towards streamlining our clinical and administrative functions. We have adopted technology with a view to ensure quick transmission of disease data, subsequent analysis, and prompt disease management.

The key highlights of our financial and operating metrics on a consolidated basis from Fiscal 2013 to Fiscal 2017, and for the three months period ended June 30, 2017, are set out in the table below:

Particulars	Three months period ended June 30, 2017(1)	Fiscal 2017(1)	Fiscal 2016(1)	Fiscal 2015(1)	Fiscal 2014(1)	Fiscal 2013(1)
Total bed capacity(2)	2,012(3)	2,012(3)	1,295	907	674	674
Number of operational beds(2)	841 (3)	781	823	593	455	373(5)
Revenue (in ₹ million)	905.99	3,328.62	2,925.56	2,776.26	2,616.76	2,298.28
EBITDA margin (%)	28.85	22.24	19.10	24.50	24.20	18.45
Bed occupancy rate (%)*	33.76	34.48	31.75	40.95	39.62	49.03(5)
ARPOB (in ₹)(4)	36,720	33,032	34,173	39,904	39,349	40,838(5)

Particulars	Three months period ended June 30, 2017(1)	Fiscal 2017(1)	Fiscal 2016(1)	Fiscal 2015(1)	Fiscal 2014(1)	Fiscal 2013(1)
ALOS	3.88	3.99	4.14	4.03	3.96	4.10
Average RoCE (%)	3.66(6)	11.12	13.12	21.15	35.33	24.75
Inpatient volume	6,258	24,704	20,528	17,147	16,609	15,348
Outpatient volume	47,956	166,519	152,921	128,821	125,981	110,919

(1) Data in respect of Vrundavan Shalby has been considered until December 9, 2016, the date on which its operations were temporarily suspended by our Company

(2) Total bed capacity and number of operational bed are as at the end of the relevant Fiscal or accounting period, as the case may be.

(3) Total bed capacity and number of operational beds as on March 31, 2017 June 30, 2017 do not consider Vrundavan Shalby since the operations at Vrundavan Shalby were temporarily suspended by our Company from December 9, 2016. Further, number of operational beds as on June 30, 2017 does not include Shalby Naroda and Shalby Surat which started providing in-patient services from July, 2017 and August, 2017, respectively.

(4) ARPOB is based on our Company's revenue from operations. (EBITDA Margin also based on our revenue from operations).

(5) Does not include data pertaining to Shalby Vapi since occupancy data for Shalby Vapi is not available for Fiscal 2013.

(6) Average ROCE not annualised..

** Bed occupancy rate, calculated by dividing the total number of occupied bed days by the total operational bed days.*

As of June 30, 2017, we achieved a capital cost per bed of ₹4.2 million. The average capital cost per bed is arrived at by dividing the total capital expenditure incurred by us, by the number of beds installed in a particular hospital.

OUR COMPETITIVE STRENGTHS

We believe that we are well-positioned to capture market opportunities and benefit from the expected growth in the healthcare services market in India through our competitive strengths, which principally, include the following:

Leadership in orthopaedics and strong capabilities in other specialties

We believe that our reputation and clinical capabilities in the field of orthopaedics, along with our continuing expansion across other healthcare specialties position us favourably to benefit from the increasing demand in India for quality healthcare services. Having performed approximately 54,105 joint replacements since 2007, our Company has been a market leader in the area of joint replacement surgeries (*Source: F&S Report*). We provide our patients with a wide range of orthopaedic services and to this end, we lay emphasis on providing end to end services to our patients with preoperative, operative, and postoperative care. Through 47 Outpatient Clinics, we offer orthopaedic consultation services to our patients, and through our chain of 11 operational hospitals and ten SACE, we undertake orthopaedic surgeries and procedures.

Our chain of multi-specialty hospitals provide advanced levels of care in various specialties. To ensure that we are able to provide multi-specialty healthcare services, our hospitals have been equipped with modern medical equipment, which, *inter alia*, include linac systems which are used for cancer diagnosis and treatment, holmium lasers, which are used to perform endoscopic lithotripsy, thulium lasers, which are used to perform soft tissue surgeries, and intra-operative neuro monitoring systems which are used to monitor neural structures while performing ENT procedures. Key volume statistics for our orthopaedic and non-orthopaedic surgeries and procedures during from Fiscal 2013 to Fiscal 2017, and the three months period ended June 30, 2017, are set out below:

Particulars	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	CAGR(1) (%)
Orthopaedic surgeries and procedures	2,656	9,813	9,719	9,244	8,741	7,579	6.67
Non-orthopaedic surgeries and procedures	1,051	5,402	4,567	4,447	3,701	2,267	24.24

(1) CAGR from Fiscal 2013 to Fiscal 2017.

Since Fiscal 2013, we have experienced a steady growth in providing orthopaedic and non-orthopaedic healthcare services to our patients. Details of the number of patients who availed our orthopaedic and non-orthopaedic services in the last five Fiscals, and the three months period ended June 30, 2017, is set out below:

Particulars	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	CAGR[(1)] (%)
Orthopaedic services	13,019	41,617	40,258	34,724	37,438	36,183	3.56
Non-orthopaedic services	41,195	149,606	133,191	111,244	105,152	90,084	13.52

(1) CAGR from Fiscal 2013 to Fiscal 2017.

Our leadership in the field of orthopaedics helps us in offering our other healthcare services to geriatric patients. Joint replacements are typically required at an advanced age, and many of our elderly patients who require treatment for one or more age related ailments such as cardiovascular diseases, diabetes, etc.

Integrated and scalable business model enhancing our patient reach

We have an integrated and scalable business model enabling us to provide comprehensive healthcare solutions through a network of multi-specialty hospitals, Outpatient Clinics, and SACE.

Multi-specialty Hospitals:

From four hospitals in April 2012, we have grown to 11 operational hospitals which offer inpatient and outpatient healthcare services, with an aggregate bed capacity of 2,012 beds. As on June 30, 2017, we had nine operational hospitals with an aggregate operational bed count of 841 beds. Our expansion has been achieved through a combination of greenfield or brownfield projects, strategic acquisitions, and operation and management ("**O&M**") arrangements. We carry out our O&M arrangements on an asset-light, revenue sharing basis with third party healthcare service providers to ensure efficient capital deployment. We operate multi-specialty hospitals targeting healthcare demands in Tier I Cities and Tier II Cities. Our hospitals are tertiary care hospitals, few of which also offer quaternary healthcare services to patients.

Details of our operational hospitals, their respective locations and commencement of operations are set out below:

Hospital	Location	Date of commencement
Vijay Shalby	Ahmedabad	March, 1994
SG Shalby	Ahmedabad	March, 2007
Shalby Vapi	Vapi	April, 2012
Krishna Shalby	Ahmedabad	October, 2012
Shalby Jabalpur	Jabalpur	March, 2015
Shalby Indore	Indore	August, 2015
Shalby Mohali	Mohali	September, 2015
Zynova Shalby	Mumbai	January, 2017
Shalby Jaipur	Jaipur	March, 2017[(1)]
Shalby Naroda	Ahmedabad	March, 2017[(1)]
Shalby Surat	Surat	March, 2017[(1)]

(1) Refers to commencement of outpatient services only. Shalby Jaipur commenced providing inpatient services from April 2017, Shalby Naroda commenced providing inpatient services from July 2017 and Shalby Surat commenced providing inpatient services from August 2017.

Our expansion strategies are also centred on establishing our presence in Tier II Cities such as Nashik and Vadodara. With an established brand equity in Gujarat, our existing network of hospitals and expansion strategies are focused on strengthening our presence in western and central India.

Outpatient Clinics and SACE:

We have 47 Outpatient Clinics as on the date of this Red Herring Prospectus. Through Outpatient Clinics that are operated by us either independently, or within third party premises, we offer orthopaedic consultation services. Apart from Outpatient Clinics, as on the date of this Red Herring Prospectus, we have seven domestic SACE and three overseas SACE. Through our SACE, we offer orthopaedic consultation services and undertake orthopaedic and spine surgeries. Through our wide network of Outpatient Clinics and SACE, we have witnessed a steady increase inpatient footfall, with patients travelling from various parts of the country and overseas to avail intensive diagnosis and treatment at our hospitals. This apart, our Outpatient Clinics and SACE have also given us the opportunity to carry out preliminary assessments on markets, which helps us in determining the feasibility of setting up full-fledged hospitals in new locations, which may involve high capital expenditure. Our Outpatient

Clinics and SACE have also been instrumental in setting up our presence overseas. Our international footprint consists five Outpatient Clinics spread across Ethiopia, Kenya, Tanzania, and Uganda, and one SACE in Kenya in Africa, and two SACE in Ras al-Khaimah and Dubai in the UAE. Our presence in Africa and the Middle East are established through local tie-ups with established hospitals and medical centres, and has been largely instrumental in scaling our presence across borders. During Fiscal 2017 and three months period ended June 30, 2017, our Outpatient Clinics in India provided healthcare services to 5,580 patients and 1,851 patients respectively. The inpatient count at our SACEs during Fiscal 2017 and three months period ended June 30, 2017 was 116 and 11, respectively.

Shalby Homecare:

We commenced the operations of Shalby Homecare in Fiscal 2015. Through Shalby Homecare, we have been able to extend expert healthcare services at a patient's doorstep, so as to facilitate a speedy and comfortable recovery from diseases and other medical conditions from the comfort of one's home. Shalby Homecare services are offered through our hospitals located in Ahmedabad, Indore, Jabalpur, Jaipur, Mohali, Naroda, Surat, and Vapi. Under Shalby Homecare, we offer a wide range of services which *inter alia*, include attendant services, nursing services, physiotherapy services, pathology services, and home deputation of medical officers. As on June 30, 2017, we had 10 dedicated staff for Shalby Homecare. During Fiscal 2017 and the three months period ended June 30, 2017, we serviced a total of 9,560 and 5,919 patients, respectively, through Shalby Homecare. We believe that through Shalby Homecare, we will establish longstanding relationships with patients, which in turn will increase patient footfalls in our hospitals.

Shalby Academy:

We commenced the operations of Shalby Academy in Fiscal 2016. Through Shalby Academy, we offer various educational programmes. These programmes include diploma in orthopaedics, fellowship in critical care, and courses offered by the Paramedical Council of Gujarat. Shalby Academy is functional at our hospitals located in Ahmedabad, Jabalpur, and Indore. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Academy catered to 48 and 155 students, respectively.

Experienced player with longstanding presence and brand recall

Although our Company was incorporated in the year 2004, healthcare services under the brand "Shalby" had commenced as early as the year 1994. Vijay Shalby was set up under the aegis of our Group Entity, Shalby Orthopaedic Hospital and Research Centre in the year 1994. From 2004, the operation of Vijay Shalby has been undertaken by our Company. Our strong brand equity is evident from the consistent growth in our inpatient and outpatient base from 15,348 and 110,919, respectively, during Fiscal 2013 to 24,704 and 166,519 during Fiscal 2017, with a CAGR of 12.63 % and 10.69 %, respectively.

We have an established presence and strong brand recall in Gujarat, and an emerging presence in western and central India. We believe that our brand equity and operational experience in our core markets provides us with the platform to further expand our presence and operations in select locations across the country. On account of our brand equity, our hospitals have also seen a consistent growth in inpatient and outpatient volumes. For instance, while Shalby Indore, commissioned in August 2015, serviced 56 inpatients and 358 outpatients during the first quarter of its operations ending September 2015, for the quarter ended June 30, 2017, Shalby Indore serviced 1,130 inpatients and 7,824 outpatients. Similarly, while Shalby Jabalpur, commissioned in March 2015, serviced 106 inpatients and 312 outpatients during the first quarter of its operations ending March 2015, for the quarter ended June 30, 2017, Shalby Jabalpur serviced 1,126 inpatients and 7,386 outpatients. According to the F&S Report, we are one of the most active healthcare players in international medical tourism, having catered to over 35,000 international patients since 2007.

We have benefited from the experience of Dr Vikram Shah, one of our Promoters, who has an experience spanning over 25 years across various geographies including the United Kingdom and India. Dr Vikram Shah's expertise has significantly contributed in building our longstanding presence and brand recall. He has been credited by Ethicon India for his involvement in developing the OS Needle, which has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and diminishing the high rates of failure that once existed while undertaking orthopaedic surgeries.

Our excellence in healthcare services has led to us being conferred with various awards. These awards *inter alia*, include the "*Best Multispecialty Hospital*" award under the *"Metro"* category, instituted by CNBC in the year

2015, the "*Emerging Tertiary Care Hospital of the Year*" award instituted by VCCircle Network in the year 2015, the "*Healthcare Service Provider Company of the Year*" award instituted by Frost and Sullivan in the year 2013, the "*Rajiv Gandhi National Quality*" award instituted by Bureau of Indian Standards, Ministry of Science and Technology, Government of India in the year 2012 and the "*FICCI Healthcare Operational Excellence"* award instituted by FICCI in the year 2011. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 179.

We believe that we have been successful in being a trusted healthcare service provider to our patients. In Fiscal 2017 and for the three months period ended June 30, 2017, the number of revision cases (being patients approaching us after undergoing treatment at other hospitals) referred to us was 36 and 7, respectively. Since 2004, we have also handled a number of complex surgeries and procedures. For instance, in January 2017, we undertook a rare surgery which involved a dual kidney transplantation, extracted from a brain dead donor. This apart, we also performed a complex bypass colostomy to extract a rusted iron rod from a patient's body. We believe that our brand equity and longstanding presence are as a result of our efforts to preserve and sustain quality human life through facilitation of speedy recovery and indigenization of medical technology.

Track record of operating and financial performance and growth

We believe that our track record of consistent growth in revenue and profitability is one of our key competitive strengths. Our growth in revenue and profitability can be credited to our strong operational efficiency, which we achieve by streamlining our clinical and administrative functions, continually introducing process innovations, and ensuring that we maintain economies of scale.

We incur lower capital expenses by making optimal use of the available built-up area in our hospitals. For instance, we have 10 operation theatres in SG Shalby, which has a built-up area of 147,633.89 sq. ft., and nine operation theatres in Shalby Indore, which has a built-up area of 169,942.61 sq. ft. By achieving an optimization of the built-up area at our hospitals, we have been able to set up additional operation theatres. Apart from allowing us to undertake more surgeries each day, this has also ensured that we maintain an average bed to operation theatre ratio of 200:8 as on June 30, 2017. In Fiscal 2017 and the three months period ended June 30, 2017, we undertook 8,074 and 1,600 surgeries, respectively, in SG Shalby, which has a total of eight major and two minor operation theatres. To ensure our financial efficiency and minimization of capital expenses, members from our management lead the planning, development, and execution of our greenfield projects, brownfield projects, and strategic acquisitions.

We believe that by reducing ALOS in our hospitals, we can increase our inpatient turnover rate, thereby ensuring a growth in our financial performance. Our average earnings-per-bed during the first three days of an inpatient's stay is significantly higher than our average earnings-per-bed in servicing such patients for their stay beyond the first three days. The ALOS during Fiscal 2013 and Fiscal 2017 was 4.10 and 3.99, respectively. During the three months period ended June 30, 2017, the ALOS was 3.88. In our pursuit of ensuring our operational efficiency, we have implemented a robust internal supply chain mechanism which *inter alia,* involves the centralized purchasing of drugs and various other medical consumables required by us for the purposes of operating our hospitals. Along with this, we consistently work towards optimizing procurement costs, standardizing the type of medical consumables used across our chain of hospitals, consolidating our suppliers, and adopting guidelines for medical procedures. This has resulted in reducing the expenses incurred by us towards procurement of medical consumables. While in Fiscal 2013, we expended 29.12% of our revenue from operations, towards procurement of medical consumables, in the three months period ended June 30, 2017, we expended 20.50% of our sales towards such procurement.

For details of key highlights of our financial and operating metrics on a consolidated basis from Fiscal 2013 to Fiscal 2017, and for the three months period ended June 30, 2017 see "*Our Business – Overview*" on page 150 above.

Our clinical and administrative functions are streamlined by staffing our hospitals with teams of qualified and experienced doctors, who are available to use their expertise and specialties across regions. As on June 30, 2017, we had 163 surgeons practicing across disciplines. On account of the number of surgeons engaged by us, we are capable of undertaking a higher number of surgeries each day, thereby enhancing our focus on being a surgery oriented multi-specialty healthcare service provider. Unlike most other specialties, orthopaedic surgeries and procedures are usually planned in advance. This provides us with the ability to organize such surgeries and procedures, and utilize our manpower resource in a cost and time effective manner.

On account of the operational efficiency factors described above, we believe that we have been able to reduce the time required for our hospitals to achieve positive EBITDA from the date on which we commenced operating these hospitals. For instance, SG Shalby achieved positive EBITDA in the first financial year after we commenced operating SG Shalby in 2007.

Ability to attract quality doctors, nurses, paramedical, and other staff

As at June 30, 2017, we employed 2,049 employees and engaged 319 professional consultants, which comprised 294 doctors who are full-time consultants and 25 doctors who are part-time consultants. Our staff strength also comprises 699 nurses and 1,350 paramedical, corporate and support staff and pharmacists. Since a majority of our doctors are engaged full time by us, our doctors are generally available on-call, round the clock, and are able to fulfil patient needs and requirements, while also effectively addressing emergencies. In respect of employees engaged full time by us, our compensation structure comprises providing our employees with a fixed monthly salary, performance based compensation and an annual pay-out of bonus. Typically, the remuneration paid to our employees is negotiated within a framework of defined parameters, depending on an individual employee's profile and nature of work. With a view to incentivize our doctors, our Company has constituted the Shalby Medicos Trust for the benefit of doctors associated with our Company. For details, see "*Capital Structure – Shalby Medicos Trust*" on page 101.

We believe that it is important for a career in medicine to be well complemented with sufficient training. To meet this end, we continually train our doctors, nurses, and paramedical staff and educate them on key developments, protocols and practices in their respective areas of practice. This initiative has benefited us by ensuring that our staff are kept abreast with global developments concerning the healthcare sector, and that they are aware of the innovations introduced in the medical industry. In addition, our doctors are also provided specialised training by the heads of various departments.

Our doctors and consultants are experienced professionals within their respective specialties and this gives us ample leverage to handle highly complex and critical cases. It is our firm belief that our doctors, consultants, nurses, paramedical staff, corporate staff members and pharmacists have contributed largely in building and maintaining the "Shalby" brand and reputation. In a market where the availability of physicians, nurses, and paramedical staff is highly scarce, we expect that our continuing need for quality human resources will be met by the strong academic and learning environment we have created for prospective doctors, nurses, and paramedical staff engaged by us. Through Shalby Academy, we have been successful in creating a pool of resourceful manpower, some of whom, upon successful completion of their respective courses have enlisted with us as permanent staff, or consultants as paramedical staff. We believe that our reputation for clinical excellence, amiable work culture, professional ethics, and competitive compensation packages have all enabled us to successfully attract talented doctors, nurses, paramedical staff, and other corporate staff members.

Experienced and qualified professional management team with strong execution track record

We believe that we are well guided, and continue to be led by a strong, highly qualified, experienced, and reliable management team. To ensure that we are led by a right mix of professionals from various fields, our corporate setup has been appropriately balanced to include healthcare and other management professionals.

Our Chairman and Managing Director, Dr Vikram Shah is a veteran and specializes in the field of orthopaedics. With over 25 years of professional medical experience, Dr Vikram Shah has consulted across various geographies including the United Kingdom and India. Dr Vikram Shah has been credited by Ethicon India for his involvement in the development of the OS Needle, which has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and diminishing high rates of failure that once existed while undertaking orthopaedic surgeries. In recognition of his contributions to the healthcare sector, Dr Vikram Shah has been the recipient of various awards. These include, the "*Hercules Award*" instituted by the Gujarat Innovation Society in 2014, and the "*Pathbreaking Services in the Field of Joint Replacement and Orthopaedic Surgery Award*" instituted by Rotary International in 2009. We believe that the credibility associated with Dr Vikram Shah's vast experience, as well as his diverse medical acumen has contributed significantly towards building our brand name.

Our Board is composed of accomplished Directors, having diverse experience in the sectors of medicine, finance, and education. For further details, see "*Our Management – Board of Directors – Brief biographies of Directors*" on page 189. Along with Dr Vikram Shah, we are also guided by our Chief Executive Officer, Ravi Bhandari, who has an experience of 25 years in various industries, including, petrochemicals and refinery, telecom, and healthcare. Ravi Bhandari is entrusted with the duties of managing our day-to-day operations across our domestic and overseas network, and identifying and pursuing expansion opportunities. For further details, see "*Our Management – Key Management Personnel*" on page 200.

We believe that the rich experience of our management team, coupled with their industry experience and business acumen has contributed in us making effective strategy related decisions.

OUR BUSINESS STRATEGY

It is our mission to leverage our leadership in joint replacements to establishing multi-specialty care across geographies. In tandem with our pursuance of the above mission, we also intend to build a longstanding, successful relationship with our Shareholders. We aim to achieve the above mission and grow our business by pursuing the following strategies:

Strengthen hospital presence in western and central India, and continue expanding into new geographies

We aim to continue to be one of the leading healthcare service providers in India by expanding our network of hospitals owned and operated by us through greenfield projects and brownfield projects, strategic acquisitions, and O&M arrangements with third party healthcare service providers. Towards this, we intend to strengthen our hospital presence in western and central India, and establish hospitals in new geographies. Every opportunity for expansion is viewed against the background of various factors such as local demography, catchment area served, gentry and spending capacity, growth rate of population, patient flow, availability of local partners, location of the property, expected investment, financial returns, local competition, and the availability of local talent. Expansion of our network of hospitals will be undertaken through a combination of greenfield projects and brownfield projects, strategic acquisitions, and O&M arrangements with third party healthcare service providers. We will continue to focus on cities with high growth rate. We currently have presence in Ahmedabad, Mumbai, Indore and Jaipur which are among the 10 most developed cities of India, based on GDP (*Source: F&S Report*).

In March 2017, we set up three new hospitals, Shalby Jaipur, Shalby Naroda, and Shalby Surat, which had an aggregate bed capacity of 747 beds, which have commenced providing inpatient services from April, 2017, July, 2017 and August, 2017, respectively.

We are currently in the process of setting up hospitals for a total bed capacity of 263 beds in Nashik and Vadodara. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. Further, we also intend to expand our hospitals to northern India, eastern India, and north eastern India. As part of our expansion strategies, we also intend on expanding our existing hospitals. For instance, we are presently in the process of expanding Zynova Shalby, our hospital in Mumbai, by increasing the bed capacity from 50 to 150 beds. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page164. We believe that by expanding our chain of hospitals, we will be able to provide a greater range of healthcare services to a larger population base.

Continue to enhance our outreach programmes

We aim to enhance our outreach programmes by establishing our Outpatient Clinics and SACE in various Tier I Cities, Tier II Cities, and Tier III Cities. This apart, we also intend on establishing additional Outpatient Clinics and SACE in various cities across India where our Outpatient Clinics and SACE currently cater to patients. As a part of our international expansion plans, we intend to set up Outpatient Clinics and SACE in certain SAARC countries. We believe in adopting a long-term and sustainable strategy while expanding our overseas footprint. To this end, we plan to enhance our international patient outreach by conducting health camps, screening camps, and healthcare awareness lectures. Through our 'star doctor' programme, we engage the services of senior medical practitioners, who bring with them an established practice, recurring patients, and a valuable knowledge base. As a part of our outreach initiatives, we intend on engaging the services of additional established medical practitioners who will be able to consistently grow our patient base, whilst diversifying our strength in multiple specialties of healthcare.

Our domestic and international Outpatient Clinics are either solely operated by us, or operated on the basis of a revenue sharing model. Our doctors consult in such domestic and international Outpatient Clinics on a daily, weekly, fortnightly, or monthly basis. We believe that the strategies employed by us in establishing and operating Outpatient Clinics have given us the leverage to venture into new markets, while ensuring that the expenses incurred by us remain minimal. This apart, we believe that our asset-light Outpatient Clinics and SACE afford us the opportunity to assess a market prior to setting up a full-fledged hospital. By referring patients to our hospitals for further diagnosis and treatment, our Outpatient Clinics and SACE have also been instrumental in building brand recognition, and increasing patient footfall in our hospitals. We intend to continue to expand our presence by establishing Outpatient Clinics and SACE in order to optimise the use of our capital, while facilitating the growth of our portfolio and brand through partnerships and greenfield projects.

Continue to strengthen healthcare services across other specialties

Our expansion strategies are centred on establishing hospitals which focus on offering quality healthcare services across a spectrum of specialties such as neurology, nephrology, cardiac care, critical care, and oncology. We intend to continue to strengthen our capabilities in specialties other than orthopaedics. To this end, and together with our strategy to expand our hospitals to new geographies, we intend to strengthen our specialties by setting up multi-specialty hospitals which focus on specialties other than orthopaedics. For instance, in 2014, we established Shalby Jabalpur as a multi-specialty hospital with a primary focus on cardiology. During Fiscal 2017, and for the three months period ended June 30, 2017, Shalby Jabalpur contributed to 8.41% and 9.00 % respectively, of our revenue. Further, during Fiscal 2017, and for the three months period ended June 30, 2017, 25.98 % and 27.34%, respectively, of Shalby Jabalpur's revenue was generated from cardiology.

Further, for the purposes of strengthening our focus on other specialties, we intend to equip our hospitals with an additional range of diverse healthcare equipment. These include equipment which are used for cancer diagnosis and treatment, equipment which use nephelometric technology to manage a variety of diseases such as cardiovascular diseases, and liver transplant equipment and instruments. Currently, Shalby Indore provides advanced radiation therapy for the treatment of cancer. In addition to Shalby Indore, we intent to equip our recently set up hospitals, Shalby Jaipur and Shalby Naroda with equipment to provide radiation therapy for the treatment of cancer.

We have also engaged doctors with diverse areas of specialty. As at June 30, 2017, we engaged the services of 75 doctors with a specialisation in the area of orthopaedics, and 244 doctors with specialisations in other branches of medicine. Further, in line with our strategy to further strengthen our capabilities in non-orthopaedic specialties, we offer advance post-graduate diplomas in a range of disciplines including non-invasive cardiology, dialysis management, oncology, and sports medicine through Shalby Academy. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Academy catered to 48 and 155 students respectively. We also intend to offer courses in newer disciplines and specialties through Shalby Academy.

Implement initiatives to improve operational efficiencies

We believe that improving operating efficiencies and profitability is critical to our growth. We intend to focus on the following key areas to improve our clinical and administrative operating efficiencies and profitability:

- We aim to improve our daily ARPOB by enhancing our focus on high growth care areas such as oncology, nephrology, and hepatology.

- We intend to lower the costs of consumption by centralising our procurement function. To this end, we intend on implementing various measures to improve our operational efficiencies, including undertaking measures to reduce our consumption of disposable items and avoid wastage. Further, we also intend to minimise our costs and leverage our economies of scale by standardizing the type of medical consumables used at our hospitals, optimizing procurement costs, and consolidating our suppliers by establishing and adopting strict guidelines for medical procedures across our hospitals.

- We intend to continue to minimise ALOS at our hospitals. Based on our past experience, revenue generated by us in servicing our inpatients during their first three day of stay is higher than the revenue generated by us in servicing the same patients for their stay from the fourth day onwards. We believe that systematically reducing an inpatient's ALOS at our hospitals will aid in improving our daily ARPOB.

- We intend to maximise our operational efficiency by achieving greater integration and by implementing a stronger supply chain management.

- We intend to obtain NABH accreditations for all our operational and upcoming hospitals, which we believe, will give us with the credibility to liaise with various government agencies, thereby attracting more patients to our hospitals. In addition, we also intend on obtaining certifications under the IT Act, through which we can offer our services to public service undertakings, thereby increasing our target group.

- Improve occupancy rates and the utilisation of key equipment and operating theatres, particularly at our new hospitals, by placing greater emphasis on delivery of tertiary care services, expanding our referral network and increasing community outreach programs.

- Through a systematic and mindful investment in our branding and marketing activities, including through medical camps, seminars, hoardings, digital marketing, and periodicals, we intend on promoting our hospitals, thereby increasing the patient turnover and occupancy rates. For further information on our marketing activities, see "*Our Business – Marketing and Promotional Activities*" on page 169.

Continue to grow our ancillary businesses

Apart from offering multi-specialty tertiary and quaternary healthcare services, we also provide home-based healthcare services under Shalby Homecare. Details of Shalby Homecare are set out below:

We have been engaged in providing home-based healthcare services since Fiscal 2015. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Homecare catered to 9,560 and 5,919 patients, respectively. Shalby Homecare services are being offered through our hospitals located in Ahmedabad, Indore, Jabalpur, Jaipur, Mohali, Naroda, Surat, and Vapi, as on the date of this Red Herring Prospectus. In the future, we intend to offer the Shalby Homecare services through all our existing and upcoming hospitals.

SUMMARY OF FINANCIAL INFORMATION

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. in million)

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
EQUITY AND LIABILITIES						
Shareholders' fund						
Share capital	886.55	874.09	878.88	353.72	353.72	353.72
Reserves and surplus	2,002.45	1,782.94	1,171.36	1,330.54	1,054.98	665.58
	2,889.00	2,657.03	2,050.24	1,684.26	1,408.70	1,019.30
Minority interest	0.58	0.58	3.69	23.34	25.31	38.03
Share application money pending allotment	0.00	2.73	0.00	0.00	0.00	0.00
Deferred Government subsidy	92.98	94.39	0.00	0.00	0.00	0.00
Non-current liabilities						
Long-term borrowings	2,519.16	2,854.04	2,010.72	737.34	228.30	4.20
Deferred tax liabilities (Net)	230.64	228.32	20.83	111.65	26.90	0.00
Other non current liabilities	25.35	20.67	27.69	47.46	70.51	94.09
Long-term provisions	11.88	15.18	8.97	5.58	4.11	3.31
	2,787.03	3,118.21	2,068.21	902.03	329.82	101.60
Current liabilities						
Short-term borrowings	590.15	260.67	93.18	75.20	77.46	26.57
Trade payables	444.66	389.76	467.84	614.18	204.95	204.60
Other current liabilities	965.50	650.91	354.29	213.86	120.95	130.06
Short-term provisions	7.16	7.47	1.69	0.54	1.11	0.80
	2,007.47	1,308.81	917.00	903.78	404.47	362.03
TOTAL	**7,777.06**	**7,181.75**	**5,039.14**	**3,513.41**	**2,168.30**	**1,520.96**
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	3,429.83	3,200.51	3,177.83	1,585.62	1,200.51	1,077.87
Intangible assets	1.44	1.66	3.63	3.40	5.87	4.79
Capital work-in-progress	2,504.41	2,214.40	821.87	907.10	50.99	21.09
Intangible assets under development	2.27	2.27	0.06	0.06	0.06	0.06
	5,937.95	5,418.84	4,003.39	2,496.18	1,257.43	1,103.81
Goodwill on consolidation (Net)	11.34	11.34	11.34	161.67	96.49	83.49
Non-current investments	1.10	1.10	1.10	1.10	1.13	1.13

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Deferred tax assets (Net)	0.00	0.00	0.00	0.00	0.00	1.99
Long-term loans and advances	899.09	870.91	379.90	224.97	175.92	58.00
Other non-current assets	8.76	2.99	1.83	3.30	5.67	2.38
	908.95	875.00	382.83	229.37	182.72	63.50
Current Assets						
Current investments	0.00	0.00	0.00	0.00	0.88	1.00
Inventories	152.02	76.47	74.88	58.24	64.70	61.09
Trade receivables	384.00	379.60	314.29	215.47	149.94	115.63
Cash and bank balances	134.60	158.70	160.71	309.97	118.54	54.91
Short-term loans and advances	96.53	123.76	62.24	12.90	274.72	19.09
Other current assets	151.67	138.04	29.46	29.61	22.88	18.44
	918.82	876.57	641.58	626.19	631.66	270.16
TOTAL	**7,777.06**	**7,181.75**	**5,039.14**	**3,513.41**	**2,168.30**	**1,520.96**

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs.in million)

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
REVENUE						
Revenue from operations	892.28	3,253.87	2,904.06	2,754.17	2,588.85	2,251.25
Other income	13.71	74.75	21.50	22.09	27.91	47.03
Total Revenue	905.99	3,328.62	2,925.56	2,776.26	2,616.76	2,298.28
EXPENSES						
Purchases of traded goods	17.30	58.31	43.95	43.68	39.61	46.03
Operative expenses	459.50	1,823.48	1,783.74	1,670.64	1,559.36	1,406.11
Change in inventories	(3.54)	(4.75)	0.62	0.83	0.59	(1.35)
Employee benefits expenses	90.93	392.56	289.21	198.43	169.49	153.20
Finance costs	40.68	97.94	103.85	54.23	22.78	3.49
Depreciation and amortization (Net)	44.49	168.00	113.33	212.37	110.13	271.85
Administrative and other expenses	70.64	260.63	231.62	165.74	193.36	231.97
Total Expenses	720.00	2,796.17	2,566.32	2,345.92	2,095.32	2,111.30

Profit before Tax	185.99	532.45	359.24	430.34	521.44	186.98
Tax expenses						
Current tax	38.95	119.22	84.00	100.00	115.00	45.39
Tax in respect of earlier year	0.00	0.00	0.00	0.00	0.08	0.00
MAT credit entitlement	0.00	(410.00)	0.00	0.00	0.00	0.00
Deferred tax	2.29	207.49	(87.95)	84.82	28.89	(8.50)
	41.24	(83.29)	(3.95)	184.82	143.97	36.89
Profit for the year after Tax(before Share of Profit / (Loss) of Minority Interest)	144.75	615.74	363.19	245.52	377.47	150.09
Add: Share in (Profit) / Loss of Minority Interest	(0.84)	9.89	12.64	11.81	12.80	20.95
Profit for the year ended, as restated	143.91	625.63	375.83	257.33	390.27	171.04
Earning per Equity Share						
Basic and diluted	1.63	7.16	4.30	7.36	11.16	4.90
Basic and diluted(Adjusted for bonus issue)	1.63	7.16	4.30	2.94	4.47	1.96

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED

(Rs.in million)

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March 2017	2016	2015	2014	2013
[A] Cash flow from operating activities						
Profit/(Loss) for the year before taxation and exceptional items	185.99	532.45	359.24	430.34	521.44	186.98
Adjustments for:						
Depreciation and amortization (Net)	44.49	168.00	113.33	212.37	110.13	271.85
Bad Debt Written Off	0.00	0.00	0.30	8.90	0.00	10.12
Project Expenses written off	0.00	0.00	0.00	0.00	6.54	0.00
Provision for bad and doubtful debts	0.00	8.29	0.00	0.45	9.33	18.68
Provision for impairment loss	0.00	0.00	0.53	0.00	0.00	0.00
(Profit) / Loss on sale / discard of Fixed Assets(Net)	0.00	(2.16)	0.46	8.06	3.05	0.31
Gain on sale of investment	0.00	0.00	(0.75)	(2.87)	(0.06)	0.00
Deferred capital subsidy	(1.41)	(5.61)	0.00	0.00	0.00	0.00
Interest subsidy	(1.50)	(10.88)	0.00	0.00	0.00	0.00
Dividend income	(1.01)	(0.19)	(1.90)	(3.35)	(9.41)	(6.81)
Interest income	(3.84)	(19.88)	(8.52)	(4.43)	(6.11)	(13.46)

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Interest expenses	41.42	99.56	65.15	37.80	20.09	3.01
Operating profit before working capital changes	264.14	769.58	527.84	687.27	655.00	470.68
Changes in working capital :						
Adjustments for (increase) / decrease in operating assets :						
Long-term loans and advances	(37.55)	(93.99)	(140.50)	(34.69)	(102.06)	(3.85)
Other non-current assets	(5.77)	(1.16)	1.37	2.65	(3.29)	1.22
Inventories	(75.55)	(1.59)	(16.64)	6.46	(3.61)	(15.76)
Trade receivables	(4.39)	(73.60)	(99.12)	(74.88)	(43.64)	(33.10)
Short-term loans and advances	32.24	(31.29)	(50.27)	261.82	(255.63)	(7.33)
Other current assets	(9.02)	3.38	(34.99)	21.26	(33.50)	346.90
Adjustments for increase / (decrease) in operating liabilities :						
Other non current liabilities	4.68	(7.02)	(19.77)	(23.05)	(23.58)	94.09
Trade payables	54.91	(78.08)	(146.34)	409.23	0.35	104.37
Other current liabilities	306.48	299.50	120.90	89.88	(9.36)	87.26
Provisions	(3.61)	12.25	4.50	0.89	1.06	1.02
Cash generated from operations	526.56	797.98	146.98	1,346.84	181.74	1,045.50
Direct taxes Refund/(paid)	(29.58)	(106.24)	(101.30)	(114.42)	(130.93)	(91.80)
Net cash from operating activities [A]	496.98	691.74	45.68	1,232.42	50.81	953.70
[B] Cash flow from investing activities						
(Purchase) / Sale of fixed assets	(563.59)	(1,581.30)	(991.37)	(634.34)	(273.35)	(106.85)
(Purchase) / Sale of investments	0.00	0.00	0.75	3.75	0.18	(1.26)
Dividend received	1.01	0.19	1.90	3.35	9.41	6.81
Interest received	0.73	18.81	8.50	3.97	3.36	13.20
Net cash used in investing activities [B]	(561.85)	(1,562.30)	(980.22)	(623.27)	(260.40)	(88.10)
[C] Cash flow from financing activities						
Issue / (Redemption) of Share capital	12.46	0.54	1.03	0.00	0.00	2.62
Share Premium on Issue / (Redemption) of Share capital	74.76	(12.36)	4.43	0.00	0.00	3.78
Share application money received	(2.73)	2.73	0.00	0.00	0.00	0.00
Merger and Consolidation Adjustment	0.00	0.00	(494.84)	(872.13)	(13.00)	(904.34)
Changes in Minority Interest	0.00	0.00	(7.01)	10.46	(0.54)	8.04

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Procurement/(Repayment) of long / short term borrowings	(5.40)	1,010.81	1,291.36	506.78	274.99	30.46
Dividend paid	0.00	(0.50)	(0.26)	(0.25)	(0.19)	(0.01)
Interest paid	(33.31)	(102.44)	(45.62)	(34.77)	(19.85)	(2.97)
Net cash flow from financial activities [C]	45.78	898.78	749.09	(389.91)	241.41	(862.42)
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(19.09)	28.22	(185.45)	219.24	31.82	3.18
Cash and cash equivalents opening	117.37	89.15	274.60	55.36	23.54	20.36
Cash and cash equivalents closing	98.28	117.37	89.15	274.60	55.36	23.54

STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs.in million)

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	886.55	874.09	878.88	353.72	353.72	353.72
Reserves and surplus	2,086.87	1,869.32	1,244.02	1,368.70	1,107.37	695.76
	2,973.42	2,743.41	2,122.90	1,722.42	1,461.09	1,049.48
Share application money pending allotment	0.00	2.73	0.00	0.00	0.00	0.00
Deferred government subsidy	92.98	94.39	0.00	0.00	0.00	0.00
Non-current liabilities						
Long-term borrowings	2,519.16	2,854.04	2,010.72	737.34	228.30	4.20
Deferred tax liabilities (Net)	230.68	228.39	19.56	107.20	21.29	0.00
Other non current liabilities	25.35	20.67	27.69	47.46	70.51	94.09
Long-term provisions	11.88	15.18	7.79	3.45	2.09	1.48
	2,787.07	3,118.28	2,065.76	895.45	322.19	99.77
Current liabilities						
Short-term borrowings	557.70	229.72	64.78	70.00	77.45	26.56
Trade payables	453.53	389.28	449.66	577.84	180.92	173.00
Other current liabilities	956.34	639.21	345.32	203.74	110.00	120.15
Short-term provisions	7.16	7.47	1.57	0.43	0.93	0.66
	1,974.73	1,265.68	861.33	852.01	369.30	320.37
Total	7,828.20	7,224.49	5,049.99	3,469.88	2,152.58	1,469.62
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	3,342.61	3,112.02	3,082.62	1,437.95	1,047.72	909.84
Intangible assets	1.40	1.61	3.46	3.10	5.38	3.83
Capital work-in-progress	2,504.41	2,214.40	821.87	907.10	47.68	20.74
Intangible assets under development	2.27	2.27	0.06	0.06	0.06	0.06
	5,850.69	5,330.30	3,908.01	2,348.21	1,100.84	934.47
Non-current investments	94.10	94.10	93.97	261.05	190.17	176.63
Deferred tax assets (net)	0.00	0.00	0.00	0.00	0.00	7.70

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Long-term loans and advances	896.79	867.65	373.78	214.50	167.00	50.26
Other non-current assets	8.63	2.74	1.61	3.31	5.67	2.39
	999.52	964.49	469.36	478.86	362.84	236.98
Current assets						
Current investments	9.72	4.30	0.00	0.01	0.00	1.00
Inventories	150.23	75.58	73.37	51.32	56.23	54.72
Trade receivables	382.09	377.82	306.71	203.18	138.38	102.61
Cash and bank balances	133.18	157.04	153.60	295.90	112.74	47.03
Short-term loans and advances	130.54	159.50	96.18	42.76	347.59	70.79
Other current assets	172.23	155.46	42.76	49.64	33.96	22.02
	977.99	929.70	672.62	642.81	688.90	298.17
Total	7,828.20	7,224.49	5,049.99	3,469.88	2,152.58	1,469.62

STANDALONE SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Rs.in million)

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
REVENUE						
Revenue from operations	895.70	3,239.97	2,868.48	2,627.61	2,411.90	2,083.44
Other income	7.78	68.17	23.67	30.20	32.54	49.43
Total Revenue	903.48	3,308.14	2,892.15	2,657.81	2,444.44	2,132.87
EXPENSES						
Purchases of traded goods	17.30	57.55	42.31	33.66	33.19	28.35
Operative expenses	465.33	1,822.49	1,755.29	1,584.48	1,440.52	1,305.72
Change in inventories	(2.64)	(4.75)	0.33	0.73	0.39	(1.86)
Employee benefits expenses	90.48	380.48	271.34	168.15	133.94	124.00
Finance costs	38.11	94.06	101.92	53.65	22.72	3.23
Depreciation and amortization (Net)	43.20	161.05	106.34	200.71	95.03	256.06
Administrative and other expenses	69.62	249.36	222.94	145.79	162.79	187.45
Total Expenses	721.40	2,760.24	2,500.47	2,187.17	1,888.58	1,902.95
Profit before Tax	182.08	547.90	391.68	470.64	555.86	229.92
Tax expenses						
Current tax	37.00	116.50	84.00	100.00	115.00	45.00
MAT credit entitlement	0.00	(410.00)	0.00	0.00	0.00	0.00
Deferred tax	2.29	208.84	(87.65)	85.91	29.00	(14.03)
	39.29	(84.66)	(3.65)	185.91	144.00	30.97
Profit for the period / year after tax	142.79	632.56	395.33	284.73	411.86	198.95
Earning per Equity Share:						
Basic and diluted	1.62	7.24	4.52	8.14	11.78	5.70
Basic and diluted(Adjusted for bonus issue)	1.62	7.24	4.52	3.26	4.71	2.28

STANDALONE SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED

(Rs.in million)

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
[A] Cash flow from operating activities						
Profit/(Loss) for the year before taxation and exceptional items	182.08	547.90	391.68	470.64	555.86	229.92
Adjustments for:						
Depreciation and amortization (Net)	43.20	161.05	106.34	200.71	95.03	256.06
Share in Profit from LLP	0.00	0.00	0.00	0.00	0.00	0.00
Bad debt written off	0.00	0.00	0.30	8.63	0.00	10.12
Project Expense Written Off	0.00	0.00	0.00	0.00	6.55	0.00
Provision for bad and doubtful debts	0.00	3.80	0.00	0.00	9.33	0.00
(Profit) / Loss on sale /discard of Fixed Assets (Net)	0.00	(2.34)	0.43	8.39	0.04	0.31
Gain on sale of investment	0.00	0.00	(0.75)	0.00	0.00	0.00
Deferred capital subsidy	(1.40)	(5.61)	0.00	0.00	0.00	0.00
Interest subsidy	(1.50)	(10.89)	0.00	0.00	0.00	0.00
Dividend income	(1.01)	(0.19)	(1.90)	(3.29)	(9.38)	(6.81)
Interest income	(3.84)	(24.65)	(12.86)	(15.14)	(14.75)	(17.39)
Interest expenses	38.86	95.69	63.22	37.23	20.03	2.75
Operating profit before working capital changes	256.39	764.76	546.46	707.17	662.71	474.96
Changes in working capital : *Adjustments for (increase) / decrease in operating assets :*						
Long-term loans and advances	(37.56)	(93.87)	(142.44)	(34.73)	(103.17)	(3.10)
Other non-current assets	(5.89)	(1.13)	1.70	2.36	(3.28)	1.21
Inventories	(74.65)	(2.21)	(22.05)	4.91	(1.51)	(13.67)
Trade and other receivables	(4.27)	(74.91)	(103.83)	(73.43)	(45.10)	(37.79)
Short-term loans and advances	33.86	(33.58)	(53.42)	304.83	(276.80)	(45.57)
Other current assets	(9.02)	3.38	(35.33)	21.77	(33.21)	347.04
Adjustments for increase / (decrease) in operating liabilities :						
Other non-current liabilities	4.68	(7.02)	(19.77)	(23.05)	(23.58)	94.09
Trade payables	64.24	(60.38)	(128.18)	396.92	7.92	90.49

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Other current liabilities	309.58	300.26	123.18	91.21	(10.40)	91.10
Provisions	(3.61)	13.55	5.44	0.86	0.82	0.50
Cash generated from operations	533.75	808.85	171.76	1,398.82	174.40	999.26
Direct taxes Refund/(paid)	(28.58)	(106.50)	(100.85)	(112.77)	(128.57)	(89.11)
Net cash from operating activities [A]	505.17	702.35	70.91	1,286.05	45.83	910.15
[B] Cash flow from investing activities						
(Purchase) / Sale of fixed assets (including adjustment on account of merger)	(563.59)	(1,581.01)	(1,499.47)	(1,479.60)	(268.01)	(869.39)
Share in Profit from LLP	0.00	0.00	0.00	0.00	0.00	0.00
(Purchase) / Sale of Investments	(5.42)	(4.43)	0.76	(70.90)	(12.53)	(91.71)
Dividend Received	1.01	0.19	1.90	3.29	9.38	6.81
Interest received	(2.41)	19.46	18.68	6.31	4.20	13.73
Net cash used in investing activities [B]	(570.41)	(1,565.79)	(1,478.13)	(1,540.90)	(266.96)	(940.56)
[C] Cash flow from financing activities						
Issue / (Redemption) of Equity Share Capital	12.46	0.54	1.03	0.00	0.00	2.62
Share Premium on Issue / (Redemption) of Equity Share Capital	74.76	3.24	4.43	0.00	0.00	3.78
Share application money received	(2.73)	2.73	0.00	0.00	0.00	0.00
Redemption of shares including Premium	0.00	(15.60)	0.00	0.00	0.00	0.00
Procurement / (Repayment) of long/ short-term borrowings	(6.90)	1,008.26	1,268.16	501.59	274.99	30.45
Dividend paid	0.00	(0.49)	(0.26)	(0.25)	(0.19)	(0.01)
Interest paid	(31.31)	(102.06)	(44.83)	(34.71)	(19.78)	(2.72)
Net cash flow from financial activities [C]	46.28	896.62	1,228.53	466.63	255.02	34.12
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(18.96)	33.18	(178.69)	211.78	33.89	3.71
Cash and cash equivalents opening	115.82	82.64	261.33	49.55	15.66	11.95
Cash and cash equivalents closing	96.86	115.82	82.64	261.33	49.55	15.66

THE OFFER

The following table summarizes the offer details:

Equity Shares offered	
Offer of Equity Shares	Up to **[●]** Equity Shares, aggregating up to ₹[●] million
of which:	
Fresh Issue(1)	Up to **[●]** Equity Shares, aggregating up to ₹4,800 million
Offer for Sale(2)	Up to 1,000,000 Equity Shares, aggregating up to ₹[●] million by the Selling Shareholder
The Offer comprises of:	
Employee Reservation Portion(3)	Up to 121,000 Equity Shares aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares aggregating up to ₹[●] million
of which:	
A) QIB Portion(4)(5)	Not more than **[●]** Equity Shares
of which:	
(i) Anchor Investor Portion	**[●]** Equity Shares
(ii) Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed) ("**Net QIB Portion**")	**[●]** Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	**[●]** Equity Shares
(b) 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	88,654,932 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Offer Proceeds	See "*Objects of the Offer*" on page 106 for information about the use of the Gross Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of shares in 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 425.

(1) *The Fresh Issue has been authorized by a resolution of our Board of Directors dated March 6, 2017, and by a special resolution of our Shareholders in their EGM dated March 30, 2017.*

(2) *Dr Vikram Shah has consented to participate in the Offer for Sale and to offer up to 1,000,000 Equity Shares in the Offer pursuant to a letter dated May 19, 2017. Dr Vikram Shah, the Selling Shareholder, confirms that the Equity Shares being offered by him in the Offer, have been held by him for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulation.*

(3) *Eligible Employees Bidding in the Employee Reservation Portion should ensure that the Bid Amount does not exceed ₹500,000. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 only in the event of an undersubscription in the Employee Reservation Portion and such undersubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Offer. Retail Individual Bidders Bidding in the Retail Portion shall ensure that the Bid Amount does not exceed ₹200,000.*

(4) *Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the 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 undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (excluding*

Anchor Investor 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 [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion (excluding Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" on page 425.

(5) *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories (including the Employee Reservation Portion) at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of other categories (including the Employee Reservation Portion). Balance Equity Shares arising out of undersubscription, if any, in the Employee Reservation Portion will be added to the Net Offer. In case of undersubscription, if any, in the Net Offer, spill-over to the extent of undersubscription shall be permitted to be met with spill over from the Employee Reservation Portion, subject to compliance with Rule 19(2)(b) of the SCRR. Further, a Bidder Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids. In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue, prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum-subscription of 90% of the Fresh Issue, Equity Shares offered pursuant to the Offer for Sale, shall be allocated prior to the Equity Shares offered pursuant to the Fresh Issue.*

GENERAL INFORMATION

Our Company was originally incorporated as Shalby Hospital Private Limited on August 30, 2004 at Ahmedabad, Gujarat, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on May 15, 2006, in the name of Shalby Hospital Public Limited. The name of our Company was subsequently changed to Shalby Hospitals Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 26, 2006. Thereafter, the name of our Company was changed to Shalby Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 13, 2008. For details of change in the name and Registered Office of our Company, see "*History and Certain Corporate Matters – Changes in Registered Office*" on page 177.

For details of the business of our Company, see "*Our Business*" on page 150.

REGISTERED AND CORPORATE OFFICE OF OUR COMPANY

Shalby Limited
Opposite Karnawati Club
Sarkhej Gandhinagar Highway
Near Prahlad Nagar Garden
Ahmedabad – 380 015
Gujarat, India
Tel: +91 79 4020 3000
Fax: +91 79 4020 3120
E-mail: companysecretary@shalby.in
Website: www.shalby.org

Corporate Identity Number: U85110GJ2004PLC044667

Registration Number: 044667

For details in relation to changes in the Registered Office, see "*History and Certain Corporate Matters – Changes in Registered Office*" on page 177.

ADDRESS OF THE ROC

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

Registrar of Companies
RoC Bhavan, Opposite Rupal Park Society
Behind Ankur Bus Stop, Naranpura
Ahmedabad – 380 013
Gujarat, India

BOARD OF DIRECTORS

The Board of our Company as on the date of filing this Red Herring Prospectus, comprises the following:

Name	Designation	DIN	Address
Dr Vikram Shah	Chairman and Managing Director	00011653	6, Rupam Society Near Memnagar Fire Station Vijay Cross Roads, Navrangpura Ahmedabad – 380 009 Gujarat, India
Dr Darshini Shah	Non-Executive, Non-Independent Director	00013903	6, Rupam Society Near Memnagar Fire Station Vijay Cross Roads, Navrangpura Ahmedabad – 380 009 Gujarat, India

Name	Designation	DIN	Address
Shyamal Joshi	Non-Executive, Non-Independent Director	00005766	40, Prerana Tirth – 1, B / H Someshwar – II, Satellite Ahmedabad – 380 015 Gujarat, India
Umesh Menon	Non-Executive, Independent Director	00086971	B-9, New Adhyashakti Tenaments B / H Falgun Society, Satellite Road Jodhpur Village Ahmedabad – 380 015 Gujarat, India
Ashok Bhatia	Non-Executive, Independent Director(1)	02090239	16 Pushp Bunglows, 5AB Ashok Vatika Bopal Ambali Road Ahmedabad – 380 058 Gujarat, India
Tej Malhotra	Non-Executive, Independent Director	00122419	B-101, Ashavari Towers B / H Karnavati Bungalows Near Ramdev Chokdi, Near S.G. Highway Satellite, Ahmedabad – 380 015 Gujarat, India

(1) Ashok Bhatia has been appointed as an Additional Non-Executive Independent Director pursuant to circular resolution dated October 23, 2017, passed by our Board, and is expected to be regularised in the forthcoming General Meeting of our Company.

For further details of our Directors, see "*Our Management – Board of Directors*" on page 187.

COMPANY SECRETARY AND COMPLIANCE OFFICER

Jayesh Patel
Shalby Limited
Opposite Karnawati Club
Sarkhej Gandhinagar Highway
Near Prahlad Nagar Garden
Ahmedabad – 380 015
Gujarat, India
Tel: +91 79 4020 3000
Fax: +91 79 4020 3120
E-mail: companysecretary@shalby.in

CHIEF FINANCIAL OFFICER

Shantilal Kothari
Shalby Limited
Opposite Karnawati Club
Sarkhej Gandhinagar Highway
Near Prahlad Nagar Garden
Ahmedabad – 380 015
Gujarat, India
Tel: +91 79 4020 3000
Fax: +91 79 4020 3120
E-mail: chieffinancialofficer@shalby.in

INVESTOR GRIEVANCES

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

All Offer related grievances 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 and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the documents / information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Book Running Lead Managers

Edelweiss Financial Services Limited
14th Floor, Edelweiss House
Off C.S.T. Road, Kalina
Mumbai – 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: shalby.ipo@edelweissfin.com
Investor Grievance
E-mail:customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Shubham Mehta
SEBI Registration No.: INM0000010650

IDFC Bank Limited
Naman Chambers, C – 32, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Maharashtra, India
Tel: +91 22 6622 2600
Fax: +91 22 6622 2501
E-mail: shalby.ipo@idfbank.com
Investor Grievance E-mail: mb.ig@idfcbank.com
Website: www.idfcbank.com
Contact Person: Akshay Bhandari
SEBI Registration No: MB/INM000012250

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg
Lower Parel (West), Mumbai – 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: shalby.ipo@iiflcap.com
Investor Grievance E-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Vishal Bangard / Abhishek Joshi
SEBI Registration No: MB/INM000010940

Syndicate Members

Edelweiss Securities Limited
2nd Floor, M.B. Towers
Plot No. 5, Road No. 2
Banjara Hills, Hyderabad-500 034
Telangana, India
Tel: +91 22 4063 5569
Fax: +91 22 6747 1347
Email: shalby.ipo@edelweissfin.com
Website: www.edelweissfin.in
Contact Person: Prakash Boricha
SEBI Registration No.: INB011193332 (BSE), INB231193310 (NSE), INB261193396

IDFC Securities Limited
Naman Chambers, C-32, G Block
Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: +91 22 6622 2585
Fax: +91 22 6622 2504
E-mail: idfcsec.ie@idfc.com
Investor Grievance E-mail:
investorgrievance@idfc.com
Website: www.idfccapital.com
Contact Person: Amit Gangnaik
SEBI Registration No.: INB231291437, INB011291433

India Infoline Limited
IIFL Centre, Kamala City
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013
Tel: +91 22 4249 9000
Fax: +91 22 2495 4313
E-mail: cs@indiainfoline.com

Sharekhan Limited
10th Floor, Beta Building, Lodha iThink Techno
Campus Off Jogeshwari-Vikhroli Link Road
Next to Kanjurmarg Railway Station
Kanjurmarg (East) Mumbai 400 042
Tel: +91 22 6115 0000
Fax: +91 22 6748 1899
E-mail: ipo@sharekhan.com

Syndicate Members

Investor Grievance E-mail: customergrievance@indiainfoline.com
Website: www.indiainfoline.com
Contact Person: Prasad Umarale
SEBI Registration No.: INB231097537, INB011097533

Investor Grievance E-mail: myaccount@sharekhan.com
Website: www.sharekhan.com
Contact Person: Pravin Darji and Mehul Koradia
SEBI Registration No.: INB011073351, INB231073330

Legal Counsel to our Company

Khaitan & Co
Simal, 2nd Floor
7 / 1, Ulsoor Road
Bengaluru – 560 042
Karnataka, India
Tel: +91 80 4339 7000
Fax: +91 80 2559 7452

Legal Counsel to the BRLMs

Shardul Amarchand Mangaldas
Express Towers
23rd floor, Nariman Point
Mumbai – 400 021
Maharashtra, India
Tel: +91 22 4933 5555
Fax: +91 22 4933 5550

Statutory Auditors to our Company

G. K. Choksi & Co.
"Madhuban", Near Madalpur Underbridge
Ellisbridge, Ahmedabad – 380 006
Gujarat, India
Tel: +91 79 3001 2009
Fax: +91 79 2656 9929
E-mail: info@gkcco.com
Contact Person: Rajendra M Mulani
Firm Registration Number: FRN 101895W
Peer Review Number: 008731

Registrar to the Offer

Karvy Computershare Private Limited
Karvy Selenium, Tower B
Plot 31-32, Gacchibowli
Financial District, Nanakramguda
Hyderabad – 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: einward.ris@karvy.com
Investor Grievance E-mail: shalby.ipo@karvy.com
Website: https://karisma.karvy.com
Contact Person: M Muralikrishna
SEBI Registration No.: INR000000221

Escrow Collection Bank, Public Offer Account Bank and Refund Bank

HDFC Bank Limited
5th Floor, Tower B
Peninsula Business Park
Senapati Bapat Marg
Lower Parel, Mumbai-400 013
Tel: +91 22 3395 8630

Fax: +91 22 2579 9801
Email: Vikas.jajoo@hdfcbank.com/Sharman.dandekar@hdfcbank.com
Contact Person: Vikas Jajoo / Sharman Dandekar
Website: www.hdfcbank.com
SEBI Registration No.: INBI00000063

Bankers to our Company

HDFC Bank Limited
HDFC Bank House,
Near Mithakhali Six Road, Navrangpura
Ahmedabad – 380 009, Gujarat
India
Tel: +91 79 2644 1020
Fax: +91 79 6631 7777
E-mail: avinash.sharma@hdfcbank.com
Contact Person: Avinash Sharma
Website: www.hdfcbank.com

Kotak Mahindra Bank Limited
7th Floor B – Wing Venus Amadeus
Jodhpur Cross Road, Ahmedabad – 380 015
Gujarat, India
Tel: +91 79 6716 8753
Fax: -
E-mail: darshan.gopani@kotak.com / sesoahmd@kotak.com
Contact Person: Darshan Gopani
Website: www.kotak.com

Export-Import Bank of India
Centre One Building, Floor 21
World Trade Centre Complex
Cuffe Parade, Mumbai – 400 005
Maharashtra, India
Tel: +91 22 2217 2469
Fax: +91 22 2218 8076
E-mail: manjunaath.p@eximbankindia.in / julian.j@exisbankindia.in
Contact Person: Manjunaath / Joseph Julian
Website: www.eximbankindia.com

IDFC Bank Limited
Sun Square Complex, Off C G Road,
Ahmedabad- 380 006
Gujarat, India
Tel: +91 79 6621 6317
Fax: +91 79 2644 5511
E-mail: Birud.shah@idfcbank.com
Contact Person: Birud Shah
Website: www.idfcbank.com

Barclays Investments and Loans (India) Limited
10, Block B – 6, Nirlon Knowledge Park
Off Western Express Highway, Goregaon (East)
Mumbai – 400 063, Maharashtra, India
Tel: +91 22 6175 4348 / +91 22 6175 4244
Fax: +91 22 6175 4099
E-mail: mumcreditoperations@barclays.com
Contact Person: Ruzbeh Sutaria
Website: www.barclays.in/bill

Bank of Maharashtra
Lokmanagal, 1501
Shivaji Nagar, Pune – 411 005
Maharashtra, India
Tel: +91 22 2284 4882
Fax: +91 22 2285 0750
E-mail: bom972@mahabank.co.in
Contact Person: Bibhas Chakraborty
Website: www.bankofmaharashtra.in

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and as updated from time to time. For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of SEBI at 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, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

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 http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated November 17, 2017, from the Statutory Auditors namely, G. K. Choksi & Co., Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated September 28, 2017, and the statement of tax benefits dated November 17, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Monitoring Agency

HDFC Bank Limited has been appointed as the Monitoring Agency for monitoring the utilization of Net Proceeds, as our Offer Size (excluding the Offer for Sale by the Selling Shareholder) exceeds ₹ 1,000 million in accordance with Regulation 16 of the SEBI ICDR Regulations. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds.

IPO Grading

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

Appraising Entity

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

Credit Rating

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

Trustee(s)

As this is an offer of Equity Shares, the appointment of trustee(s) is not required.

INTER-SE ALLOCATION OF RESPONSIBILITIES

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

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Edelweiss, IDFC, IIFL	Edelweiss
2.	Pre-Offer due diligence of our Company including its operations / management / business plans / legal etc., Drafting and design of the Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus and RoC filing	Edelweiss, IDFC, IIFL	Edelweiss
3.	Drafting and approval of all statutory advertisements	Edelweiss, IDFC, IIFL	IDFC
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in #3 above, including corporate advertising, brochures, media monitoring etc.	Edelweiss, IDFC, IIFL	IDFC
5.	Appointment of Registrar to the Offer, Printers, Banker(s) to the Offer, advertising agency (including coordinating all agreements to be entered with such parties)	Edelweiss, IDFC, IIFL	IIFL
6.	Preparation of road show presentation and FAQs for the road show team	Edelweiss, IDFC, IIFL	Edelweiss
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 schedules	Edelweiss, IDFC, IIFL	Edelweiss
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: Finalizing the list and division of domestic investors for one-to-one meetings; and Finalizing domestic road show and investor meeting schedules	Edelweiss, IDFC, IIFL	IDFC
9.	Conduct non-institutional marketing of the Offer	Edelweiss, IDFC, IIFL	IIFL
10.	Conduct retail marketing of the Offer, which will cover, inter-alia: Finalising media, marketing, public relations strategy and publicity budget; Finalising collection centres; Finalising centres for holding conferences for brokers etc.; and Follow-up on distribution of publicity and Offer material including form, RHP / Prospectus and deciding on the quantum of the Offer material	Edelweiss, IDFC, IIFL	Edelweiss
11.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading	Edelweiss, IDFC, IIFL	IIFL
12.	Coordination with Stock Exchanges for deposit of 1% security deposit	Edelweiss, IDFC, IIFL	IIFL
13.	Managing the book and finalization of pricing in consultation with the Company	Edelweiss, IDFC, IIFL	Edelweiss
14.	Post-Bidding activities – managing Anchor book related activities and submission of letters to regulators post completion of Anchor issue, management of escrow accounts, coordinating underwriting, coordination of non-institutional allocation, finalization of the basis of allotment based on technical rejections, listing of instruments, demat credit and refunds / unblocking of funds announcement of allocation and dispatch of refunds to Bidders, etc, payment of the applicable STT, coordination with SEBI and Stock Exchanges for refund of 1% security deposit and media compliance report	Edelweiss, IDFC, IIFL	IDFC

BOOK BUILDING PROCESS

The Offer is being undertaken in accordance with Rule 19(2)(b) of the SCRR, as amended, in compliance with Regulation 26(1) of the SEBI ICDR Regulations. The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of this Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of Financial Express- English, all editions of Jansatta and Ahmedabad edition of Financial Express- Gujarati, each of which are widely circulated English, Hindi and Gujarati newspapers, respectively, (Gujarati being the regional language of Gujarat where our Registered and Corporate Office is located), each with wide circulation, at least five working days prior to the Bid / Offer Opening Date. The Offer Price is finalised after the Bid / Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholder;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer;
- the Escrow Collection Bank(s);
- the RTAs; and
- the Collecting Depository Participants.

The Offer is being made through the Book Building Process in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Net Offer shall be allotted on a proportionate basis to QIBs, of which 5% (excluding Anchor Investor Portion) shall be reserved for allocation on a proportionate basis to Mutual Funds only. Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, and one-third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds, only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹100.00 million.

Not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors, subject to valid Bids being received at or above the Offer Price. Further, up to 121,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except in the QIB category would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law.

All Bidders, except Anchor Investors, can participate in the Offer only through the ASBA process.

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

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. The Selling Shareholder confirms that he will comply with the SEBI ICDR Regulations, and any other directions issued by SEBI, as applicable, to the portion of his Equity Shares offered in the Offer for Sale. The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer. For further details on the method and procedure for Bidding, see

"*Offer Structure*" and "*Offer Procedure*" on pages 423 and 425. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and price discovery process, see "*Offer Procedure – Part B – Basis of Allocation - Illustration of the Book Building and Price Discovery Process*" on page 456.

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 Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI ICDR Regulations. Pursuant to the terms of the Underwriting Agreement dated [●], the obligations of the Underwriters will be several and will be subject to certain conditions specified therein. By way of the Underwriting Agreement, the Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

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

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

In the opinion of the Board of Directors (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors / 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 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. The extent of underwriting obligations, and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

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

(₹, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price
A.	**AUTHORIZED SHARE CAPITAL**		
	117,750,000 Equity Shares	1,177,500,000	
	TOTAL	**1,177,500,000**	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	88,654,932 Equity Shares	886,549,320	
C.	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	[●] Equity Shares aggregating to ₹[●] million of which		
	Fresh Issue of up to [●] Equity Shares aggregating to ₹4,800 million(1)	[●]	[●]
	Offer for Sale of up to 1,000,000 Equity Shares aggregating to ₹[●] million(2)	[●]	[●]
	which includes		
	Employee Reservation Portion of up to 121,000 Equity Shares aggregating to ₹[●] million	[●]	[●]
	Net Offer	[●]	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	78,000,000	
	After the Offer	[●]	

(1) The Fresh Issue has been authorized by a resolution passed by of our Board of Directors on March 6, 2017, and a special resolution passed by our Shareholders in their EGM held on March 30, 2017.

(2) For details of the authorisation letter received from the Selling Shareholder for the Offer for Sale, see "The Offer" on page 76. The Equity Shares being offered by the Selling Shareholder has been held by him for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of SEBI ICDR Regulations, and are eligible for being offered for sale in the Offer.

NOTES TO THE CAPITAL STRUCTURE

1. CHANGES IN AUTHORISED SHARE CAPITAL OF OUR COMPANY

Sr. No.	Date of Shareholders' Resolution / order of the High Court	Details of changes in the Authorised Share Capital
1.	June 20, 2006	Initial authorised capital of ₹10,000,000 divided into 1,000,000 Equity Shares was increased to ₹100,000,000 divided into 10,000,000 Equity Shares.
2.	December 24, 2007	Authorised share capital of ₹100,000,000 divided into 10,000,000 Equity Shares was increased to ₹250,000,000 divided into 25,000,000 Equity Shares.
3.	August 16, 2010	Authorised share capital of ₹250,000,000 divided into 25,000,000 Equity Shares was increased to ₹500,000,000 divided into 50,000,000 Equity Shares.
4.	October 14, 2011	Authorised share capital of ₹500,000,000 divided into 50,000,000 Equity Shares of ₹10 each was reclassified into 48,000,000 Equity Shares and 2,000,000 Preference Shares.
5.	September 3, 2013	Authorised share capital of ₹500,000,000 divided into 48,000,000 Equity Shares and 2,000,000 Preference Shares was increased to ₹892,500,000 divided into 87,250,000 Equity Shares and 2,000,000 Preference Shares(1).
6.	April 30, 2015	Authorised share capital of ₹892,500,000 divided into 87,250,000 Equity Shares and 2,000,000 Preference Shares was increased to ₹942,500,000 divided into 92,250,000 Equity Shares and 2,000,000 Preference Shares(2).
7.	August 5, 2016	Authorised share capital of ₹942,500,000 divided into 92,250,000 Equity Shares and 2,000,000 Preference Shares was increased to ₹1,012,500,000 divided into 99,250,000 Equity Shares and 2,000,000 Preference Shares(3).

Sr. No.	Date of Shareholders' Resolution / order of the High Court	Details of changes in the Authorised Share Capital
8.	February 6, 2017	Authorised share capital of ₹1,012,500,000 divided into 99,250,000 Equity Shares and 2,000,000 Preference Shares was increased to ₹1,112,500,000 divided into 109,250,000 Equity Shares and 2,000,000 Preference Shares.
9.	February 6, 2017	Authorised share capital of ₹1,112,500,000 divided in to 109,250,000 Equity Shares and 2,000,000 Preference Shares was reclassified into 111,250,000 Equity Shares.
10.	July 13, 2017	Authorised share capital of ₹1,112,500,000 divided into 111,250,000 Equity Shares was increased to ₹1,177,500,000 divided into 117,750,000 Equity Shares(4).

(1) *This increase in our Company's authorised share capital was on account of the scheme of arrangement between our Company and Yogeshwar Healthcare, sanctioned by an order passed by the High Court of Gujarat on September 3, 2013.*

(2) *This increase in our Company's authorised share capital was on account of the scheme of arrangement between our Company and Hari Om Health Care Private Limited, sanctioned by an order passed by the High Court of Gujarat on April 30, 2015.*

(3) *This increase in our Company's authorised share capital was on account of the scheme of arrangement between our Company, Shalby Surat Hospitals Private Limited, and Kusha Healthcare Limited, sanctioned by an order passed by the High Court of Gujarat on August 5, 2016.*

(4) *This increase in our Company's authorised share capital was on account of the scheme of arrangement between our Company and Kamesh Hospital, sanctioned by an order passed by the National Company Law Tribunal, Chandigarh on July 13, 2017.*

2. SHARE CAPITAL HISTORY OF OUR COMPANY

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

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid-up Equity Share Capital (₹)
August 19, 2004	10,000	10	10	Cash	Initial subscription to MoA(1)	10,000	100,000
March 28, 2005	500,000	10	10	Cash	Preferential allotment(2)	510,000	5,100,000
April 8, 2005	400,000	10	10	Cash	Preferential allotment(3)	910,000	9,100,000
March 20, 2006	50	10	10	Cash	Preferential allotment(4)	910,050	9,100,500
July 25, 2006	2,089,950	10	10	Cash	Preferential allotment(5)	3,000,000	30,000,000
December 15, 2007	6,500,000	10	10	Cash	Preferential allotment(6)	9,500,000	95,000,000
February 12, 2008	8,240,000	10	10	Cash	Preferential allotment(7)	17,740,000	177,400,000
March 29, 2008	750,000	10	10	Cash	Preferential allotment(8)	18,490,000	184,900,000
June 12, 2008	1,510,300	10	10	Cash	Preferential allotment(9)	20,000,300	200,003,000
November 10, 2008	2,085,000	10	10	Cash	Preferential allotment(10)	22,085,300	220,853,000
April 26, 2010	2,800,000	10	10	Cash	Preferential allotment(11)	24,885,300	248,853,000
April 18, 2011	9,954,120	10	10	Cash	Rights issue(12)	34,839,420	348,394,200
November 25, 2011	64,200	10	20	Cash	Preferential allotment(13)	34,903,620	349,036,200
December 19, 2013	38,352	10	-	Other than cash	Allotment pursuant to demerger(14)	34,941,972	349,419,720
March 26, 2016	52,412,960	10	-	Bonus issue	Bonus issue(15)	87,354,932	873,549,320
March 6, 2017	54,000	10	70	Cash	Preferential allotment(16)	87,408,932	874,089,320
April 24, 2017	1,246,000	10	70	Cash	Preferential allotment(17)	88,654,932	886,549,320

(1) 5,000 Equity Shares were allotted to Dr Vikram Shah, and 5,000 Equity Shares were allotted to Dr Darshini Shah.
(2) 500,000 Equity Shares were allotted to Dr Vikram Shah.
(3) 400,000 Equity Shares were allotted to Dr Vikram Shah.
(4) 10 Equity Shares were allotted to Shanay Shah, 10 Equity Shares were allotted to Madhukanta Shah, 10 Equity Shares were allotted to Prakash Nayak, 10 Equity Shares were allotted to V. Raghunathan, and 10 Equity Shares were allotted to Rupen Kapadia.
(5) 2,089,950 Equity Shares were allotted to Dr Vikram Shah.
(6) 6,500,000 Equity Shares were allotted to Dr Vikram Shah.
(7) 8,240,000 Equity Shares were allotted to Dr Vikram Shah.
(8) 250,000 Equity Shares were allotted to Dr Vikram Shah, and 500,000 Equity Shares were allotted to Dr Darshini Shah.
(9) 1,340,000 Equity Shares were allotted to Dr Vikram Shah, 170,000 Equity Shares were allotted to Dr Darshini Shah, 100 Equity Shares were allotted to Tejas Patel, 100 Equity Shares were allotted to Sandip Shah, and 100 Equity Shares were allotted to Nilesh Shah.
(10) 1,500,000 Equity Shares were allotted to Dr Vikram Shah, 530,000 Equity Shares to Dr Darshini Shah, and 55,000 Equity Shares to Shanay Shah.
(11) 2,800,000 Equity Shares were allotted to Zodiac.
(12) 9,954,120 Equity Shares were allotted to Zodiac.
(13) 5,000 Equity Shares were allotted to Amish Kshatriya, 18,000 Equity Shares were allotted to Bharat Gajjar, 2,000 Equity Shares were allotted to Yudhishthir Dave, 6,000 Equity Shares were allotted to Govind Agrawal, 4,000 Equity Shares were allotted to Natverlal Thakkar, 6,000 Equity Shares were allotted to Shrirang Deodhar, 7,000 Equity Shares were allotted to Ashish Sheth, 3,000 Equity Shares were allotted to Dhiraj Marothi, 3,000 Equity Shares were allotted to Nalin Shah, 5,000 Equity Shares were allotted to Kalpesh Shah, 100 Equity Shares were allotted to Shyamal Joshi, 100 Equity Shares were allotted to Kiritbhai Shah, and 5,000 Equity Shares were allotted to Namrata Pachore.
(14) Allotment of Equity Shares pursuant to the order dated September 3, 2013 passed by the High Court of Gujarat, approving the composite scheme of arrangement in the nature of de-merger and transfer of Ghuma division of Yogeshwar Healthcare to our Company. In accordance with the terms of the aforementioned order, the share exchange ratio for the demerger of Yogeshwar Healthcare from our Company would entail that one Equity Share as fully paid-up of our Company be credited against 51 equity shares of Yogeshwar Healthcare. Accordingly, 7,879 Equity Shares were allotted to Muthuswamy Krishnamurthy jointly with Lalitha Krishnamurthy, 7,879 Equity Shares were allotted to Balaji Gopalakrishnan jointly with Sarada Krishnamurthy, 21,585 Equity Shares were allotted to Zodiac, 197 Equity Shares were allotted to N. L. Dave, 778 Equity Shares were allotted to Shashin Parikh, 2 Equity Shares were allotted to Viral Shah, 2 Equity Shares were allotted to Pratish Shah, 2 Equity Shares were allotted to Shyamal Joshi, 2 Equity Shares were allotted to Ravi Bhandari, 2 Equity Shares were allotted to Raviraj Karia, 2 Equity Shares were allotted to Sunil Bhagat, 2 Equity Shares were allotted to Jayesh Patel, 2 Equity Shares were allotted to Rohan Gupta, 2 Equity Shares were allotted to Mikita Shah, 2 Equity Shares were allotted to Nishita Shukla, 2 Equity Shares were allotted to Medhavini Ayachit, 2 Equity Shares were allotted to Nayan Parmar, 2 Equity Shares were allotted to Nilesh Soni, 2 Equity Shares were allotted to Yogesh Karel, 2 Equity Shares were allotted to Ishwendra Jhala, 2 Equity Shares were allotted to Kaushal Rajgor, and 2 Equity Shares were allotted to Ankur Mahendru. Further, for details of the composite scheme of arrangement between Yogeshwar Healthcare and our Company, see "History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations" on page 184.
(15) Bonus issue in the ratio of three Equity Shares for every two Equity Shares to the then existing Shareholders, authorised by way of a resolution passed by the Shareholders at the EGM held on March 25, 2016. 31,237,575 Equity Shares were allotted to Dr Vikram Shah, 1,807,500 Equity Shares were allotted to Dr Darshini Shah, 82,515 Equity Shares were allotted to Shanay Shah, 15 Equity Shares were allotted to Madhukanta Shah, 15 Equity Shares were allotted to Prakash Nayak, 15 Equity Shares were allotted to V. Raghunathan, 15 Equity Shares were allotted to Rupen Kapadia, 150 Equity Shares were allotted to Nilesh J. Shah, 19,163,609 Equity Shares were allotted to Zodiac, 7,500 Equity Shares were allotted to Amish Kshatriya, 27,000 Equity Shares were allotted to Bharat Gajjar, 3,000 Equity Shares were allotted to Yudhishthir Dave, 9,000 Equity Shares were allotted to Govind Agrawal, 6,000 Equity Shares were allotted to Natverlal Thakkar, 9,000 Equity Shares were allotted to Shrirang Deodhar, 10,500 Equity Shares were allotted to Ashish Sheth, 4,500 Equity Shares were allotted to Dhiraj Marothi, 4,500 Equity Shares were allotted to Nalin Shah, 7,500 Equity Shares were allotted to Kalpesh Shah, 150 Equity Shares were allotted to Shyamal Joshi, 150 Equity Shares were allotted to Kiritbhai Shah 7,500 Equity Shares were allotted to Namrata J. Pachore, 150 Equity Shares were allotted to Maitreya Shah, jointly with Deepa Shah, 11,819 Equity Shares were allotted to Muthuswamy Krishnamurthy, jointly with Lalitha Krishnamurthy, 11,819 Equity Shares were allotted to Balaji Gopalakrishnan, jointly with Sarada Krishnamurthy, 1,167 Equity Shares were allotted to Shashin Parikh, and 296 Equity Shares were allotted to Atul Choksi.
(16) 2,000 Equity Shares were allotted to Nilay Bramhachari, 2,000 Equity Shares were allotted to Viral Shah, 4,000 Equity Shares were allotted to Jayesh Patel, 2,000 Equity Shares were allotted to Sachin Baid, 2,000 Equity Shares were allotted to Shailesh Rathod, 18,000 Equity Shares were allotted to Nishita Shukla, 3,000 Equity Shares were allotted to Rakesh Shukla, 6,000 Equity Shares were allotted to Shantilal Kothari, 5,000 Equity Shares were allotted to Kunwar Bikram Sehgal, and 10,000 Equity Shares were allotted to Ravi Bhandari.
(17) 2,000 Equity Shares were allotted to Priyank Gupta, 5,000 Equity Shares were allotted to Ashish Sheth, 2,000 Equity Shares were allotted to Jayesh Patil, 2,000 Equity Shares were allotted to Ranat Vishnoi, 2,000 Equity Shares were allotted to Dhiraj Marothi, 2,000 Equity Shares were allotted to Umesh Menon, 3,000 Equity Shares were allotted to Manu Sharma, 10,000 Equity Shares were allotted to Deepak Saini, 2,000 Equity Shares were allotted to Namrata Babariya, 5,000 Equity Shares were allotted to Amit Chauhan, 2,000 Equity Shares were allotted to Pradip Chudasama, 2,000 Equity Shares were allotted to Pravin Agarwal, 5,000 Equity Shares were allotted to Bhanupratap Singh, and 2,000 Equity Shares were allotted to Mausami Shah jointly with Kairav Shah, and 1,200,000 Equity Shares were allotted to Shalby Medicos Trust (acting through its trustees Viral Shah, Nishita Shukla, and Pratish Shah).

(b) The table below sets out details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus. Other than as disclosed in this Red Herring Prospectus, our Company has not issued any Equity Shares to members of our Promoter Group:

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Whether allotment to Promoter(s) and / or member(s) of the Promoter Group
March 6, 2017	54,000	Nilay Bramhachari, Viral Shah, Jayesh Patel, Sachin Baid, Shailesh Rathod, Nishita Shukla, Rakesh Shukla, Shantilal Kothari, Kunwar Bikram Sehgal, and Ravi Bhandari	10	70	Preferential allotment	No
April 24, 2017	1,246,000	Priyank Gupta, Ashish Sheth, Jayesh Patil, Ranat Vishnoi, Dhiraj Marothi, Umesh Menon, Manu Sharma, Deepak Saini, Namrata Babriya, Amit Chauhan, Pradip Chudasama, Pravin Agarwal, Bhanupratap Singh, Mausami Shah jointly with Kairav Shah, and Shalby Medicos Trust (acting through its trustees Viral Shah, Nishita Shukla, and Pratish Shah)	10	70	Preferential allotment	Except for Kairav Shah who is jointly holding Equity Shares with Mausami Shah, none of the other allottees are members of the Promoter Group

(c) By way of a resolution passed by the Board of Directors on December 20, 2016, an aggregate of 533,100 Preference Shares were redeemed by the Company in accordance with Section 55 of the Companies Act, 2013. As on the date of filing this Red Herring Prospectus, our Company does not have any Preference Shares. The history of the Preference Share capital of our Company is set out in the table below:

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Preference Shares
February 11, 2012	196,000	10	20	Cash	Preferential allotment(1)	196,000
March 30, 2012	10,000	10	20	Cash	Preferential allotment(2)	206,000
July 24, 2012	140,500	10	25	Cash	Preferential allotment(3)	346,500
January 17, 2013	83,600	10	30	Cash	Preferential allotment(4)	430,100
May 21, 2015	103,000	10	53	Cash	Preferential allotment(5)	533,100

(1) 30,000 Preference Shares were allotted to Amish Kshatriya, 20,000 Preference Shares were allotted to Bharat Gajjar, 20,000 Preference Shares were allotted to Govind Agrawal, 2,000 Preference Shares were allotted to Natverlal Thakkar, 30,000 Preference Shares were allotted to Shrirang Deodhar, 30,000 Preference Shares were allotted to Ashish Sheth, 30,000 Preference Shares were allotted to Dhiraj Marothi, 4,000 Preference Shares were allotted to Nalin Shah, and 30,000 Preference Shares were allotted to Kalpesh Shah.

(2) 10,000 Preference Shares were allotted to Bharat Gajjar.

(3) 5,000 Preference Shares were allotted to Minesh Mehta, 4,000 Preference Shares were allotted to Nimish Sharma, 1,000 Preference Shares were allotted to Nilesh Bavishi, 10,000 Preference Shares were allotted to Pranav Shah, 1,000 Preference Shares were allotted to Tejash Parikh, 5,000 Preference Shares were allotted to Bhavin Desai, 1,000 Preference Shares were allotted to Kamlesh Devmurari, 5,000 Preference Shares were allotted to Sandeep Agarwala, 1,500 Preference Shares were

allotted to Hetal Shah, 10,000 Preference Shares were allotted to Kinner Shah, 1,000 Preference Shares were allotted to Arvind Sharma, 2,000 Preference Shares were allotted to Kamal Goplani, 5,000 Preference Shares were allotted to Prathmesh Jain, 10,000 Preference Shares were allotted to Hasmukh Nagwadia, 3,000 Preference Shares were allotted to Siddharth Mavani, 1,000 Preference Shares were allotted to Falguni Iyer, 5,000 Preference Shares were allotted to Nimisha Pandya, 3,000 Preference Shares were allotted to Rashmi Chovatia, 500 Preference Shares were allotted to Tejas Shah, 4,000 Preference Shares were allotted to Kanu Kataria, 1,000 Preference Shares were allotted to Manoj Shah, 1,000 Preference Shares were allotted to Tejal Mehta, 10,000 Preference Shares were allotted to Kalpesh Shah, 10,000 Preference Shares were allotted to Lav Selarka, 1,000 Preference Shares were allotted to Namrata Babriya, 1,000 Preference Shares were allotted to Bhavin Kapadiya, 1,000 Preference Shares were allotted to Samidh Jani, 4,000 Preference Shares were allotted to Snehal Brahmbhatt, 5,000 Preference Shares were allotted to Nimesh Prajapati, 10,000 Preference Shares were allotted to Mahendra Rajgor, 500 Preference Shares were allotted to Shaileshkumar Patel, 10,000 Preference Shares were allotted to Paresh Prajapati, 4,000 Preference Shares were allotted to Dhaval Shah, and 4,000 Preference Shares were allotted to Bhavinkumar Shah.

(4) 1,000 Preference Shares were allotted to Chinubhai Shah, 2,000 Preference Shares were allotted to Viral Shah, 2,000 Preference Shares were allotted to Pratish Shah, 1,000 Preference Shares were allotted to Sunil Bhagat, 1,000 Preference Shares were allotted to Raviraj Karia, 1,000 Preference Shares were allotted to Kashmira Bhatt, 10,000 Preference Shares were allotted to Ashish Sheth, 10,000 Preference Shares were allotted to Dhiraj Marothi, 500 Preference Shares were allotted to Ketan Parikh, 10,000 Preference Shares were allotted to Amish Kshatriya, 5,000 Preference Shares were allotted to Ravi Bhandari, 4,000 Preference Shares were allotted to Nishita Shukla, 10,000 Preference Shares were allotted to Shrirang Deodhar, 2,000 Preference Shares were allotted to Nilesh Soni, 1,000 Preference Shares were allotted to Mikita Shah jointly with Kamlesh Shah 10,000 Preference Shares were allotted to Kalpesh Shah, 1,000 Preference Shares were allotted to Mini Biju, 500 Preference Shares were allotted to Letha Kishore, 200 Preference Shares were allotted to Trupti Chokshi, 200 Preference Shares were allotted to Priyal Mistry, 1,000 Preference Shares were allotted to Rakesh Sharma, 2,000 Preference Shares were allotted to Jayesh Patel, 200 Preference Shares were allotted to Jalpa Shah, 500 Preference Shares were allotted to Ashish Bafna, 4,000 Preference Shares were allotted to Maitreya Shah, jointly with Deepa Shah, 1,000 Preference Shares were allotted to Ravin Bhojani, jointly with Barsha Dutta Bhojani, 500 Preference Shares were allotted to Monika Saini, and 2,000 Preference Shares were allotted to Deepak Saini.

(5) 3,000 Preference Shares were allotted to Nishita Shukla jointly with Viral Shukla, 3,000 Preference Shares were allotted to Reena Sharma, 10,000 Preference Shares were allotted to Ravi Bhandari, 4,000 Preference Shares were allotted to Suneel Mundra jointly with Pratima Mundra, 5,000 Preference Shares were allotted to Shalin Thakore, 2,000 Preference Shares were allotted to Rajiv Bhattacharya, 2,000 Preference Shares were allotted to Kairav Shah jointly with Mausami Shah, 5,000 Preference Shares were allotted to Niraj Vasavada, 2,000 Preference Shares were allotted to Chandraprakash Devpura, 2,000 Preference Shares were allotted to Viral Shah, 50,000 Preference Shares were allotted to Zodiac, 2,000 Preference Shares were allotted to Ashish Mahuvakar jointly with Rekha Mahuvakar, 5,000 Preference Shares were allotted to Bhavesh Patel, 6,000 Preference Shares were allotted to Maitreya Shah jointly with Deepa Shah and 2,000 Preference Shares were allotted to Tejas Pravinkumar Shah.

3. ISSUE OF EQUITY SHARES IN THE LAST TWO PRECEDING YEARS

For details of issue of Equity Shares by our Company in the last two preceding years, see "*Capital Structure – Share Capital History of our Company*" on page 88.

4. ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH

Our Company has not issued any Equity Shares or Preference Shares out of revaluation of reserves. Except as set out below, our Company has not issued Equity Shares for consideration other than cash. Further, except as disclosed below, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
December 19, 2013	38,352	Shareholders of Yogeshwar Healthcare[(1)]	10	-	Pursuant to the scheme of arrangement in the nature of de-merger and transfer of Ghuma division of Yogeshwar Healthcare to our Company	Ghuma division of Yogeshwar Healthcare was transferred to our Company. For further details, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations*" on page 184.
March 26, 2016	52,412,960	Then existing shareholders of our Company[(2)]	10	-	Bonus issue in the ratio 3:2[(3)]	-

(1) *Allotment of Equity Shares pursuant to the order dated September 3, 2013, passed by the High Court of Gujarat, approving the composite scheme of arrangement in the nature of demerger, pursuant to which the Ghuma division of Yogeshwar Healthcare was demerged, and transferred to our Company. In accordance with the terms of the aforementioned order, the share exchange ratio for the demerger of Yogeshwar Healthcare from our Company would entail that one Equity Share as fully paid-up of our Company be credited against 51 equity shares of Yogeshwar Healthcare. For further details regarding the composite scheme of arrangement between Yogeshwar Healthcare and our Company, please see "History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations" on page 184.*

(2) *Bonus issue of Equity Shares in the ratio of 3:2 to the then existing Shareholders, authorised by way of a Shareholders resolution passed at the EGM held on March 25, 2016.*

(3) *Bonus issue of Equity Shares were carried out of our Company's general reserve account and securities premium account.*

5. HISTORY OF THE EQUITY SHARE CAPITAL HELD BY OUR PROMOTERS, PROMOTERS' CONTRIBUTION AND LOCK-IN

As on the date of this Red Herring Prospectus, our Promoters hold 86,758,098 Equity Shares, equivalent to 97.86% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set out in the tables below:

(i) Dr Vikram Shah

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
August 19, 2004	Initial subscription to MOA	5,000	Cash	10	10	*Negligible*	[●]
March 28, 2005	Preferential allotment	500,000	Cash	10	10	0.56	[●]
April 8, 2005	Preferential allotment	400,000	Cash	10	10	0.45	[●]
July 25,2006	Preferential allotment	2,089,950	Cash	10	10	2.36	[●]
December 15, 2007	Preferential allotment	6,500,000	Cash	10	10	7.33	[●]

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
February 12, 2008	Preferential allotment	8,240,000	Cash	10	10	9.29	[●]
March 29, 2008	Preferential allotment	250,000	Cash	10	10	0.28	[●]
June 12, 2008	Preferential allotment	1,340,000	Cash	10	10	1.51	[●]
November 10, 2008	Preferential allotment	1,500,000	Cash	10	10	1.69	[●]
February 16, 2013	Transferred from Tejas Patel	100	Cash	10	10	*Negligible*	[●]
March 26, 2016	Bonus issue	31,237,575	Bonus issue	10	-	35.24	[●]
April 13, 2017	Transfer[(1)]	(43,327,132)	Gift	10	-	48.87	[●]
Total		**8,735,493**				9.85	[●]

(1) Transfer of 43,327,132 Equity Shares by way of a gift deed dated April 12, 2017, to the Shah Family Trust, acting through its trustees, Dr Vikram Shah and Dr Darshini Shah.

(ii) Dr Darshini Shah

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
August 19, 2004	Initial subscription to MOA	5,000	Cash	10	10	*Negligible*	[●]
March 29, 2008	Preferential allotment	500,000	Cash	10	10	0.56	[●]
June 12, 2008	Preferential allotment	170,000	Cash	10	10	0.19	[●]
November 10, 2008	Preferential allotment	530,000	Cash	10	10	0.60	[●]
March 26, 2016	Bonus issue	1,807,500	Bonus issue	10	-	2.04	[●]
Total		**3,012,500**				3.40	[●]

(iii) Shanay Shah

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
March 20, 2006	Preferential allotment	10	Cash	10	10	*Negligible*	[●]
November 10, 2008	Preferential allotment	55,000	Cash	10	10	0.06	[●]
March 26, 2016	Bonus issue	82,515	Bonus issue	10	-	0.09	[●]
Total		**137,525**				0.16	[●]

(iv) Zodiac

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
April 26, 2010	Preferential allotment	2,800,000	Cash	10	10	3.16	[●]
April 18, 2011	Rights issue	9,954,120	Cash	10	10	11.23	[●]
December 19, 2013	Allotment pursuant to demerger	21,585	Cash	10	-	0.02	[●]
February 19, 2014	Transfer(1)	34	Cash	10	10	*Negligible*	[●]
March 26, 2016	Bonus issue	19,163,609	Bonus issue	10	-	21.62	[●]
January 19, 2017	Transfer(2)	(264,200)	Cash	10	*Refer to footnote (2)*	0.30	[●]
February 3, 2017	Transfer(3)	(41,700)	Cash	10	*Refer to footnote (3)*	0.05	[●]
February 10, 2017	Transfer(4)	(46,700)	Cash	10	*Refer to footnote (4)*	0.05	[●]
February 20, 2017	Transfer(5)	(23,700)	Cash	10	*Refer to footnote (5)*	0.03	[●]
March 6, 2017	Transfer(6)	(2,000)	Cash	10	*Refer to footnote (6)*	*Negligible*	[●]
April 7, 2017	Transfer(7)	(10,300)	Cash	10	*Refer to footnote (7)*	0.01	[●]
April 10, 2017	Transferred from Naman Shah	200	Cash	10	70	*Negligible*	[●]
October 5, 2017	Transfer(8)	(1,000)	Cash	10	70	*Negligible*	[●]
November 3, 2017	Transfer(9)	(1,500)	Cash	10	70	*Negligible*	[●]
November 10, 2017	Transfer(10)	(3,000)	Cash	10	70	*Negligible*	[●]
Total		**31,545,448**				35.58	[●]

(1) Two Equity Shares were transferred from Viral Shah, two Equity Shares were transferred from Pratish Shah, two Equity Shares were transferred from Shyamal Joshi, two Equity Shares were transferred from Ravi Bhandari, two Equity Shares were transferred from Raviraj Karia, two Equity Shares were transferred from Sunil Bhagat, two Equity Shares were transferred from Jayesh Patel, two Equity Shares were transferred from Rohan Gupta, two Equity Shares were transferred from Mikita Shah, two Equity Shares were transferred from Nishita Shukla, two Equity Shares were transferred from Medhavani Ayachit, two Equity Shares were transferred from Nayan Parmar, two Equity Shares were transferred from Nilesh Soni, two Equity Shares were transferred from Yogesh Karel, two Equity Shares were transferred from Ishwendra Jhala, two Equity Shares were transferred from Kaushal Rajgor, and two Equity Shares were transferred from Ankur Mahendru.

(2) 40,000 Equity Shares were transferred to Amish Kshatriya at a transfer price of ₹22.50 per Equity Share, 40,000 Equity Shares were transferred to Ashish Sheth jointly with Nareshchandra Sheth at a transfer price of ₹22.50 per Equity Share, 30,000 Equity Shares were transferred to Bharat Gajjar at a transfer price of ₹20.00 per Equity Share, 40,000 Equity Shares were transferred to Dhiraj Marothi at a transfer price of ₹22.50 per Equity Share, 10,000 Equity Shares were transferred to Maitrey Shah jointly with Deepa Shah at a transfer price of ₹43.80 per Equity Share, 40,000 Equity Shares were transferred to Shrirang Deodhar at a transfer price of ₹22.50 per Equity Share, 4,000 Equity Shares were transferred to Viral Shah at a transfer price of ₹41.50 per Equity Share, 1,000 Equity Shares were transferred to Chinubhai Shah at a transfer price of ₹30.00 per Equity Share, 2,000 Equity Shares were transferred to Kairav Shah jointly with Mausami Shah at a transfer price of ₹53.00 per Equity Share, 5,000 Equity Shares were transferred to Minesh Mehta at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Natvarlal Thakkar at a transfer price of ₹20.00 per Equity Share, 5,000 Equity Shares were transferred to Niraj Vasavada at a transfer price of ₹53.00 per Equity Share, 200 Equity Shares were transferred to Jalpa Shah at a transfer price of ₹30.00 per Equity Share, 1,000 Equity Shares were transferred to Namrata Babriya at a transfer price of ₹25.00 per Equity Share, 4,000 Equity Shares were transferred to Snehal Brahmbhatt at a transfer price of ₹25.00 per Equity Share, and 40,000 Equity Shares were transferred to Kalpesh Shah at a transfer price of ₹22.50 per Equity Share.

(3) 4,000 Equity Shares were transferred to Nalin Shah at a transfer price of ₹20.00 per Equity Share, 5,000 Equity Shares were transferred to Bhavin Desai at a transfer price of ₹25.00 per Equity Share, 1,000 Equity Shares were transferred to Bhavin Kapadiya at a transfer price of ₹25.00 per Equity Share, 10,000 Equity Shares were transferred to Mahendra Rajgor jointly with Pijnita Rajgor at a transfer price of ₹25.00 per Equity Share, 4,000 Equity Shares were transferred to Bhavin Shah at a transfer

price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Nilesh Soni at a transfer price of ₹30.00 per Equity Share, 1,000 Equity Shares were transferred to Samidh Jani at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Deepak Saini at a transfer price of ₹30.00 per Equity Share, 2,000 Equity Shares were transferred to Jayesh Patel at a transfer price of ₹30.00 per Equity Share, 10,000 Equity Shares were transferred to Paresh Prajapati at a transfer price of ₹25.00 per Equity Share, 500 Equity Shares were transferred to Letha Kishore at a transfer price of ₹30.00 per Equity Share, and 200 Equity Shares were transferred to Priyal Mistry at a transfer price of ₹30.00 per Equity Share.

(4) 15,000 Equity Shares were transferred to Ravi Bhandari at a transfer price of ₹45.33 per Equity Share, 2,000 Equity Shares were transferred to Pratish Shah at a transfer price of ₹30.00 per Equity Share, 7,000 Equity Shares were transferred to Nishita Shukla at a transfer price of ₹39.86 per Equity Share, 20,000 Equity Shares were transferred to Govind Agrawal at a transfer price of ₹20.00 per Equity Share, 2,000 Equity Shares were transferred to Ashish Mahuvakar jointly with Rekha Mahuvakar at a transfer price of ₹53.00 per Equity Share, 500 Equity Shares were transferred to Monika Saini at a transfer price of ₹30.00 per Equity Share, and 200 Equity Shares were transferred to Trupthi Choksi at a transfer price of ₹30.00 per Equity Share.

(5) 4,000 Equity Shares were transferred to Kanu Kataria at a transfer price of ₹25.00 per Equity Share, 10,000 Equity Shares were transferred to Kinner Shah at a transfer price of ₹25.00 per Equity Share, 1,000 Equity Shares were transferred to Manoj Shah at a transfer price of ₹25.00 per Equity Share, 500 Equity Shares were transferred to Shaileshkumar Patel at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Tejas Shah at a transfer price of ₹53.00 per Equity Share, 1,000 Equity Shares were transferred to Mini Biju at a transfer price of ₹30.00 per Equity Share, 3,000 Equity Shares were transferred to Rashmi Chovatia jointly with Chirag Chovatia at a transfer price of ₹25.00 per Equity Share, 1,000 Equity Shares were transferred to Nilesh Soni at a transfer price of ₹53.00 per Equity Share, 500 Equity Shares were transferred to Chintan Patel at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to Nitish Patil at a transfer price of ₹70.00 per Equity Share, and 200 Equity Shares were transferred to Naman Shah at a transfer price of ₹70.00 per Equity Share.

(6) 1,000 Equity Shares were transferred to Shalinder Madhok at a transfer price of ₹70.00 per Equity Share, and 1,000 Equity Shares were transferred to Falguni Iyer jointly with Vivek Iyer at a transfer price of ₹25.00 per Equity Share.

(7) 3,000 Equity Shares were transferred to Reena Sharma at a transfer price of ₹53.00 per Equity Share, 1,000 Equity Shares were transferred to Kashmira Bhatt at a transfer price of ₹30.00 per Equity Share, 400 Equity Shares were transferred to Pooja Prajapati at a transfer price of ₹70.00 per Equity Share, 400 Equity Shares were transferred to Vertika Sisodia at a transfer price of ₹70.00 per Equity Share, 1,000 Equity Shares were transferred to Jalpa Shah at a transfer price of ₹70.00 per Equity Share, 1,000 Equity Shares were transferred to Krunal Shah at a transfer price of ₹70.00 per Equity Share, 1,500 Equity Shares were transferred to Kinjal Harkhani at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to Abhilash Nair at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to Animesh Shah at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to M V Anand Raman at a transfer price of ₹70.00 per Equity Share, and 500 Equity Shares were transferred to Parth Banerji at a transfer price of ₹70.00 per Equity Share.

(8) 1,000 Equity Shares were transferred to Mritunjay Maheshwari at a transfer price of ₹70.00 per Equity Share.

(9) 1500 Equity Shares transferred to Indrajeet Kumar at a transfer price of ₹70.00 per Equity Share.

(10) 3,000 Equity Shares were transferred to Babu Thomas at a transfer price of ₹70.00 per Equity Share.

(v) Shah Family Trust

Date of allotment / transfer	Nature of transaction	Number of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price / Transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
April 13, 2017	Transferred from Dr Vikram Shah(1)	43,327,132	Gift	10	-	48.87	[●]

(1) Transfer of 43,327,132 Equity Shares by way of a gift deed dated April 12, 2017, to the Shah Family Trust, acting through its trustees Dr Vikram Shah and Dr Darshini Shah.

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

(b) Shareholding of our Promoters, Promoter Group and Directors of Zodiac

The details of the shareholding of our Promoters, the members of the Promoter Group and the directors of Zodiac as on the date of filing of this Red Herring Prospectus are as follows:

Name of the shareholder	Total Equity Shares	Percentage (%) of pre-Offer capital
Promoters		
Dr Vikram Shah	8,735,493	9.85
Dr Darshini Shah(1)	3,012,500	3.40
Shanay Shah(1)	137,525	0.16
Zodiac	31,545,448	35.58

Name of the shareholder	Total Equity Shares	Percentage (%) of pre-Offer capital
Shah Family Trust(2)	43,327,132	48.87
Total Holding of the Promoters (A)	86,758,098	97.86
Promoter Group		
Kairav Shah jointly with Mausami Shah	2,000	*Negligible*
Kiritbhai Shah	250	*Negligible*
Total holding of the Promoter Group (other than Promoter) (B)	2,250	*Negligible*
Total Holding of Promoters and Promoter Group (A+B)	86,760,348	97.86

(1) Dr Darshini Shah, Shanay Shah, and Kairav Shah, are also directors of Zodiac. Other than Dr Darshini Shah, Shanay Shah, and Kairav Shah, none of the directors of Zodiac hold any Equity Shares.

(2) 43,327,132 Equity Shares constituting 48.87% of our Company's pre-Offer paid-up capital are held by the Shah Family Trust acting through its trustees Dr Vikram Shah and Dr Darshini Shah.

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

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

(ii) As on the date of this Red Herring Prospectus, our Promoters, Dr Vikram Shah, Dr Darshini Shah, Shanay Shah, Shah Family Trust, and Zodiac, together hold 86,758,098 Equity Shares, out of which up to 1,000,000 Equity Shares held by one of our Individual Promoters, Dr Vikram Shah, will be offered under the Offer for Sale.

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

Name of the Promoter	Date of allotment of the Equity Shares	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face value per Equity Share (₹)	Issue / acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to Lock-in
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total							[●]	[●]	

Note: To be updated at the Prospectus stage

(iv) Zodiac has, pursuant to its letter dated May 17, 2017, given consent to include 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 Promoters' Contribution, and has agreed not to sell, transfer, charge, pledge, or otherwise encumber in any manner, the Promoters' Contribution from the date of filing of this Red Herring Prospectus until completion of the lock-in period specified above, or for such other time, as required under the SEBI ICDR Regulations.

(v) Our Promoters have confirmed to our Company and the BRLMs that the Equity Shares held by our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from their personal funds / respective internal accruals and no loans or financial assistance from any bank or financial institution have been availed by them for this purpose. Further, as on the date of this Red Herring Prospectus, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

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

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

- The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the last three years for consideration other than cash wherein revaluation of assets or capitalisation of intangible assets was involved, or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

- The Promoters' contribution does not include any Equity Shares acquired during the preceding one year, and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

- All the Equity Shares held by the Promoters are in dematerialized form; and

- The Equity Shares forming part of the Promoters' contribution are not pledged with any creditor.

(d) Other lock-in requirements:

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, except the Equity Shares being offered by the Selling Shareholder in the Offer as part of the Offer for Sale, will be locked-in for a period of one year from the date of Allotment. However, if Equity Shares which are offered by the Selling Shareholder in the Offer as part of the Offer for Sale remain unsold, such unsold Equity Shares will also be locked-in for a period of one year from the date of Allotment.

(ii) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period continues.

(iii) Pursuant to Regulation 39(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of three years from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of the loan.

(iv) Pursuant to Regulation 39(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

(v) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

(vi) 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.

6. SHAREHOLDING PATTERN OF OUR COMPANY

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

Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted Equity Share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights									
								Class (Equity)	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	Promoters & Promoter Group	7	86,760,348	0	0	86,760,348	97.86	86,760,348	86,760,348	97.86	0	97.86	0		0		86,760,348
(B)	Public	87	874,334	0	0	874,334	0.99	874,334	874,334	0.99	0	0.99	0		0		832,400
(C)	Non Promoter-Non Public	1	1,020,250	0	0	1,020,250	1.15	1,020,250	1,020,250	1.15	0	1.15	0		0		1,020,250
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0.00	0	0.00	0		0		0
(C2)	Shares held by employee trusts	0	0	0	0	0	0.00	0	0	0.00	0	0.00	0		0		0
	Total	**95**	**88,654,932**	**0**	**0**	**88,654,932**	**100.00**	**88,654,932**	**88,654,932**	**100.00**	**0**	**100.00**	**0**		0		**88,612,998**

7. **LIST OF TOP 10 SHAREHOLDERS OF THE COMPANY**

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

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

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage of the pre-Offer capital (%)
1.	Shah Family Trust(1)	43,327,132	48.87
2.	Zodiac	31,545,448	35.58
3.	Dr Vikram Shah	8,735,493	9.85
4.	Dr Darshini Shah	3,012,500	3.40
5.	Shalby Medicos Trust(2)	1,020,250	1.15
6.	Shanay Shah	137,525	0.16
7.	Bharat Gajjar	112,500	0.13
8.	Ashish Sheth	93,750	0.11
9.	Shrirang Deodhar	86,250	0.10
10.	Amish Kshatriya	83,750	0.09
10.	Kalpesh Shah	83,750	0.09
TOTAL		88,238,348	99.53

(1) 43,327,132 Equity Shares constituting 48.87% of our Company's pre-Offer paid-up capital are held by the Shah Family Trust, acting through its trustees Dr Vikram Shah and Dr Darshini Shah.

(2) Acting through its trustees Viral Shah, Nishita Shukla, and Pratish Shah.

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

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage of the pre-Offer capital (%)
1.	Shah Family Trust(1)	43,327,132	48.87
2.	Zodiac	31,545,448	35.58
3.	Dr Vikram Shah	8,735,493	9.85
4.	Dr Darshini Shah	3,012,500	3.40
5.	Shalby Medicos Trust(2)	1,020,250	1.15
6.	Shanay Shah	137,525	0.16
7.	Bharat Gajjar	112,500	0.13
8.	Ashish Sheth	93,750	0.11
9.	Shrirang Deodhar	86,250	0.10
10.	Amish Kshatriya	83,750	0.09
10.	Kalpesh Shah	83,750	0.09
TOTAL		88,238,348	99.53

(1) 43,327,132 Equity Shares constituting 48.87% of our Company's pre-Offer paid-up capital are held by the Shah Family Trust, acting through its trustees Dr Vikram Shah and Dr Darshini Shah.

(2) Acting through its trustees Viral Shah, Nishita Shukla, and Pratish Shah.

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

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer capital (%)
1.	Dr Vikram Shah	20,825,050	23.49
2.	Zodiac	12,775,739	14.41
3.	Dr Darshini Shah	1,205,000	1.36
4.	Shanay Shah	55,010	0.06
5.	Bharat Gajjar	18,000	0.02
6.	Muthuswamy Krishnamurthy jointly with Lalitha Krishnamurthy	7,879	0.01
7.	Balaji Gopalakrishnan jointly with Sarada Krishnamurthy	7,879	0.01
8.	Ashish Sheth	7,000	0.01
9.	Govind Agrawal	6,000	0.01
10.	Shrirang Deodhar	6,000	0.01
TOTAL		34,913,557	39.38

8. **DETAILS OF EQUITY SHARES HELD BY THE DIRECTORS AND KEY MANAGEMENT PERSONNEL OF OUR COMPANY**

(a) Set out below are details of the Equity Shares held by our Directors in our Company as on the date of this Red Herring Prospectus:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Dr Vikram Shah(1)	8,735,493	9.85	[●]
2.	Dr Darshini Shah(1)	3,012,500	3.40	[●]
3.	Umesh Menon	2,000	*Negligible*	[●]
4.	Shyamal Joshi	250	*Negligible*	[●]

(1) 43,327,132 Equity Shares constituting 48.87% of our Company's pre-Offer paid-up capital are held by the Shah Family Trust, acting through its trustees, Dr Vikram Shah and Dr Darshini Shah.

(b) For details of the shareholding of Key Management Personnel, see "*Our Management – Key Management Personnel – Shareholding of Key Management Personnel*" on page 201.

9. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates (as per the Companies Act, 2013) do not hold any Equity Shares in our Company.

10. Except for the allotment of 38,352 Equity Shares pursuant to an order passed by the High Court of Gujarat dated September 3, 2013, approving the composite scheme of arrangement in the nature of de-merger and transfer of Ghuma division of Yogeshwar Healthcare to our Company, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956, or corresponding provisions under the Companies Act, 2013. Details of the Equity Shares allotted pursuant to the aforementioned order passed by the High Court of Gujarat are set out below:

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment
December 19, 2013	38,352	Shareholders of Yogeshwar Healthcare(1)	10	-	Pursuant to the scheme of arrangement for the demerger and transfer of the Ghuma division of Yogeshwar Healthcare to our Company

(1) Allotment pursuant to the order dated September 3, 2013, passed by the High Court of Gujarat, approving the composite scheme of arrangement in the nature of de-merger and transfer of Ghuma division of Yogeshwar Healthcare to our Company. In accordance with the terms of the aforementioned order, one Equity Share as fully paid-up of our Company was allotted against 51 equity shares of Yogeshwar Healthcare to the then shareholders of Yogeshwar Healthcare. For details regarding the composite scheme of arrangement between Yogeshwar Healthcare and our Company, please see "History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations" on page 184.

11. Except for the allotment of 9,954,120 Equity Shares on April 18, 2011 pursuant to a rights issue of Equity Shares, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation. Details of the Equity Shares allotted pursuant to the aforementioned rights issue are set out below:

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction
April 18, 2011	9,954,120	Zodiac	10	10	Cash	Rights issue

12. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us, or our Promoters to the persons who are Allotted Equity Shares.

13. Our Company, does not have an employee benefit scheme existing as on the date of this Red Herring Prospectus.

14. SHALBY MEDICOS TRUST

Our Company has constituted the Shalby Medicos Trust ("**Medicos Trust**"), for the benefit of doctors associated or to be associated in future with our Company, brief details of the Medicos Trust are provided below:

Medicos Trust is an irrevocable trust established by a trust deed dated December 20, 2016 ("**Trust Deed**"), for the benefit of doctors associated with our Company through a subsisting valid contract of consultation for their services, rendered in connection with our Company's business ("**Trust Beneficiaries**"). The Trust Beneficiaries do not include our Promoters, any members of the Promoter Group, or employees of our Company. The settlors of Medicos Trust, being, Dr Vikram Shah, Dr Darshini Shah, and Shanay Shah ("**Settlors**"), have established Medicos Trust with an initial corpus of ₹30,000. The initial trustees of Medicos Trust are Nishita Shukla, Viral Shah, and Pratish Shah ("**Trustees**"). Pursuant to the Trust Deed, our Company has, on April 24, 2017, allotted 1,200,000 Equity Shares, constituting 1.35% of the pre-Offer paid-up capital of our Company, at a consideration of ₹70 per Equity Share to Medicos Trust ("**Trust Shares**"). The Trust Shares shall be held by Medicos Trust, in the name of the Trustees, in trust for, and on behalf of the Trust Beneficiaries. To facilitate the Medicos Trust in subscribing to the Trust Shares, Dr Vikram Shah, one of our Promoters, in his capacity as Settlor of Medicos Trust, has advanced an unsecured and interest free loan of ₹34.00 million to the Medicos Trust. This apart, the Medicos Trust has also availed a loan of ₹50 million from Barclays Investment & Loans (India) Limited to subscribe to the Trust Shares. Additionally, Dr Vikram Shah has also agreed to grant loans to Medicos Trust, as and when required, so as to enable Medicos Trust in meeting its lawful expenses.

In accordance with the terms of the Trust Deed, Medicos Trust shall not accept contributions from any person other than the Settlors unless such persons are approved by the Settlors. However, the Trust may, for the benefit of the Beneficiaries, avail loans from banking companies, non-banking financial companies, or any other financial institutions, subject to applicable law. The Trustees have been entrusted with various duties and administrative powers, which, *inter alia*, include the power to affect any transaction relating to the management, administration or disposition of the Medicos Trust's fund. The power of appointing additional trustees and removing existing trustees lies with Dr Vikram Shah, and in his absence, Dr Darshini Shah, and in her absence, Shanay Shah. The Doctor Engagement Cell, a cell working under the supervision of our Company's management, and in accordance with the directions and recommendations of which, the Trustees shall distribute Medicos Trust's fund and properties among the Trust Beneficiaries, shall identify Trust Beneficiaries and communicate details of such identification to the Trustees. Presently, the Doctor Engagement Cell is headed by Dhiren Mankad. Pursuant to such intimation, the Trust Beneficiaries shall be provided a grant letter by the Trustees, which *inter alia*, sets out details indicating the number of Trust Shares such Trust Beneficiary is entitled to, and the manner in which such Trust Shares will be vested in such Trust Beneficiary. The Trust Shares shall be transferred to the Trust Beneficiaries in tranches, as mentioned in the grant letter provided to each Trust Beneficiary.

The Trust Shares shall not be transferrable by Medicos Trust for a period of one year from the date of Allotment of Equity Shares in the Offer. The term of Medicos Trust, as set out under the Trust Deed is a period of 30 years and three months, expiring on March 31, 2047 ("**Trust Period**"). Medicos Trust may, before completion of the Trust Period, be wound up on obtaining the unanimous approval of the Trustees, and after attainment of the objectives of Medicos Trust, and distribution of Medicos Trust's fund among the Trust Beneficiaries. As on the date of this Red Herring Prospectus, 179,750 Equity Shares have been transferred by Medicos Trust to the Trust Beneficiaries in the following manner:

Sr. No.	Name of Trust Beneficiary	Date	Number of Equity Shares transferred	Price per Equity Share(`)	Total consideration paid by Trust Beneficiary (`)
1.	Bharat Rajpurohit	October 5, 2017	1,000	100	100,000
2.	Bharatkumar Govindlal Gajjar	November 10, 2017	37,500	80	3,000,000
3.	Amish Shankerlal Kshatriya	November 10, 2017	31,250	80	2,500,000
4.	Kalpesh Pravin Shah	November 10, 2017	31,250	80	2,500,000
5.	Sheth Ashish N	November 10, 2017	31,250	80	2,500,000
6.	Shrirang Madhukar Deodhar	November 10, 2017	31,250	80	2,500,000
7.	Deepak Saini	November 13, 2017	10,000	80	800,000
8.	Dhiraj Kumar Marothi	November 13, 2017	6,250	80	500,000

15. Except as stated below, none of our Promoters, members of the Promoter Group, directors of Zodiac, our Directors, and their relatives (as defined under the Companies Act, 2013) have purchased or sold any securities of our Company and its Subsidiaries during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus with SEBI, and during the period between the date of the Draft Red Herring Prospectus and the date of this Red Herring Prospectus:

(a) Purchase of securities:

Sr. No.	Name of shareholder	Promoter / Promoter Group / Directors of Zodiac / Directors / Relatives	Date	Nature of Transaction	Number of Equity Shares purchased	Percentage of the pre-Offer capital (%)
1.	Kairav Shah jointly with Mausami Shah	Promoter Group	January 19, 2017	Transfer(1)	2,000	*Negligible*
2.	Zodiac	Promoter	April 10, 2017	Transfer(2)	200	*Negligible*
3.	Shah Family Trust (acting through its trustees Dr Vikram Shah and Dr Darshini Shah)	Promoter	April 13, 2017	Transfer(3)	43,327,132	48.87

(1) 2,000 Equity Shares were transferred to Kairav Shah jointly with Mausami Shah at a transfer price of ₹53.00 per Equity Share.

(2) 200 Equity Shares were transferred to Zodiac by Naman Shah at a transfer price of ₹70.00 per Equity Share.

(3) 43,327,132 Equity Shares were transferred to the Shah Family Trust, acting through its trustees, Dr Vikram Shah and Dr Darshini Shah, pursuant to a gift deed dated April 12, 2017.

(b) Sale of securities:

Sr. No.	Name of shareholder	Promoter / Promoter Group / Directors of Zodiac / Directors / Relatives	Date	Nature of Transaction	Number of Equity Shares sold	Percentage of the pre-Offer capital (%)
1.	Zodiac	Promoter	January 19, 2017	Transfer(1)	264,200	0.30
2.	Zodiac	Promoter	February 3, 2017	Transfer(2)	41,700	0.05
3.	Zodiac	Promoter	February 10, 2017	Transfer(3)	46,700	0.05
4.	Zodiac	Promoter	February 20, 2017	Transfer(4)	23,700	0.03
5.	Zodiac	Promoter	March 6, 2017	Transfer(5)	2,000	*Negligible*
6.	Zodiac	Promoter	April 7, 2017	Transfer(6)	10,300	0.01
7.	Dr Vikram Shah	Promoter	April 13, 2017	Transfer(7)	43,327,132	48.87
8.	Zodiac	Promoter	October 5, 2017	Transfer(8)	1,000	*Negligible*
9.	Zodiac	Promoter	November 3, 2017	Transfer(9)	1,500	*Negligible*
10.	Zodiac	Promoter	November 10, 2017	Transfer(10)	3,000	*Negligible*

(1) 40,000 Equity Shares were transferred to Amish Kshatriya at a transfer price of ₹22.50 per Equity Share, 40,000 Equity Shares were transferred to Ashish Sheth jointly with Nareshchandra Sheth at a transfer price of ₹22.50 per Equity Share, 30,000 Equity Shares were transferred to Bharat Gajjar at a transfer price of ₹20.00 per Equity Share, 40,000 Equity Shares were transferred to Dhiraj Marothi at a transfer price of ₹22.50 per Equity Share, 10,000 Equity Shares were transferred to Maitrey Shah jointly with Deepa Shah at a transfer price of ₹43.80 per Equity Share, 40,000 Equity Shares were transferred to Shrirang Deodhar at a transfer price of ₹22.50 per Equity Share, 4,000 Equity Shares were transferred to Viral Shah at a transfer price of ₹41.50 per Equity Share, 1,000 Equity Shares were transferred to Chinubhai Shah at a transfer price of ₹30.00 per Equity Share, 2,000 Equity Shares were transferred to Kairav Shah jointly with Mausami Shah at a transfer price of ₹53.00 per Equity Share, 5,000 Equity Shares were transferred to Minesh Mehta at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Natvarlal Thakkar at a transfer price of ₹20.00 per Equity Share, 5,000 Equity Shares were transferred to Niraj Vasavada at a transfer price of ₹53.00 per Equity Share, 200 Equity Shares were transferred to Jalpa Shah at a transfer price of ₹30.00 per Equity Share, 1,000 Equity Shares were transferred to Namrata Babriya at a transfer price of ₹25.00 per Equity Share, 4,000 Equity Shares were transferred to Snehal Brahmbhatt at a transfer price of ₹25.00 per Equity Share, and 40,000 Equity Shares were transferred to Kalpesh Shah at a transfer price of ₹22.50 per Equity Share.

(2) 4,000 Equity Shares were transferred to Nalin Shah at a transfer price of ₹20.00 per Equity Share, 5,000 Equity Shares were transferred to Bhavin Desai at a transfer price of ₹25.00 per Equity Share, 1,000 Equity Shares were transferred to Bhavin Kapadiya at a transfer price of ₹25.00 per Equity Share, 10,000 Equity Shares were transferred to Mahendra Rajgor jointly with Pijnita Rajgor at a transfer price of ₹25.00 per Equity Share, 4,000 Equity Shares were transferred to Bhavin Shah at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Nilesh Soni at

a transfer price of ₹30.00 per Equity Share, 1,000 Equity Shares were transferred to Samidh Jani at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Deepak Saini at a transfer price of ₹30.00 per Equity Share, 2,000 Equity Shares were transferred to Jayesh Patel at a transfer price of ₹30.00 per Equity Share, 10,000 Equity Shares were transferred to Paresh Prajapati at a transfer price of ₹25.00 per Equity Share, 500 Equity Shares were transferred to Letha Kishore at a transfer price of ₹30.00 per Equity Share, and 200 Equity Shares were transferred to Priyal Mistry at a transfer price of ₹30.00 per Equity Share.

(3) 15,000 Equity Shares were transferred to Ravi Bhandari at a transfer price of ₹45.33 per Equity Share, 2,000 Equity Shares were transferred to Pratish Shah at a transfer price of ₹30.00 per Equity Share, 7,000 Equity Shares were transferred to Nishita Shukla at a transfer price of ₹39.86 per Equity Share, 20,000 Equity Shares were transferred to Govind Agrawal at a transfer price of ₹20.00 per Equity Share, 2,000 Equity Shares were transferred to Ashish Mahuvakar jointly with Rekha Mahuvakar at a transfer price of ₹53.00 per Equity Share, 500 Equity Shares were transferred to Monika Saini at a transfer price of ₹30.00 per Equity Share, and 200 Equity Shares were transferred to Trupthi Choksi at a transfer price of ₹30.00 per Equity Share.

(4) 4,000 Equity Shares were transferred to Kanu Kataria at a transfer price of ₹25.00 per Equity Share, 10,000 Equity Shares were transferred to Kinner Shah at a transfer price of ₹25.00 per Equity Share, 1,000 Equity Shares were transferred to Manoj Shah at a transfer price of ₹25.00 per Equity Share, 500 Equity Shares were transferred to Shaileshkumar Patel at a transfer price of ₹25.00 per Equity Share, 2,000 Equity Shares were transferred to Tejas Shah at a transfer price of ₹53.00 per , 1,000 Equity Shares were transferred to Mini Biju at a transfer price of ₹30.00 per Equity Share, 3,000 Equity Shares were transferred to Rashmi Chovatia jointly with Chirag Chovatia at a transfer price of ₹25.00 per Equity Share, 1,000 Equity Shares were transferred to Nilesh Soni at a transfer price of ₹53.00 per Equity Share, 500 Equity Shares were transferred to Chintan Patel at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to Nitish Patil at a transfer price of ₹70.00 per Equity Share, and 200 Equity Shares were transferred to Naman Shah at a transfer price of ₹70.00 per Equity Share.

(5) 1,000 Equity Shares were transferred to Shalinder Madhok at a transfer price of ₹70.00 per Equity Share, and 1,000 Equity Shares were transferred to Falguni Iyer jointly with Vivek Iyer at a transfer price of ₹25.00 per Equity Share.

(6) 3,000 Equity Shares were transferred to Reena Sharma at a transfer price of ₹53.00 per Equity Share, 1,000 Equity Shares were transferred to Kashmira Bhatt at a transfer price of ₹30.00 per Equity Share, 400 Equity Shares were transferred to Pooja Prajapati at a transfer price of ₹70.00 per Equity Share, 400 Equity Shares were transferred to Vertika Sisodia at a transfer price of ₹70.00 per Equity Share, 1,000 Equity Shares were transferred to Jalpa Shah at a transfer price of ₹70.00 per Equity Share, 1,000 Equity Shares were transferred to to Krunal Shah at a transfer price of ₹70.00 per Equity Share, 1,500 Equity Shares were transferred to Kinjal Harkhani at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to Abhilash Nair at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to Animesh Shah at a transfer price of ₹70.00 per Equity Share, 500 Equity Shares were transferred to M V Anand Raman at a transfer price of ₹70.00 per Equity Share, and 500 Equity Shares were transferred to Parth Banerji at a transfer price of ₹70.00 per Equity Share.

(7) 43,327,132 Equity Shares were transferred to the Shah Family Trust, acting through its trustees, Dr Vikram Shah and Dr Darshini Shah, pursuant to a gift deed dated April 12, 2017.

(8) 1,000 Equity Shares were transferred to Mritunjay Maheshwari at a transfer price of ₹70.00 per Equity Share.

(9) 1,500 Equity Shares were transferred to Indrajeet Kumar at a transfer price of ₹70.00 per Equity Share.

(10) 3,000 Equity Shares were transferred to Babu Thomas at a transfer price of ₹70.00 per Equity Share.

(c) Purchase or sale of securities of our Subsidiaries:

Date of transfer	Nature of transaction	Number of Equity Shares transferred	Nature of consideration	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)
September 15, 2017	Purchase (1)	1	Cash	100	100

(1) One equity share of VSHL was transferred to Shanay Shah from Sachindra Sirdesai at a transfer price of ₹100.00 per share.

16. As of the date of the filing of this Red Herring Prospectus, the total number of our Shareholders is 95.

17. Neither our Company, nor our Directors have entered into any buy-back, safety net and / or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not entered into any buy-back, safety net and / or standby arrangements for purchase of Equity Shares from any person.

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

19. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot, while finalising the Basis of Allotment. Consequently, the Allotment may increase by a maximum of 10% of this Offer, as a result of which, the post-Offer paid-up capital would also increase by the excess amount of the Allotment so made. In such an event, the Equity Shares to be locked-in towards the Promoter's Contribution shall be suitably increased, so as to ensure that 20% of the post-Offer paid-up capital is locked-in.

20. By way of a trust deed dated December 20, 2016, executed among Dr Vikram Shah, Dr Darshini Shah, and Shanay Shah, acting as settlors of Shalby Medicos Trust, and Nishita Shukla, Viral Shah, and Pratish Shah as trustees of Shalby Medicos Trust, Dr Vikram Shah, Dr Darshini Shah, and Shanay Shah have together advanced a sum of ₹30,000.00 to Shalby Medicos Trust as initial corpus. Further, Dr Vikram Shah has also advanced an unsecured loan of ₹34.00 million to Shalby Medicos Trust for the purposes of enabling Shalby Medicos Trust to subscribe to Equity Shares. Details of the Equity Shares allotted to Shalby Medicos Trust pursuant to the abovementioned financing arrangement are set out below:

Date of allotment	Number of Equity Shares allotted	Name of allottee(s)	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction
April 24, 2017	1,200,000	Shalby Medicos Trust (acting through its trustees Viral Shah, Nishita Shukla, and Pratish Shah)	10	70	Cash	Preferential allotment

Apart from the above, there have been no financing arrangements whereby our Promoter Group, directors of Zodiac, 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 business of the financing entity during a period of six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI and during the period between the date of filing of the Draft Red Herring Prospectus with SEBI and the date of filing of this Red Herring Prospectus with SEBI.

21. Our Company presently does not intend, or propose to alter its capital structure for a period of six months from the Bid / Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Red Herring Prospectus and as will be disclosed in the Prospectus, provided they have been approved by our Board.

22. In terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, this is an Offer wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate the Anchor Investor Portion on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining 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 Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors, and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Further, up to 121,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Offer Price. All Investors (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. For further details, see "*Offer Procedure*" on page 425.

23. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added back to the Net Offer. Undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Undersubscription, if any, in the QIB Category will not be allowed to be met with spill over from any category or combination thereof.

24. Except for the Offer, 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 Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or until all the application moneys have been refunded, as the case may be.

25. Only Eligible Employees Bidding in the Employee Reservation Portion are eligible to apply in the Offer under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees Bidding in the Employee Reservation Portion could also be made in the Net Offer and such Bids would not be treated as multiple Bids. The Employee Reservation Portion would not exceed 5% of the post-Offer capital of our Company.

26. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000. However, Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000

only in the event of an undersubscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.

27. Our Company has not been formed by the conversion of a partnership firm.

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

29. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

30. Other than the sale of Equity Shares by Dr. Vikram Shah, one of our Promoters, in the Offer for Sale, our Promoters and members of the Promoter Group, Group Entities and Subsidiaries will not participate in the Offer.

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

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

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

OBJECTS OF THE OFFER

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

OFFER FOR SALE

Our Company will not receive any proceeds from the Offer for Sale. All the expenses in relation to the Offer other than listing fees (which will be borne by our Company), shall be shared between our Company and the Selling Shareholder in accordance with applicable laws. The Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to his Equity Shares offered in the Offer for Sale.

REQUIREMENT OF FUNDS

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards the following objects:

1. Repayment or prepayment in full, or in part of certain loans availed by our Company;
2. Purchase of medical equipment for existing, recently set up and upcoming hospitals;
3. Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals; and
4. General corporate purposes.

together, the "**Objects**".

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

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

OFFER PROCEEDS AND NET PROCEEDS

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

Particulars	Amount (in ₹ million)
Gross Proceeds of the Fresh Issue	4,800.00
(Less) Fresh Issue related expenses(1)(2)	[●]
Net Proceeds	[●]

(1 To be finalised upon determination of the Offer Price.
(2) The fees and expenses relating to the Offer shall be shared between the Company and the Selling Shareholder in accordance with applicable law.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

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

Particulars	Amount (in ₹ million)
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00
Purchase of medical equipment for existing, recently set up and upcoming hospitals(1)	635.80
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84
General corporate purposes(2)	[●]
Net Proceeds	[●]

(1) *Unless specifically included in the quotations received from vendors by our Company, freight expenses and other taxes shall be funded from the internal accruals of our Company.*
(2) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

The fund requirements for the Objects are based on management estimates and financing, and other agreements entered into by our Company and have not been verified by the BRLMs, appraised by any bank or financial institution, or any other external agency. Since the fund requirements are based on current circumstances of our business and our Company, we may have to revise its estimates from time to time on account of various factors beyond our control, such as market conditions, economic conditions, changing regulatory policies, and competition. In case of a shortfall of Net Proceeds, our management may explore alternate means for shortfall, including utilization of internal accruals or further debt financing. We believe that such alternate arrangements would be available to fund any such shortfalls. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of various factors such as our financial condition, business and strategy, as well as external factors such as market conditions, competitive environment, interest or exchange rate fluctuations, and finance charges, which may not be within the control of our management.

Subject to applicable law, in case of variations in the actual utilisation 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 Fresh Issue.

SCHEDULE OF DEPLOYMENT OF NET PROCEEDS

We intend to deploy the Net Proceeds in accordance with the schedule set forth below:

Particulars	Amount to be Funded from the Net Proceeds (in ₹ million)	Estimated Utilisation of Net Proceeds (in ₹ million)		
		Fiscal 2018	Fiscal 2019	Fiscal 2020
Repayment or prepayment in full or in part of certain loans availed by our Company	3,000.00	3,000.00	NIL	NIL
Purchase of medical equipment for existing, recently set up and upcoming hospitals [(1)]	635.80	246.37	200.73	188.70
Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals	111.84	NIL	29.81	82.03
General corporate purposes[(2)]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

[(1)] *Unless specifically included in quotations received from vendors by our Company, freight expenses and other taxes shall be funded from the internal accruals of our Company.*
[(2)] *To be finalised upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.*

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the Objects during Fiscal 2018, Fiscal 2019, and Fiscal 2020. In the event that the estimated utilisation of the Net Proceeds in a scheduled financial year is not completely met, the same shall be utilised in the next Fiscal. Further, if the Net Proceeds are not completely utilised for the Objects stated above by Fiscal 2020 due to factors such as (i) economic and business conditions, (ii) increased competition, (iii) timely completion of the Offer on account of market conditions outside the control of our Company, and (iv) other commercial consideration, the same would be utilised (in part or full) in Fiscal 2021, or a subsequent period as may be determined by our Company in accordance with applicable law.

MEANS OF FINANCE

The fund requirements set out below are proposed to be entirely funded from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable internal accruals, as required under the SEBI ICDR Regulations.

DETAILS OF THE OBJECTS

Repayment or prepayment in full or in part of certain loans availed by our Company

Our Company has entered into certain financing arrangements with, *inter alia*, various banks / financial institutions. Arrangements entered into by our Company include borrowings in the form of long term and short term, secured and unsecured loans, and working capital facilities. For details on our debt financing arrangements, see "*Financial Statements*" on page 217 and "*Financial Indebtedness*" on page 385.

Our Company proposes to utilise an amount of ₹3,000.00 million from the Net Proceeds towards repayment / prepayment, in full or in part of certain loans availed by our Company. We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs, and enable utilisation of our internal accruals for further investment in our expansion strategies. In addition, we believe that this would improve our ability to raise further resources in the future to fund our potential business developments opportunities.

The selection of borrowings proposed to be repaid or prepaid will be based on various factors, including (i) any conditions attached to the borrowings restricting our ability to prepay / repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such conditions, (ii) receipt of consents or waivers for prepayment from respective lenders, the terms and conditions of such consents and waivers, and the levy of any prepayment penalties and the quantum thereof, (iii) provisions of any laws, rules and regulations governing such borrowings, and (iv) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of these borrowings and terms of repayment, the aggregate outstanding amount may vary from time to time. The amounts outstanding under our working capital facilities are dependent on various factors, and may vary with the business cycle and could include interim repayments. We may repay or refinance some of the existing loans set forth below, prior to Allotment by availing additional financing from banks / financial institutions. Accordingly, we may utilise the Net Proceeds for repayment or prepayment of any such additional loans. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of loans (including refinanced loans availed) would not exceed ₹3,000.00 million.

The details of the outstanding loans proposed for repayment or prepayment, in full or in part from the Net Proceeds, without any obligation to any particular bank or financial institution are set forth below:

Sr. No	Name of the lender and documentation	Sanctioned amount (in ₹ million)	Amount outstanding as on October 31, 2017[(1)] (in million)	Interest Rate	Repayment	Prepayment penalty	Purpose
1.	EXIM Bank[(2)] (i) Sanction letter dated March 3, 2015; and (ii) Amendatory facility agreement dated October 14, 2016, executed among our Company, EXIM Bank, HDFC Bank, Bank of Maharashtra, and Dena Bank.	**Term loan and buyer's credit**: ₹750.00	**Term loan**: ₹538.23 **Buyer's credit**: USD 2.88, being ₹186.45 and €0.26 being ₹19.23[(3)]	**Term loan**: HDFC Bank base rate + 1.25% = 10.15% (HDFC Bank's current base rate is 8.90%, with effect from June 30, 2017) **Buyer's credit**: Ranged between 6M LIBOR + 15BPS to 6M LIBOR + 175BPS	**Term loan**: Repayable in 24 equal quarterly instalments commencing from June, 2019. **Buyer's credit**: Tenor of 180 days with our Company being eligible for a rollover thereafter, subject to a maximum tenor of up to three years from the date of drawdown.	*Refer footnote (4)*	(i) Towards meeting capital expenditure for Shalby Indore; (ii) Towards meeting capital expenditure for Shalby Jaipur; and (iii) Towards meeting capital expenditure for Shalby Naroda.
2.	Bank of Maharashtra[(2)] (i) Sanction letter dated July 8, 2015; (ii) Sanction letter dated August 13, 2015; (iii) Sanction letter dated October 7, 2016; (iv) Amendatory facility agreement dated October 14, 2016, executed among our Company, EXIM Bank, HDFC Bank, Bank of Maharashtra, and Dena Bank.	**Term loan**: ₹750.00	₹708.22	HDFC Bank base rate + 1.10% = 10.35% (HDFC Bank's current base rate is 9.25%)	Repayable in 24 equal quarterly instalments commencing from June, 2019.	*Refer footnote (4)*	Towards meeting capital expenditure for Shalby Indore; Towards meeting capital expenditure for Shalby Jaipur; and Towards meeting capital expenditure for Shalby Naroda.
3.	HDFC Bank[(2)] (i) Sanction letter dated October 9, 2014; (ii) Facility agreement dated October 9, 2014, executed between our Company and HDFC Bank; and (iii) Amendatory facility agreement dated October 14, 2016, executed among our Company, EXIM Bank, HDFC Bank, Bank of Maharashtra, and Dena Bank.	**Term loan and buyer's credit**: ₹593.00	**Term loan**: ₹491.12	One year MCLR + 1.80% = 9.95% (Currently, the one year MCLR is 8.15%)	**Term loan**: Repayable in 24 equal quarterly instalments commencing from June, 2019. **Buyer's credit**: Up to 180 days and eligible for roll over thereafter, subject to a maximum tenor of up to three years from the date of first drawdown.	*Refer footnote (4)*	**Term loan**: (i) Towards meeting capital expenditure for Shalby Indore; (ii) Towards meeting capital expenditure for Shalby Jaipur; and (iii) Towards meeting capital expenditure for Shalby Naroda.

Sr. No	Name of the lender and documentation	Sanctioned amount (in ₹ million)	Amount outstanding as on October 31, 2017[(1)] (in million)	Interest Rate	Repayment	Prepayment penalty	Purpose
4.	HDFC Bank (i) Sanction letter dated October 9, 2014; and (ii) Facility agreement dated October 9, 2014, executed between our Company and HDFC Bank.	**Term loan and buyer's credit**: ₹400.00	**Term loan**: ₹275.91	One year MCLR + 1.80% = 9.95% (Currently, the one year MCLR is 8.15%)	**Term loan**: Repayable in 20 equal quarterly instalments commencing from February, 2017. **Buyer's credit**: Up to 180 days and eligible for roll over thereafter, subject to a maximum tenor of up to three years from the date of first drawdown.	*Refer footnote (5)*	(i) Reimbursement of capital expenditure incurred in the 12 month period preceding the date of the first drawdown; (ii) Reimbursement of routine capital expenditure that was incurred during Fiscal 2015 by Krishna Shalby and SG Shalby; and (iii) Towards meeting capital expenditure for Shalby Jabalpur.
5.	HDFC Bank (i) Sanction letter dated November 7, 2013; and (ii) Term loan agreement dated June 2, 2014, executed between our Company and HDFC Bank.	**Term loan and buyer's credit**: ₹317.00 (includes buyer's credit of ₹100.00)	**Term loan**: ₹90.93	One year MCLR + 2.00% = 10.15% (Currently, the one year MCLR is 8.15%)	**Term loan**: Repayable in 57 equal monthly instalments commencing from January, 2015.	*Refer footnote (6)*	(i) Towards meeting capital expenditure for SG Shalby; and (ii) Reimbursement for costs incurred towards acquisition of shares of Yogeshwar Healthcare.
6.	HDFC Bank The buyer's credit is governed under the documentation governing the term loans set out under serial numbers 3, 4, and 5, above.	**Buyer's credit**: Amount sanctioned for buyer's credit is inclusive of the sanction limits set out for term loans under serial numbers 3, 4, and 5, above.	USD 3.29 being ₹213.34 and €1.15 being ₹86.73[(3)]	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	Tenor of 180 days, with our Company being eligible for rollover thereafter, subject to a maximum tenor of up to three years from the date of first drawdown.	NA	Towards import of medical equipment and supplies.
7.	HDFC Bank (i) Sanction letter dated February 20, 2013; and (ii) Facility agreement dated October 30, 2013 executed between HDFC Bank and our Company.	₹265.00	₹81.59	One year MCLR + 2.00% = 10.15% (Currently, one year MCLR is 8.15%)	Repayable in 50 equal monthly instalments commencing from August, 2014.	*Refer footnote (7)*	Towards meeting renovation and modification work of Krishna Shalby.
8.	Barclays Investments and Loans (India) Limited: (i) Offer letter dated September 22, 2016; (ii) Sanction letter dated January 27, 2017; and (iii) Pledge agreement dated September 29, 2016, Dr Vikram Shah and Barclays Investments and Loans (India) Limited	₹500.00	₹300.00	8.50%	Repayable within a maximum period of two years (reviewed annually), subject to lender's right to terminate the facility and demand repayment at any time,	*Refer footnote (8)*	Towards purchase, expansion and renovation of Shalby Mohali (earlier known as Shalby Silver Oaks).

Sr. No	Name of the lender and documentation	Sanctioned amount (in ₹ million)	Amount outstanding as on October 31, 2017[(1)] (in million)	Interest Rate	Repayment	Prepayment penalty	Purpose
					unless otherwise agreed by them.		
9.	HDFC Bank: Sanction letter dated September 15, 2017	**Working capital loan**: ₹150.00	₹150	8.50%	Repayable in a maximum of 150 days by way of- • Bullet payment of ₹50.00 million at the end of 90 days; • Bullet payment of ₹50.00 million at the end of 120 days; and • Bullet payment of ₹50.00 million at the end of 150 days.	*Refer footnote (9)*	Towards working capital requirements
10.	Kotak Mahindra Bank: Sanction letter dated April 6, 2017.	**Short term loan**: ₹300.00	₹300	8.80%	Repayable by way of a bullet payment at the end of six months (maximum tenor 12 months).	*Refer footnote (10)*	Towards cash flow mismatch
11.	Kotak Mahindra Bank: Master facility agreement dated December 22, 2014, executed between our Company and Kotak Mahindra Bank Limited; (ii) Sanction letter dated July 8, 2015; and (iii) Sanction letter dated April 12, 2016.	**Working capital / overdraft**: ₹200.00	₹164.65	10.00%	12 months.	NIL	Towards working capital requirements
12.	IDFC Bank Limited [(11)]: Sanction letter dated April 21, 2017 Term loan agreement dated June 5, 2017	**Term loan:** Tranche 1: ₹497.50	₹477.80	IDFC Bank One year MCLR + 0.70% = 9.30% (Currently, IDFC Bank one year MCLR is 8.60%)	In 28 structured quarterly instalments starting from June 30, 2019 and ending on March 31, 2026.	*Refer footnote (12)*	For reimbursement of expenses incurred in Fiscal 2017 and Fiscal 2018 towards construction of new hospitals being built by our Company in Surat.
	TOTAL	**₹4,722.50**	**₹4,084.20**				

(1) As certified by G. K. Choksi & Co., Chartered Accountants, pursuant to their certificate dated November 17, 2017. Further, Chartered Accountants have certified that as on October 31, 2017, our Company has utilised the amounts drawn down under each of the loan facilities mentioned above for the purpose for which such loan was granted.

(2) Disbursed as a part of a consortium involving EXIM Bank, HDFC Bank, and Bank of Maharashtra.

(3) The value in INR has been arrived at based on the exchange rate of 1 USD equal to INR 64.77 and 1 EUR equal to INR 75.42 as on October 31, 2017.

(4) If prepaid within 45 days of interest reset date, our Company has the option to prepay the amount of principal outstanding against the facility, in part or in full, without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by our Company from fresh issuance of equity or internal accruals, no prepayment penalty shall be payable. Should our Company opt to exercise the

prepayment option, the bank must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility.

(5) If prepaid within 30 days of interest reset date, our Company has the option to prepay the amount of principal outstanding against the facility, in part or in full, without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by our Company from fresh issuance of equity or internal accruals, no prepayment penalty shall be payable. Should our Company opt to exercise the prepayment option, the bank must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility.

(6) A prepayment penalty of 2% shall be applicable on any amount prepaid during the first two years of the tenor, if such prepayment is being made through borrowings from banks or financial institutions. After completion of the first two years of the tenor, a prepayment penalty of 1% shall be applicable for a period of two years after the initial two years, and nil thereafter.

(7) Same as (6) above.

(8) A prepayment penalty of 1% shall be applicable on any amount prepaid. Additionally, any and all breakage costs and expenses, if applicable, and as determined by the bank, shall be payable at the time of such prepayment.

(9) If after completion of a period of three months from the date of disbursement our Company repays the loan through the Offer Proceeds, issuance of equity or internal accruals, no prepayment penalty shall be levied.

(10) No prepayment charges applicable if the outstanding loan amount is paid three months from the date of disbursement with a prior notice of 30 days issued by our Company. If the loan is prepaid prior to completion of tenor, a prepayment penalty of 2% on the outstanding loan amount if applicable.

(11) The term loan agreement dated June 5, 2017 and the sanction letter dated April 21, 2017 in respect of the term loan from IDFC Bank Limited stipulates that our Company should mandatorily prepay at least 30% of the outstanding amount under the IDFC Facility by utilising the Net Proceeds.

(12) A prepayment penalty of 2% of the principal amount being prepaid. However, prepayment penalty is not applicable to: (i) a prepayment in full or part within 30 days of interest reset date; (ii) mandatory prepayment of at least 30% of the outstanding amount using proceeds from an initial public offering of equity shares of our Company.

In due course of business, due to various operational benefits, our Company may explore possibilities of other banks participating in existing loans either in full or in part, including the loans mentioned above. Some of our financing agreements 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, the amount of such prepayment penalties shall be paid by our Company out of our internal accruals.

Purchase of medical equipment for existing, recently set up and upcoming hospitals

With a focus on growing our multi-specialty healthcare services, we plan to equip our operational hospitals and upcoming hospitals with a wide range of advanced and diverse medical equipment. For further details, see "*Our Business – Our Business Strategy*" on page 156. We intend to undertake the purchase of such medical equipment under the following broad heads:

1. Purchase of medical equipment for our hospitals being set up in Nashik and Vadodara;
2. Purchase of medical equipment for our recently set up hospitals, Shalby Naroda, and Shalby Surat; and
3. Purchase of medical equipment for our existing hospitals, Krishna Shalby, SG Shalby, and Shalby Vapi.

Our Company proposes to expend approximately ₹635.80 million in Fiscal 2018, Fiscal 2019 and Fiscal 2020 towards purchase of such medical equipment. The breakdown of such estimated costs are set forth below:

Particulars	Total Estimated Costs (₹ in million)
Purchase of medical equipment for our hospitals being set up in Nashik and Vadodara	389.42
Purchase of medical equipment for our recently set up hospitals, Shalby Naroda, and Shalby Surat	142.30
Purchase of medical equipment for our existing hospitals Krishna Shalby, SG Shalby and Shalby Vapi	104.08
Total	**635.80**

Purchase of medical equipment for our hospitals being set up in Nashik and Vadodara

We are in the process of setting up hospitals in Nashik and Vadodara with a bed capacity of 113 beds and 150 beds, respectively. Scheduled to be operational in Fiscal 2019, the hospital in Nashik is being set up jointly with Samruddhi on the basis of an O&M arrangement. Our hospital in Vadodara is scheduled to be operational in Fiscal 2020, and is being set up on the basis of a memorandum of understanding executed among our Company, Akshar PHC Realcon, Mukesh Shah, Amit Shah, and Surbhit Shah. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. We plan on equipping our hospital being established in Nashik and Vadodara with a range of (i) cardiology equipment, (ii) radiology equipment, and (iii) other medical equipment.

Our Company proposes to expend approximately ₹389.42 million in Fiscal 2019 and Fiscal 2020 towards purchase of such medical equipment. The breakdown of such estimated costs is set forth below:

Particulars	Total Estimated Costs (in million)
Cardiology equipment	₹174.33(1)
Radiology Equipment	₹180.20(2)
Other medical equipment	₹34.89(3)
Total	**₹389.42**

(1) Based on: (a) quotations from Siemens Healthcare Private Limited which are valid for a period of six months until April 29, 2018; (b) quotations from Maquet Medical India Private Limited (Getinge Group) which are valid for a period of six months until April 29, 2018; (c) quotations from Nihon Kohden India Private Limited which are valid for a period of 180 days until April 30, 2018; and (d) quotations from Siemens Healthcare Private Limited which are valid for a period of six months until April 29, 2018.

(2) Based on: (a) quotations from AGFA Healthcare India Private Limited which are valid for a period of 180 days until May 1, 2018; (b) quotations from Samsung Electronics India Limited which are valid for a period of six months until April 27, 2018; (c) quotations from Siemens Healthcare Private Limited which are valid for a period of six months until April 29, 2018; (d) quotations from Siemens Healthcare Private Limited which are valid for a period of six months until April 29, 2018; and (e) quotation from Wipro GE Medical Systems Private Limited, trading as Wipro GE Healthcare which is valid for a period of 6 months until April 30, 2018.

(3) Based on: (a) quotation from AD Surgical which is valid for a period of six months until April 28, 2018; (b) quotations from Healthware Private Limited which are valid for a period of 283 days until December 31, 2017; and (c) quotations from J.B. Biomedical (Karl Storz) which are valid for a period of 30 days until December 16, 2017.

Purchase of medical equipment for our recently set up hospitals, Shalby Naroda, and Shalby Surat

In March 2017, we commenced providing outpatient services at Shalby Naroda, and Shalby Surat. With an aggregate bed capacity of 510 beds, Shalby Naroda and Shalby Surat commenced providing inpatient services from July, 2017 and August, 2017, respectively. For further details, see "*Our Business – Description of Business – Hospitals – Operational Hospitals*" on page 160.

For the purposes of offering quality inpatient healthcare services, we propose to equip Shalby Naroda, and Shalby Surat with (i) radiology equipment, and (ii) cardiology equipment. Our Company proposes to expend approximately ₹142.30 million in Fiscal 2018 towards purchase of such medical equipment. The breakdown of such estimated costs is set forth below:

Particulars	Total Estimated Costs (₹ in million)
Radiology equipment	₹94.02(1)
Cardiology equipment	₹48.28(1)
Total	**₹142.30**

(1) Based on purchase order dated December 21, 2016 for Shalby Naroda and purchase order dated December 26, 2016 for Shalby Surat issued by our Company to Siemens Healthcare Private Limited.

Purchase of medical equipment for our existing hospitals Krishna Shalby, SG Shalby, and Shalby Vapi

In keeping with our strategy to focus on multi-specialty healthcare services, we plan on equipping our existing hospitals, Krishna Shalby, SG Shalby and Shalby Vapi, with (i) cardiology equipment and (ii) neurology equipment. Our Company proposes to expend approximately ₹104.08 million in Fiscal 2018 towards purchase of such medical equipment. The breakdown of such estimated costs is set forth below:

Particulars	Total Estimated Costs (in million)
Cardiology equipment	₹89.00(1)
Neurology equipment	€0.2, being ₹15.08(2)(3)
Total	**₹104.08**

(1) Based on quotations from Wipro GE Healthcare which are valid for a period of six months until April 29, 2018.

(2) Based on a quotation from Carl Zeiss India (Bangalore) Private Limited which is valid for a period of six months until April 29, 2018.

(3) The value in INR has been arrived at based on the exchange rate of, 1 EUR equal to INR 75.42 as on October 31, 2017.

Cardiology equipment

Cardiology is a branch of medicine dealing with disorders of the heart as well as parts of the circulatory system. We propose to purchase a range of equipment used in cardiological procedures such as intra-aortic balloon pumps, catheterization equipment, ventilators, and electrocardiogram equipment. Intra-aortic balloon pumps are mechanical devices that help the heart in pumping blood. These devices are inserted into the aorta and assist in increasing myocardial oxygen perfusion, which resultantly increase cardiac output. Catheterization equipment are used in diagnostic laboratories which are typically used to visualise the arteries and chambers of the heart, and to facilitate the treatment of stenosis or other cardiovascular abnormalities.

While ventilators are used to move breathable air into, and out of the lungs, electrocardiogram equipment are used to record the electrical activity of the heart over a period of time, by use of electrodes placed on the skin.

Radiology Equipment

Radiology equipment provide detailed insight into the location and extent of a disease in a patient and thus help in accurately diagnosing such diseases. We propose to purchase radiology equipment such as MRI scanning machines, computed radiography machines, CT scanning machines, and x-ray machines. MRI scanning machines are used to form pictures of the anatomy and physiological processes of the body. Further, while x-ray machines are used to acquire x-ray images of internal structures such as bones, CT scanning machines are used to create cross-sectional images of bones, blood vessels and soft tissues using x-ray images.

Neurology Equipment

Neurology is a branch of medicine dealing with disorders of the nervous system. We intend on purchasing surgical microscopes which are typically used in undertaking neurological surgeries. Surgical microscopes are adapted for performing surgeries involving the brain, spinal cord, and spine.

Other Medical Equipment

We propose to purchase a diverse range of medical equipment to *inter alia*, diagnose and treat medical conditions across specialties. These include equipment such as endoscopy systems, ultrasound systems, and drill and saw systems. While endoscopy systems are instruments used to examine the interior of a hollow organ or cavity of the body, ultrasound systems are used to see internal body structures such as tendons, muscles, and internal organs. Drill and saw systems are used to drill through bones for the purposes of fixing implants during orthopaedic surgeries.

Apart from raising purchase orders in respect of a few equipments, we have also received quotations from various vendors, each of which are valid as on the date of this Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the medical equipment, or at the same costs. The actual mode of deployment has not been finalised as on the date of this Red Herring Prospectus. Our Promoters or Directors have no interest in the proposed procurements, as stated above. Any expenses towards procurement of equipment which are in excess of the prices quoted in the quotations received by us shall be paid by our Company out of our internal accruals.

None of the vendors of the proposed procurements are related to the Promoters or Directors of our Company.

Purchase of interiors, furniture, and allied infrastructure for upcoming hospitals in Nashik and Vadodara

We plan to fit our hospitals being constructed in Nashik and Vadodara with modern interiors, furniture, and medical allied infrastructure. We intend to undertake the purchase of such interiors, furniture, and infrastructure under the following broad heads:

1. Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed in Nashik; and
2. Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed in Vadodara.

Our Company proposes to expend approximately ₹111.84 million in Fiscal 2019 and Fiscal 2020 towards purchase of such interiors, furniture, and allied infrastructure. The breakdown of such estimated costs is set forth below:

Particulars	Total Estimated Costs (₹ in million)
Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed in Vadodara	82.03
Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed in Nashik	29.81
Total	**111.84**

Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed in Vadodara

We plan on fitting our hospital being established in Vadodara with a range of interiors, furniture, and allied infrastructure. Our Company proposes to expend approximately ₹82.03 million in Fiscal 2020 towards purchase of such interiors, furniture, and allied infrastructure. The breakdown of such estimated costs is set forth below:

Category	Particulars	Total Estimated Costs (₹ in million)
Interiors and furniture	Medical furniture(1)	15.63
	Chairs	1.20
	Curtains	1.20
Sub-total (A)		**18.03**
Allied infrastructure	Heating, ventilation and air conditioning systems	64.00
Sub-total (B)		**64.00**
Total (A + B)		**82.03(2)**

(1) Medical furniture inter alia, includes beds with mattresses, stretchers, bedside tables, cardiac tables, crash carts, dressing trolleys, instrument trolleys, wheel chairs, operation trays, tray stands, examination couch, patient stools, and foot stools.

(2) Based on quotations from Evercrest Projects Private Limited which are valid for a period of six months until April 15, 2018.

Purchase of interiors, furniture, and allied infrastructure for our hospital being constructed in Nashik

We plan on fitting our hospital being established in Nashik with a range of interiors, furniture, and infrastructure. Our Company proposes to expend approximately ₹29.81 million in Fiscal 2019 towards purchase of such interiors, furniture, and allied infrastructure. The breakdown of such estimated costs is set forth below:

Category	Particulars	Total Estimated Costs (₹ in million)
Interiors and furniture	Medical furniture(1)	10.65
	Carpentry furniture(2)	8.87
	Chairs	2.15
	Modular furniture(3)	2.64
Sub-total (A)		**24.31**
Allied infrastructure	Medical gas piping systems	5.50
Sub-total (B)		**5.50**
Total (A + B)		**29.81(4)**

(1) Medical furniture inter alia, includes beds with mattresses, stretchers, bedside tables, cardiac tables, crash carts, dressing trolleys, instrument trolleys, wheel chairs, operation trays, tray stands, examination couch, patient stools, and foot stools.

(2) Carpentry furniture inter alia, includes reception tables, file storages and overhead storages, full storages, working tables, partitions, wardrobes, wooden trapdoors, and display units.

(3) Modular furniture inter alia, includes working tables, tables for file storage, sofa-cum-beds, wooden beds, conference tables, meeting tables, sofas, and dining tables.

(4) Based on quotations from Evercrest Projects Private Limited which are valid for a period of six months until April 15, 2018

Interiors and furniture

It is our aim to ensure that our hospitals are fitted with modern interiors and furniture, which are required for institutions such as ours which offer professional medical services. To this end, we intend to adequately furnish our hospitals which are being constructed in Nashik and Vadodara with a mixed range of medical and carpentry furniture, modular furniture, chairs, and curtains.

Allied infrastructure

We propose to equip our hospitals being constructed in Nashik and Vadodara with medical gas piping systems to ensure that medical gases that are directly administered to our patients, are highly pure and supplied under stable pressure. Further, since our hospital in Vadodara is being constructed on an expansive area admeasuring 24,000 sq. ft., we intend to fit the hospital with central heating, ventilation and air conditioning systems to ensure indoor environmental comforts of our patients and other occupants.

General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. In accordance with policies adopted by our Board from time to time, we will have the flexibility in utilising the balance Net Proceeds if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds from the Fresh Issue, in accordance with Regulation 4(4) of the SEBI ICDR Regulations. Such general corporate purposes may include strategic initiatives and acquisitions, funding initial stages of equity contribution towards our projects, working capital requirements, purchase of equipment, investments into our subsidiaries, part or full debt repayment / prepayment of our Company or any of our Subsidiaries, and further strengthening our marketing capabilities. Our Company's management, in accordance with policies adopted by the Board, will have the flexibility in utilising surplus amounts, if any. In case of variation in the actual utilisation of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes, set out above.

Offer related expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, Bankers to the Offer, including processing fees to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to the SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses, and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which will be borne by our Company) shall be shared between our Company and the Selling Shareholder in accordance with applicable laws. The Selling Shareholder shall reimburse our Company for the expenses incurred by our Company in relation to his Equity Shares offered in the Offer for Sale. The break-up for the estimated Offer expenses are as follows:

Activity	Amount(1) (in ₹ million)	As a % of the Total Estimated Offer Expenses	As a % of the Offer Size(1)
Payment to BRLMs (including underwriting commission, brokerage, selling commission, and bidding fees) and brokerage and selling commission, processing / uploading charges to Syndicate Members, RTAs, and CDPs(2)(4)	[●]	[●]	[●]
Processing / uploading charges for Registered Brokers(2)(4)	[●]	[●]	[●]
Commission and processing fees for SCSBs(2)(3)	[●]	[●]	[●]
Others: SEBI, BSE, and NSE processing fees, other regulatory expenses and listing fees; Printing and stationery expenses; Advertising and marketing expenses; and Miscellaneous expenses	[●]	[●]	[●]
TOTAL ESTIMATED OFFER EXPENSES	[●]	[●]	[●]

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

(2) Members of the Syndicate (including their sub-syndicate members), Registered Brokers, RTAs, CDPs, and SCSBs (for the ASBA Forms directly procured by them) will be entitled to selling commission as below:

Portion	*Selling Commision*
Retail Individual Bidders	*0.35% of the Amount Allotted* (plus applicable GST)*
Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable GST)*
Eligible Employees	*0.25% of the Amount Allotted* (plus applicable GST)*

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

Selling commission payable to SCSBs, Registered Brokers RTAs and CDPs will be determined on the basis of the bidding terminal identity as captured in the Bid Book of BSE or NSE.

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

(3) SCSBs will be entitled to a processing fee of ₹10 (plus applicable GST) per valid application for processing the ASBA Forms procured by members of the Syndicate, sub-syndicate / agents, Registered Brokers, RTAs or CDPs, and submitted to the SCSBs. No processing fees shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.

(4) Bidding/uploading Charges payable to Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employees which are procured by them and submitted to SCSB for blocking, would be ₹ 10 (plus applicable GST) per valid application. Bidding/uploading charges payable to the Members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(5) The commission and processing fees shall be payable within 30 Working Days post the date of receipt of final invoices of the respective Designated Intermediaries by the Company.

MONITORING OF UTILISATION OF FUNDS

The Company has appointed HDFC Bank Limited as the Monitoring Agency in relation to the Offer in accordance with Regulation 16 of the SEBI ICDR Regulations. The Audit and Risk Management Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds. The Company will disclose the utilisation of the Net Proceeds under a separate head along with details, for all such proceeds of the Fresh Issue that have not been utilised clearly specifying the purpose for which such Net Proceeds have been utilised in the interim. The Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of the Company for the relevant financial years subsequent to the listing.

Pursuant to the Listing Regulations, our Company shall disclose to the Audit and Risk Management Committee the uses and application of the Net Proceeds, on a quarterly basis. The Audit and Risk Management Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit and Risk Management Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement including deviations, if any, in the utilisation of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the submission of such information to the Stock Exchanges, after placing the same before the Audit and Risk Management Committee.

INTERIM USE OF NET PROCEEDS

Our Company, in accordance with the policies formulated by our Board from time to time, reserves the flexibility to deploy the 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 the 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 Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

VARIATION IN OBJECTS

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

OTHER CONFIRMATIONS

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Board of Directors, our Key Management Personnel or Group Entities. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, our Board of Directors, our Key Management Personnel, or our Group Entities.

BASIS FOR OFFER PRICE

Theresa Satish <theresa.satish@khaitanco.com> be determined by our Company and the 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 ₹10 each and the Offer Price is [●] times the Face Value at the lower end of the Price Band and [●] times the Face Value at the higher end of the Price Band. Investors should also refer to "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 150, 19 and 217, respectively, to have an informed view before making an investment decision.

QUALITATIVE FACTORS

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

- Leadership in orthopaedics and strong capabilities in other specialties;
- Integrated and scalable business model enhancing our patient reach;
- Experienced player with longstanding presence and brand recall;
- Track record of operating and financial performance and growth;
- Ability to attract quality doctors, nurses, paramedical, and other staff; and
- Experienced and qualified professional management team with strong execution track record.

For details, see "*Our Business – Our Competitive Strengths*" on page 152.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Standalone Financial Statements and the Restated Consolidated Financial Statements prepared in accordance with Indian GAAP, and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 217.

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"):

On a standalone basis:

Financial Year ended	**Basic and Diluted**	
	EPS (₹)	**Weight**
March 31, 2015	3.26	1
March 31, 2016	4.52	2
March 31, 2017	7.24	3
Weighted Average	**5.67**	

For the three months period ended June 30, 2017, the Basic and Diluted EPS (not annualized) was ₹1.62, on a standalone basis.

On a consolidated basis:

Financial Year ended	**Basic and Diluted**	
	EPS (₹)	**Weight**
March 31, 2015	2.94	1
March 31, 2016	4.30	2
March 31, 2017	7.16	3
Weighted Average	**5.50**	

For the three months period ended June 30, 2017, the Basic and Diluted EPS (not annualized) was ₹1.63, on a consolidated basis.

Note:

1. *On March 26, 2016, by way of a resolution passed by the Company's Board of Directors in the meeting held on March 26, 2016, the Company allotted 52,412,960 Equity Shares as a bonus issue in the ratio of 3:2. Accordingly, the number of Equity Shares outstanding before the event is adjusted for the proportionate change in the number of Equity Shares outstanding as if the event had occurred at the beginning of the earliest period reported.*

2. *The Company had dilutive capital in the form of Preference Shares. Since the Board of Directors have the option to either convert the Preference Shares or have them redeemed at a predetermined premium into Equity Shares at fair value, which is not ascertainable at present, diluted potential Equity Shares of the Preference Shares are not quantified / considered for calculating the diluted EPS. Further, all Preference Shares have been redeemed by way of a resolution passed by the Board of Directors in the meeting held on December 20, 2016. For details, see "Capital Structure –*

Share Capital History of our Company" on page 88.

3. *Earning-per share (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.*

4. *The ratios have been computed as below:*
   a. *Basic and Diluted earnings per share = Restated profit after tax attributable to equity shareholders for the period / weighted average number of shares outstanding during the period.*

(b) Price / Earning ("P / E") ratio 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 as per the Restated Standalone Financial Statements for the year ended March 31, 2017	[●]	[●]
Based on basic EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2017	[●]	[●]
Based on diluted EPS as per the Restated Standalone Financial Statements for the year ended March 31, 2017	[●]	[●]
Based on diluted EPS as per the Restated Consolidated Financial Statements for the year ended March 31, 2017	[●]	[●]

(c) Industry Peer Group P / E ratio

Particulars	P/E ratio	Name of the company	Face value of equity shares (₹)
Highest	111.12	Healthcare Global Enterprises Limited	10.00
Lowest	14.89	Fortis Healthcare Limited	10.00
Average	67.58		

(d) Return on Net Worth ("RoNW")

As per Standalone Restated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2015	16.52	1
March 31, 2016	18.61	2
March 31, 2017	23.05	3
Weighted Average	20.48	

Note: For the three months period ended June 30, 2017, the RoNW (not annualized) was 4.80%, on a restated standalone basis.

As per consolidated Restated Financial Statements:

Financial Year ended	RoNW (%)	Weight
March 31, 2015	15.26	1
March 31, 2016	18.32	2
March 31, 2017	23.54	3
Weighted Average	20.42	

Note: For the three months period ended June 30, 2017, the RoNW (not annualized) was 4.98%, on a restated consolidated basis.

Note:
1. *Return on net worth (%) = Restated profit after tax attributable to equity shareholders for the year / net worth as at the end of year*
2. *Net worth represents sum of share capital and reserves and surplus (securities premium, capital reserve, general reserve and surplus) excluding revaluation reserve*

(e) Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, 2017

Particulars	Floor Price	Cap Price
To maintain pre-Offer basic EPS		
As per Restated Standalone Financial Statements	[●]%	[●]%

Particulars	Floor Price	Cap Price
As per Restated Consolidated Financial Statements	[•]%	[•]%
To maintain pre-Offer diluted EPS		
As per Restated Standalone Financial Statements	[•]%	[•]%
As per Restated Consolidated Financial Statements	[•]%	[•]%

(f) *Net Asset Value ("NAV") per Equity Share of face value of ₹10 each*

(i) NAV per Equity Share as on March 31, 2017 on a standalone basis is ₹31.39
(ii) NAV per Equity Share as on March 31, 2017 on a consolidated basis is ₹30.40
(iii) After the Offer, on a standalone basis:
  (a) At the Floor Price: ₹[●]
  (b) At the Cap Price: ₹[●]
(iv) After the Offer, on a consolidated basis:
  (a) At the Floor Price: ₹[●]
  (b) At the Cap Price: ₹[●]
(v) Offer Price: ₹[●]

Note:

1. *For the three months period ended June 30, 2017, the NAV per Equity Share was ₹33.54, on a restated standalone basis, and ₹32.59 on a restated consolidated basis.*

2. *Net asset value = Net Worth, as restated at the end of the period / Number of equity shares outstanding at the end of the period*

3. *Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

(g) *Comparison with Listed Industry Peers*

Name of the company	Face value (₹ per share)	Closing price on November 23, 2017 (₹)(6)	Revenue for Fiscal 2017 (in ₹ million) (1)	EPS (₹)		NAV(5)(₹ per share)	P/E(3)	RoNW(4) (%)
				Basic	Diluted(2)			
Shalby Limited	10.00	-	3,253.87	7.16	7.16	30.40	-	23.54
Apollo Hospitals Enterprise Limited	5.00	1,135.15	72,549.06	15.88	15.88	279.44	71.48	2.80
Fortis Healthcare Limited	10.00	132.05	45,737.15	8.87	8.87	121.89	14.89	7.20
Narayana Hrudayalaya Limited	10.00	297.90	18,781.65	4.10	4.09	47.14	72.84	8.60
Healthcare Global Enterprises Limited	10.00	298.90	7,001.11	2.69	2.69	57.18	111.12	4.70

Source: All financial information for listed industry peers mentioned above is presented on a consolidated basis and is sourced from the annual report of the respective company, for the year ended March 31, 2017
Source for Shalby Limited: Based on the Restated Consolidated Financial Statements for Fiscal ended March 31, 2017

Note:

(1) Revenue indicates revenue from operations.

(2) Diluted EPS refers to the Diluted EPS sourced from the annual reports of the respective company for the year ended March 31, 2017.

(3) P/E Ratio has been computed based on the closing market price of equity shares on November 23, 2017, divided by the Diluted EPS provided under Note (1).

(4) RoNW is computed as total comprehensive income divided by closing net worth. Net worth has been computed as sum of share capital, reserves (including capital reserve and excluding debenture redemption reserve, if any), minority interest, deferred government subsidy, and compulsorily convertible preference shares.

(5) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2017.

(6) Share prices have been sourced from BSE website.

(h) The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholder in consultation with the BRLMs on the basis of assessment 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 19, 150, 354 and 217, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Shalby Limited
Opp. Karnavti Club,
S G Highway,
Ahmedabad-380054

Dear Sirs,

Subject: Statement of possible Direct Tax Benefits ("the Statement") available to Shalby Limited ("the Company") and its shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ("the Regulations")

We report that the enclosed statement states the possible direct tax (viz under the Indian Income Tax Act,1961) benefits available to the Company or its shareholders under the current direct tax law referred to above, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfil.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to 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 Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

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; or
(ii) The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in offer documents in relation to the Issue and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on 'the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities / courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes..

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

SHAUNAK V. MUZUMDAR
Partner
Mem. No. 37571

Place : Ahmedabad
Date : 17 November 2017

Encl. : Annexure

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

. **Under the Income-tax Act, 1961 ("the Act / IT Act")**

I. Special tax benefits available to the Company

The Company is entitled to the deduction under the sections mentioned hereunder from its total income chargeable to Income Tax

1. Subject to fulfillment of conditions such as obtaining Audit report in form 10CCB and conditions as specified in section 35AD of the Act, the company is entitled to claim deduction of specified capital expenditure incurred for the specified business to the extent of 150% of capital expenditure. The company
has claimed deduction u/s 35AD for Jabalpur Unit for the financial year 2014 -15 & 2015-16 and for its Indore unit for 2015-16.

II. General tax benefits available to Companies

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax ("MAT") liability.

2. As per section 10(34A) of the Act, any income arising to the company in the capacity of shareholder on account of buy back of shares (not being listed on recognized stock exchange) by the other company as referred to in section 115QA is exempt from tax. Such income is to be excluded while computing Minimum Alternate Tax ("MAT") liability.

3. As per section 10(35) of the Act, the following income will be exempt in the hands of the Company: a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or b) Income received in respect of units from the Administrator of the specified undertaking; or c) Income received in respect of units from the specified company: However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

4. As per section 32(iia) of the Act the company is entitled to additional depreciation at the rate of 20% on actual cost of new plant or machinery subject to conditions as prescribed over and above normal depreciation available under Act.

5. Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital assets being shares or any other security(other than unit) listed in a recognized Stock Exchange in India or unit of Unit Trust of India or unit of a Mutual Fund (Equity Oriented) specified under section 10(23D) or a zero coupon bond held by the assessee for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains ("LTCG"). Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gains ("STCG"). In respect of any other capital assets, the holding period should exceed 36 months to be considered as long term capital assets except in case of share of a company (not being share listed in recognized stock exchange in India) wherein the holding period should exceed 24 months to be considered as long term capital asset.

6. As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

7. As per section 10(38) of the Act, LTCG arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax ("STT") will be exempt in the hands of the Company. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the Act.

8. In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20%

(plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.

9. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956. The total deduction with respect to investment in the long term specified assets is restricted to ` 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

10. As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.

11. As per section 70 read with section 74 of the IT Act, Short Term Capital Loss ("STCL") computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss ("LTCL") computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

12. Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.

13. Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to the provisions of section 72(2) and section 73(3) of the Act.

14. As per section 115JAA of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond fifteen assessment year immediately succeeding the assessment year in which tax credit become allowable.

The law stated below is as per the Income-tax Act, 1961 as amended by the Finance - Act, 2017 and on the assumption that the Equity Shares would not be held by the shareholders as stock-in-trade.

III. General tax benefits available to Resident Shareholders

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. As per the Finance Act 2016, income by way of dividend in excess of ` 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% plus applicable surcharge and cess.

2. As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

3. As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT , will be exempt in the hands of the shareholder.

4. In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other

than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation

5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, ta company formed and registered under the Companies Act, 1956. The total deduction with respect to investment in the long term specified assets is restricted to ` 50 lakhs whether invested during the financial year in which thecapital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

6. As per section 54F of the Act, LTCG in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two year after the date of transfer or to be constructed within three years after the date of transfer.

7. As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act. As per section 70 read with section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

8. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

IV. General tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors ("FII's") / Foreign Portfolio Investors ("FPI's"))

1. As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.

2. As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.

3. As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT , will be exempt in the hands of the shareholder.

4. As per section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to the first proviso to section 48 of the Act. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assesse.

5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956. The total deduction with respect to investment in the long term specified assets is restricted to ` 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year.

Where the “long term specified asset” are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

6. As per section 54F of the Act, LTCG (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.

7. As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.

8. As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years’ STCG as well as LTCG. However, the LTCL computed for a given year is allowed to be set off only against the LTCG for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years’ LTCG.

9. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident shall be required to provide such other information, as has been notified.
10. As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a foreign company, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.

V. Special tax benefits available to Non-Resident Indians

1. As per section 115C(e) of the Act, the term “non-resident Indians” means an individual, being a citizen of India or a person of Indian origin who is not a “resident”. A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

2. As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

3. As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

4. As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

5. As per section 115H of the Act, where non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of

the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.

6. As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of "Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents" for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

7. In a situation where the shareholder transfers the shares of the Company, which are held as 'long-term capital assets' and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.

8. In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident Indian, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident Indian shall be required to provide such other information, as has been notified.

VI. Benefits available to FIIs / FPIs Special tax benefits

1. Under section 115AD(1)(ii) of the IT Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess. Under Section 115AD(1)(iii) of the IT Act income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the IT Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs. Further, for the purposes of section 115AD, FPIs would get similar treatment as available to FIIs.

2. As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

3. In respect of FIIs and FPIs, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FIIs/FPIs is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident shall be required to provide such other information, as has been notified.

4. As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a FII, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FII / FPI would be treated in the nature of capital gains.

VII. Special tax benefits available to Mutual Funds

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

VIII. THE WEALTH TAX ACT, 1957

Wealth Tax Act, 1957 has been abolished with effect from Assessment Year 2016-17.

IX. BENEFITS AVAILABLE UNDER THE GIFT TAX ACT, 1958

Gift tax is not leviable in respect of any gift made on or after 1 October 1998. Therefore any gift of share of a company will not attract gift tax.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income Tax Act 1961 including amendments as set out in the Finance Act 2017.

2. As per the FA, surcharge is to be levied on individuals, HUF, AOP, body of individuals, artificial juridical person, co-operative society and local authorities at the rate of 10% if the total income exceeds Rs 50 lakhs and is upto Rs. 1 crore and at the rate of 15% if income exceeds Rs 1 Crore.

3. Surcharge is levied on domestic companies at the rate of 7% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 12% where the income exceeds ` 10 crores.

4. Surcharge is levied on every company other than domestic company at the rate of 2% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 5% where the income exceeds ` 10 crores.

5. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.

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

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

8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted 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 participation in the scheme.

9. 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.

10. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act from time to time.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from certain publications prepared by third party sources as cited in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable. However, their accuracy, completeness, and underlying assumptions are not guaranteed and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such official, industry, market, and other data in this document, it has not been independently verified by us, or any of our advisors, or any of the BRLMs or any of their advisors, and should not be relied on as if it had been so verified.

*The information set out below is inter alia, based on the report titled 'Independent Market Assessment of Indian Healthcare Industry for IPO' dated May 16, 2017 curated by Frost & Sullivan ("**F&S Report**"). The findings on the Report, apart from being based on industry estimates, have been extracted from numerous third party sources such as those listed in the table below*:

#	SOURCE
1.	National Commission on Population
2.	Census of India
3.	International Monetary Fund Estimates
4.	National Accounts Statistics
5.	World Health Organization Global Health Expenditure Database
6.	World Bank
7.	Ministry of Health and Family Welfare (MOHFW)
8.	National Health Profile (NHP)
9.	World Health Statistics
10.	World Health Organization (WHO)
11.	Central Statistics Office
12.	Insurance Regulatory and Development Authority (IRDA)
13.	Ministry of Tourism
14.	Department of Industrial Policy and Promotion (DIPP)
15.	The Association of Physicians of India
16.	National Centre for Disease Information and Research
17.	Organisation for Economic Co-operation and Development (OECD)
18.	Atomic Energy Regulatory Board (AERB)
19.	SRS Bulletin
20.	Esopb.gov.in
21.	Hospital websites, annual reports, and investor's presentations

The F&S Report has been prepared by Frost & Sullivan, at the specific request of our Company. The market research process for the report has been undertaken through secondary / desktop research as well as primary research, which involved discussing the status of the market with leading participants and experts.

The information set out below has also been disclaimed by Frost & Sullivan. A copy of the disclaimer provided by Frost & Sullivan has been reproduced below:

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

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

*This study has been prepared for inclusion in the draft and final Prospectus and Offering Memorandum of "THE CLIENT" in relation to an initial public offering ("**IPO**") in connection with its listing on one of the leading global stock exchanges*
.
This report and extracts thereof are for use in the draft and final Prospectus and Offering Memorandum issued by the Company and all presentation materials (including press releases) prepared by or on behalf of the Company (and reviewed by Frost & Sullivan) in relation to the Listing exercise. The company is permitted to use the same in internal and external

communications as needed in the context of the Listing exercise. However, no part of the report may be distributed for any other commercial gain to parties not connected with the said Listing exercise.

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

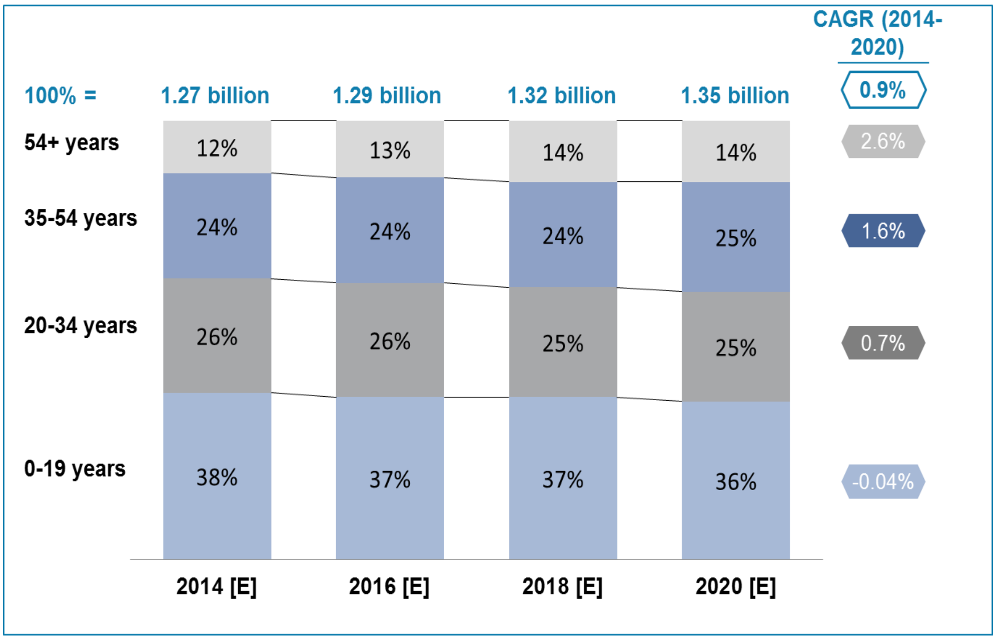
Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of facilities management, corporate catering, industrial asset management, and human resources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

Demographic, Macroeconomic and Healthcare Overview of India

Burgeoning population of India

The population of India is expected to grow at a compound annual growth rate (CAGR) of nearly 1.0 % between 2014 and 2020. Growing at this rate, India is expected to be home to 1.35 billion people by 2020.

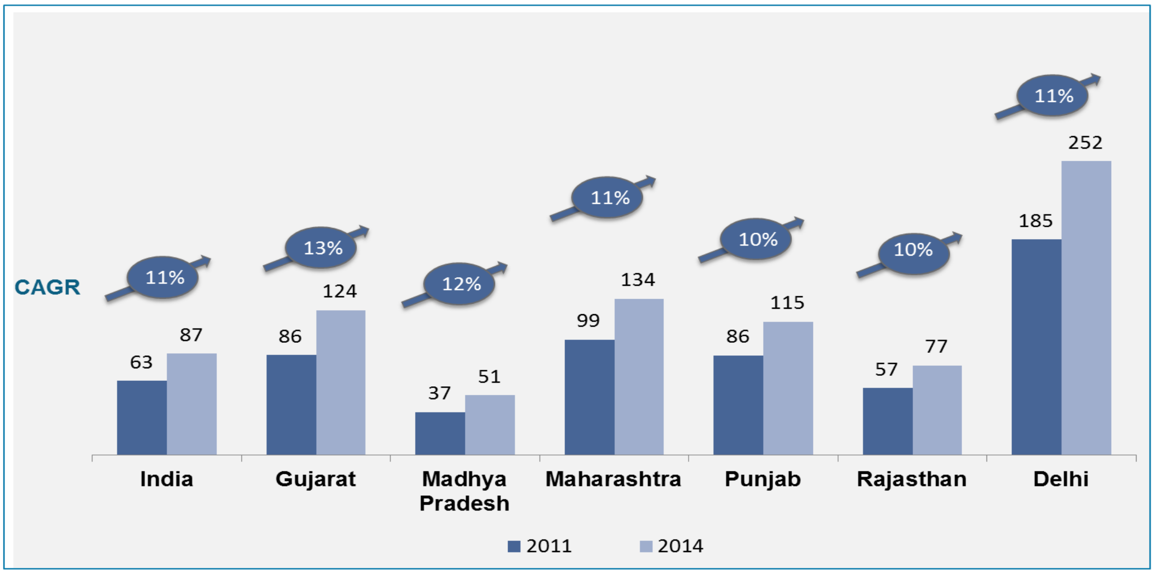
Figure 1: Population and population growth rate of India (historical and expected)



Source: National Commission on Population, Frost & Sullivan analysis

The fact that higher numbers of individuals are attaining old age in future trends (12% of the total population above 54 years of age in 2014 to 14% of the total population in 2020), there is an increasing burden on the healthcare resources as this segment of population is predisposed to various chronic diseases like diabetes, heart diseases, degenerative diseases, neurological disorders and cancer. The burgeoning population of India could pose a serious challenge to healthcare access for all, thereby reemphasizing the need for development of healthcare infrastructure in India.

Figure 2: Per capita income 2011-2014 in INR'000 (India Vs selected states)

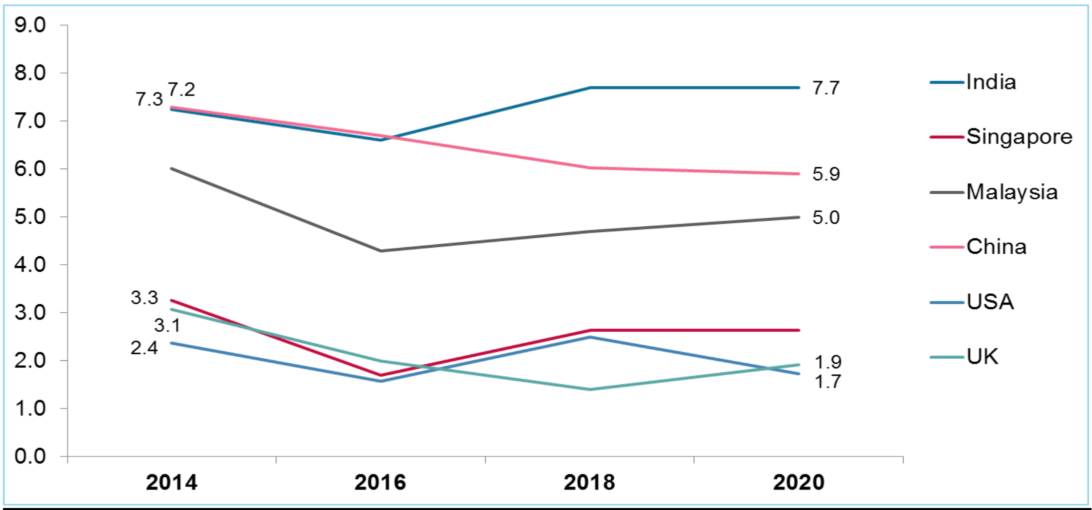


Source: esopb.gov.in

GDP growth of India

India is the third largest economy of Asia and is one of the fastest growing economies across the globe. India grew at a robust pace of 7.2% in 2014 along with China at 7.3% and is expected to grow at 7.7% 2018 onwards, higher than other economies.

Figure 3: GDP growth (%) of India and other countries



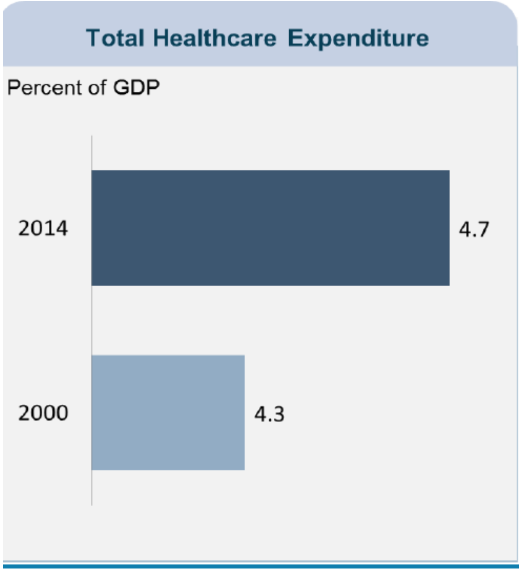
Source: International Monetary Fund Estimates, 2017

According to the IMF, the Indian economy is poised to be one of the top 5 economies by 2020 following a robust GDP growth supported by a strong industry base, a growing population, and other socio-demographic factors. With steady economic growth, the per capita income of the population is rising and so is the economic stability of the burgeoning middle class population.

Healthcare expenditure and out-of-pocket expenditure

The healthcare industry in India is growing at a fast pace and is expected to grow further with the government's increased interest. Though, India's total healthcare expenditure (as a percent of GDP) increased from 4.3% in 2000 to 4.7% in 2014, is currently lower than other South Asian countries like Singapore and China.

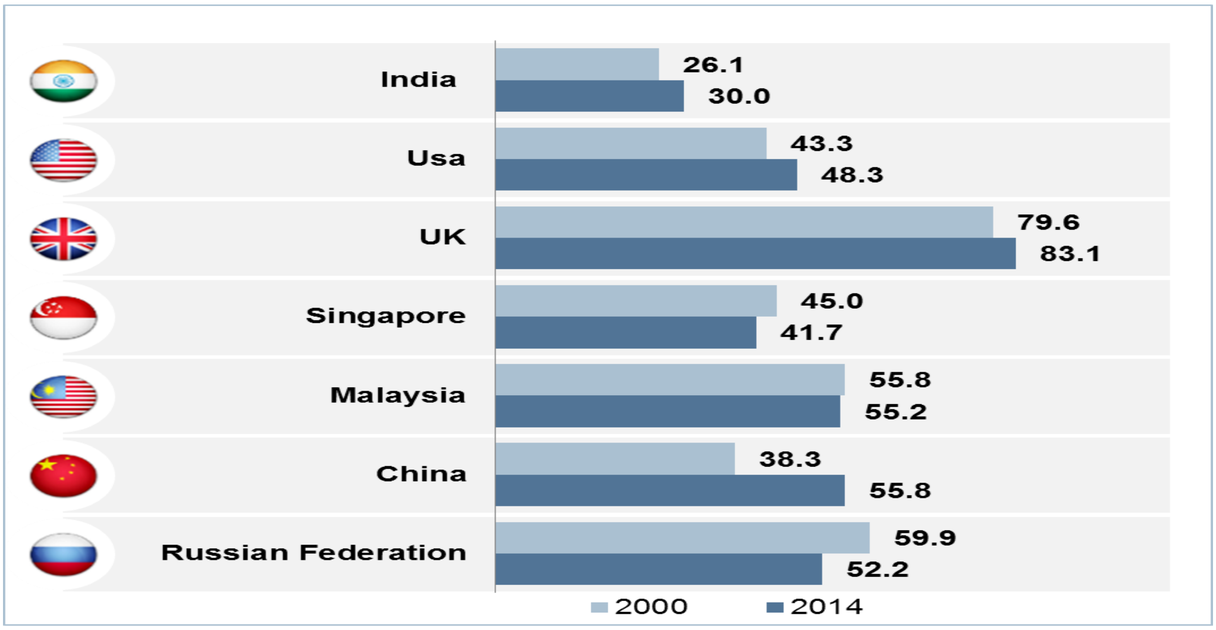
Figure 4: Total healthcare expenditure (% of GDP) and share of out-of-pocket spend



Source: World Health Organization Global Health Expenditure database

The public healthcare expenditure of India accounts to only 30% of total healthcare expenditure in 2014, considerably lower than other countries, thus leading to higher out-of- pocket spend on healthcare. This massive shortfall in public healthcare in India is filled up by private healthcare providers.

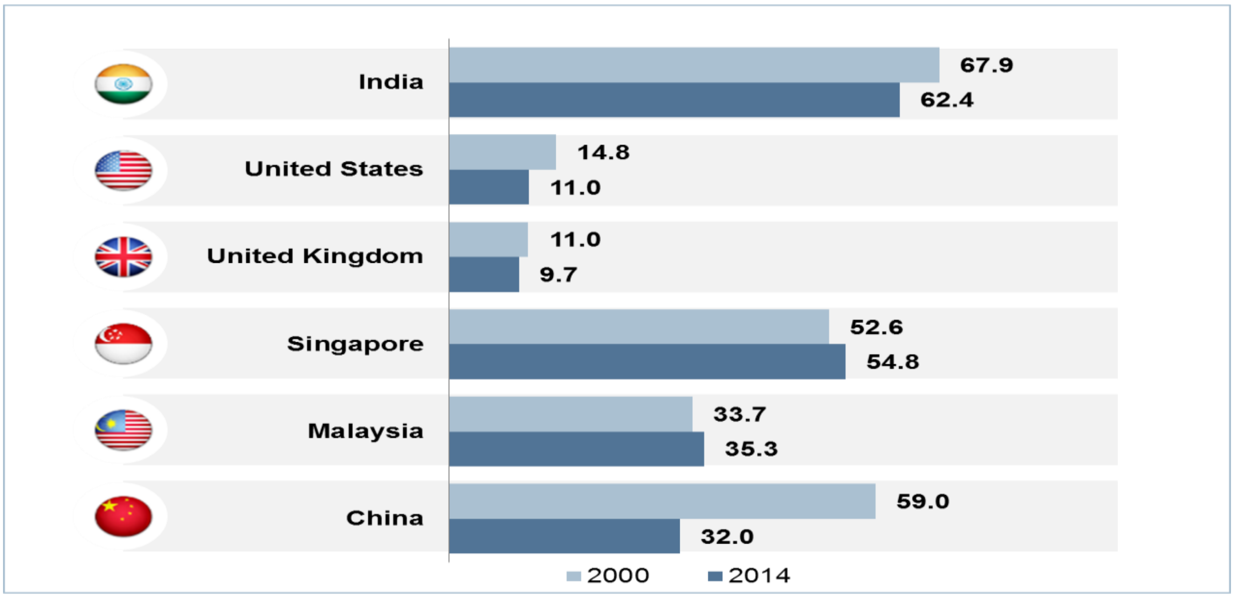
Figure 5: India's public healthcare expenditure (% of total healthcare expenditure) *vs* global



Source: World Health Organization Global Health Expenditure database

With growing penetration of insurance, out-of-pocket spend in India reduced considerably from 67.9% in year 2000 to 62.4% in 2014, compared to other Asian countries like Singapore and Malaysia, which have an increasing trend of out-of-pocket expenditure, However, the out-of-pocket spend on healthcare in India is still much higher than the other developed economies.

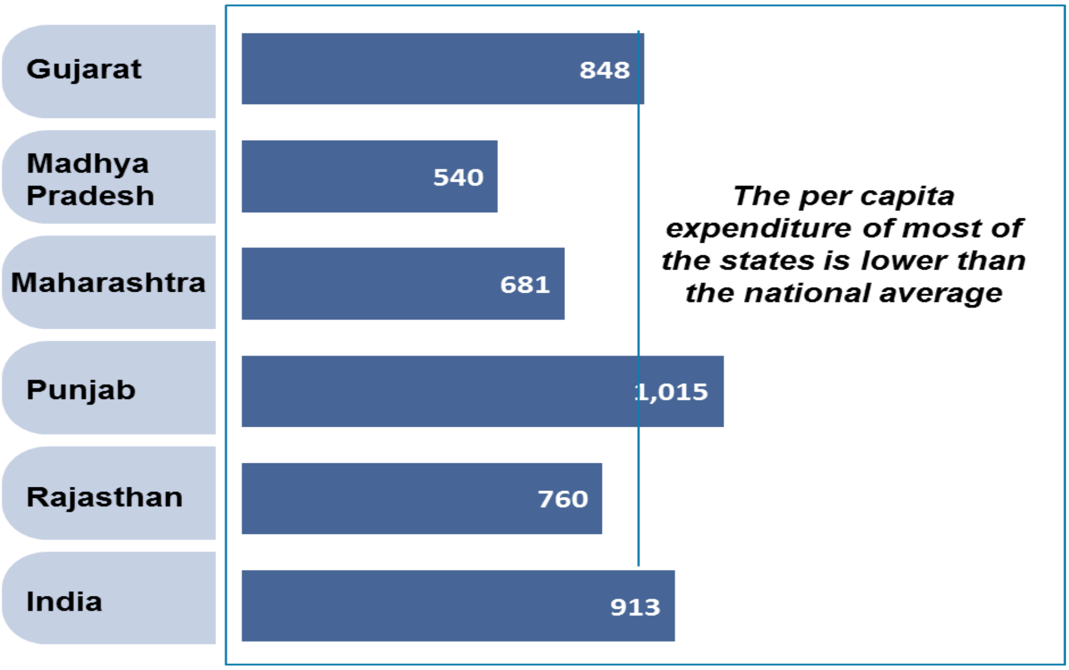
Figure 6: Share of out-of-pocket spend on healthcare (% of total healthcare expenditure)



Source: World Bank 2015

Gujarat outshines neighbouring states in terms of its per capita spending on healthcare. In 2013, Gujarat had the highest per capita expenditure compared to neighbouring states.

Figure 7: Per capita healthcare expenditure of selected Indian states in INR (2013-14)



Source: NHP 2015

The first state in India to have National Accreditation Board for Hospitals and Healthcare Providers (NABH) and National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation process, Gujarat is rapidly evolving as a healthcare hub with favourable government policies. Taking forward the momentum to improve the healthcare delivery services, it is contemplating setting up multispecialty hospitals on a PPP basis, wherein the private party is expected to construct, equip, staff and operate the core and support facilities at the hospital and get all relevant approvals.

There are plans to set up nursing and paramedic training institutes with intake capacity of 360 students in addition to the already existing 41 nursing colleges with 2,195 seats, addressing the need for healthcare manpower.

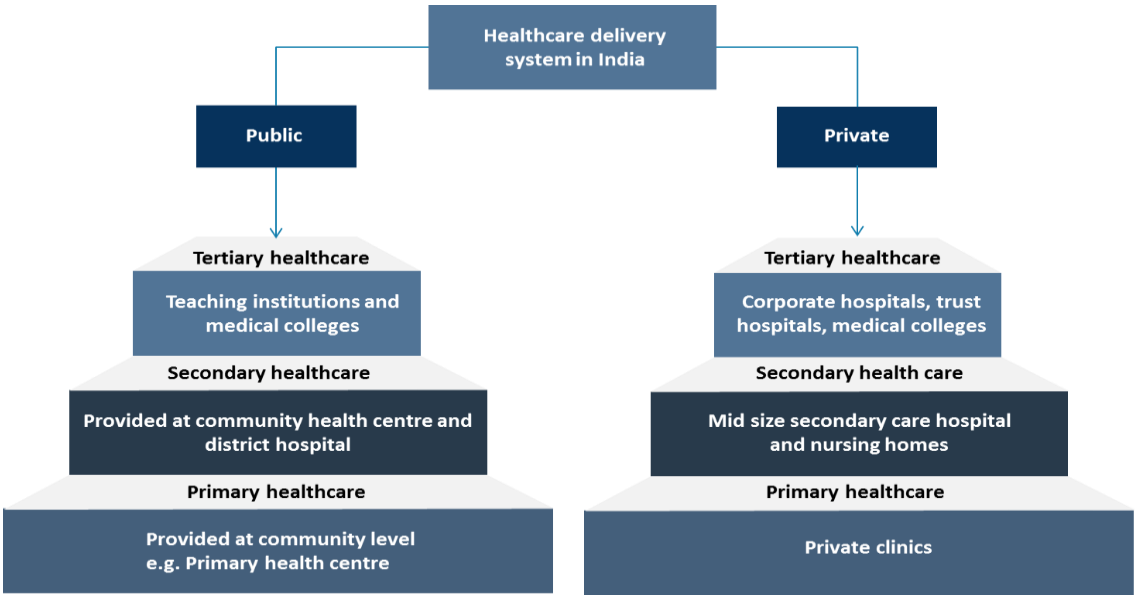
Owing to its investment policies, Gujarat is an investment magnet attracting investments in various sectors including healthcare.

Over the last decade organized healthcare players in Gujarat have grown, maximizing opportunities: many of these groups have plans to increase bed capacity in region.

Structure of Healthcare Delivery in India

The healthcare delivery system in India is classified as follows:

Figure 8: Healthcare delivery system in India



Source: Frost & Sullivan analysis

1. ***Primary care facilities***: Providing basic level of healthcare services, primary healthcare facilities serves as a first point of contact between individuals and the health system chain providing outpatient consultation, routine health screening, birth control programs, emergencies, immunization and vaccinations.

   Primary care in India is generally delivered by single physician outpatient clinics and dispensaries providing basic medical and preventive healthcare facilities. Since the medical infrastructure at the primary facilities is limited with no ICU beds or operation theatre; these act as referral centres to secondary and tertiary healthcare centres for treatment of chronic ailments and other complex diseases.

2. ***Secondary care facilities***: Bridging the gap between primary and tertiary healthcare services, secondary care facilities are the second tier of health system. They act as the key healthcare facility for patients who are referred for further diagnosis and treatment of complex conditions from primary care facility.

3. ***Tertiary care facilities***: The third level of healthcare system specializes in consultative care, specialised intensive care, advanced diagnostics support, and availability of specialised medical personal. The tertiary care facilities provide a wide range of specialties like cardiothoracic surgery, neurosurgery, nephrology, surgical oncology, neonatology, orthopedics, endocrinology, plastic and cosmetic surgery, organ transplants and nuclear medicine etc.

   The government tertiary care facilities usually work on referrals from primary and secondary medical facilities while the hospitals in private sector get direct patients. These hospitals may have over 200 hospitals beds (20-30% of which are dedicated for critical care).

   There are basically two types of tertiary care facilities:

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

   b. Multi-specialty tertiary care hospitals: These hospitals provide multispecialty care under one roof and treat complex high risk cases along with multi-level trauma.

4. ***Quaternary care facilities***: An advanced facility offering services which are similar to tertiary care hospitals along with providing a high-end infrastructure for treatment/ diagnosis and may also offer research facilities. These hospitals focus

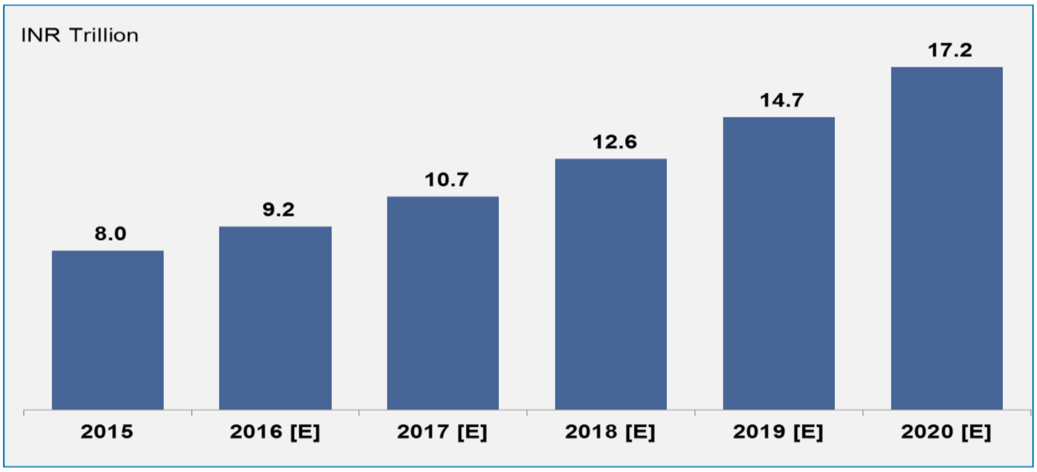
on high-end procedures and complex cases such as cardiothoracic surgeries, complex neurosurgeries, robotic surgeries, organ transplants, oncology etc.

Classification of the Healthcare Industry

Overall market size

The Indian healthcare industry was estimated to be INR 9.2 trillion in 2016; grew at a CAGR of 14-15% over the last five years (2011 to 2015). The healthcare industry is expected to grow at a CAGR of 15-16% during 2015-20 and expected to reach INR 17.2 trillion in 2020.

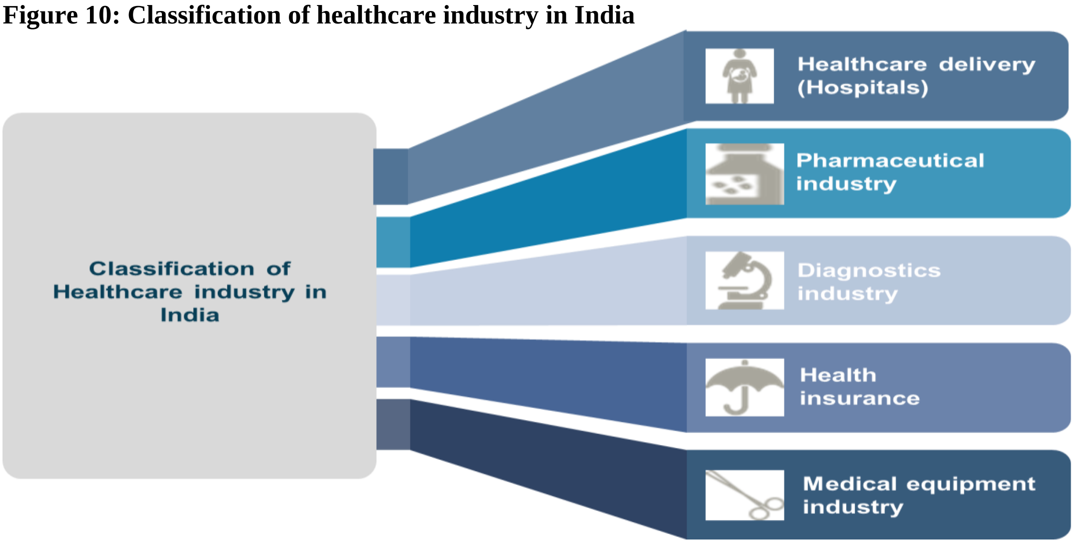
Figure 9: Indian healthcare industry size (2015 – 2020)



Source: Frost & Sullivan analysis

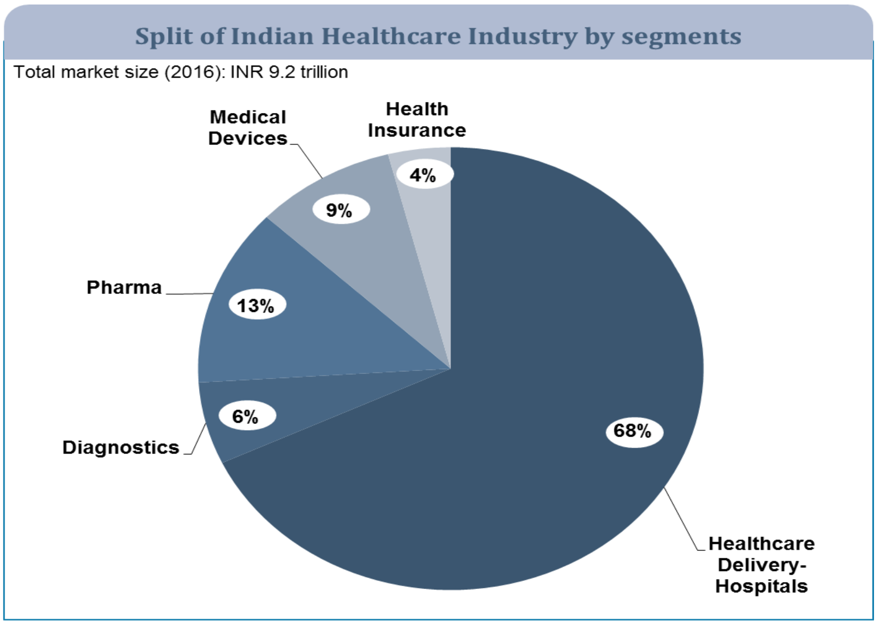
The Indian healthcare industry has five key functional segments i.e. healthcare delivery, pharmaceutical industry, diagnostics industry, healthcare insurance industry and medical devices industry: healthcare delivery (hospitals) is the largest contributing segment.

Figure 10: Classification of healthcare industry in India



Source: Frost & Sullivan analysis

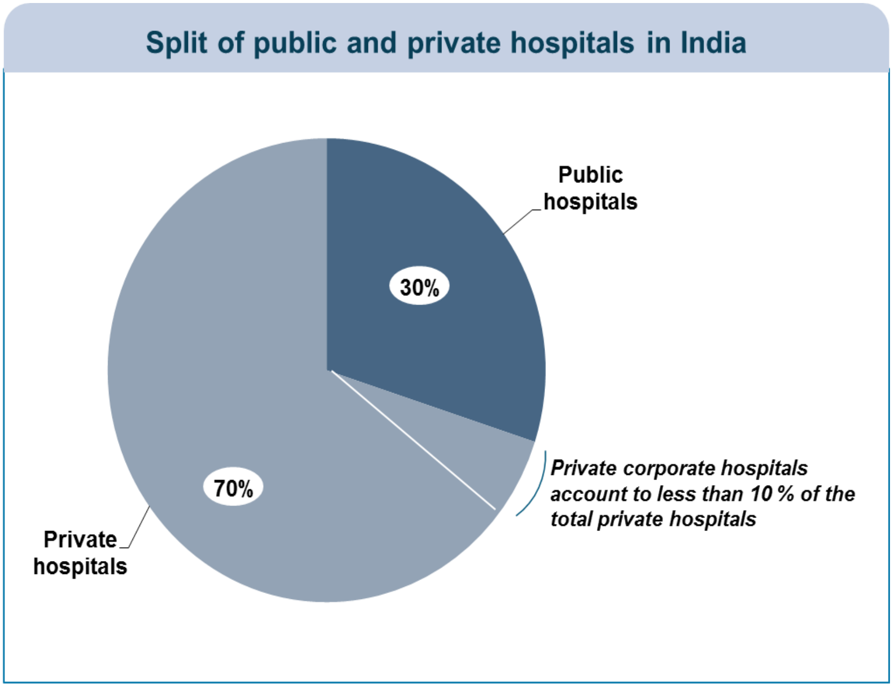
Figure 11: Indian Healthcare Industry size by segment (2016)



Source: Frost & Sullivan analysis

The healthcare delivery segment is largely driven by private sector players and occupies a major share of nearly 70% in the total number of hospitals; of this, organized private corporate hospitals comprise less than 10%.

Figure 12: Split of public and private hospitals in India

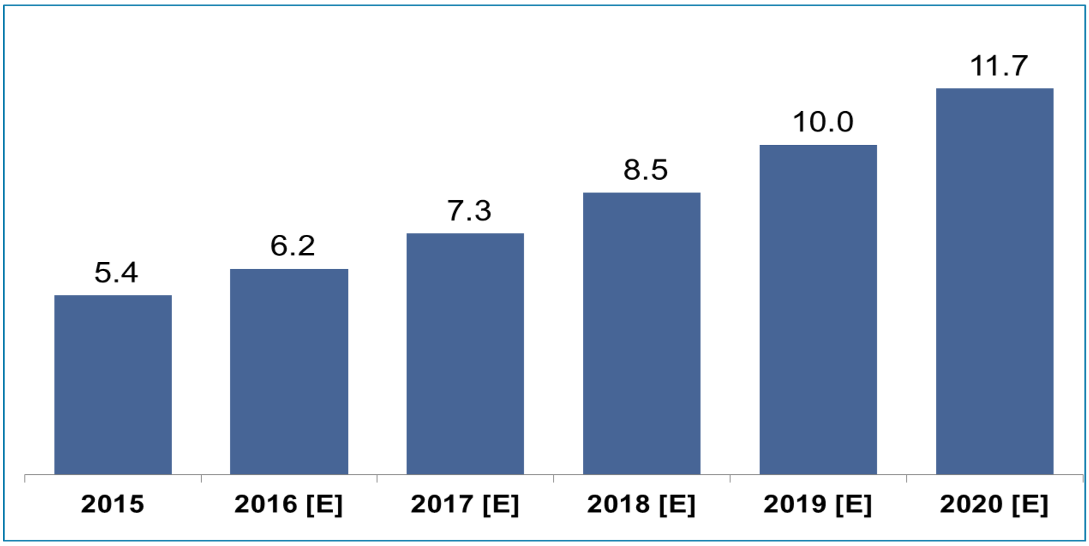


Source: Frost & Sullivan analysis

Indian healthcare delivery industry

The healthcare delivery segment accounts for a major share of the Indian healthcare industry, contributing nearly 68% to the total healthcare industry, an estimated value of INR 6.2 trillion in 2016. One of the fast growing, the healthcare delivery segment grew at a CAGR of 14-15% between 2011 and 2015; is expected to grow at a higher CAGR of 15-16% between 2016 and 2020 to reach INR 11.7 trillion by 2020.

Figure 13: Indian healthcare delivery industry size (2015-2020)



Source: Frost & Sullivan analysis

The volumes from inpatient admissions contribute ~80% of value to the healthcare delivery while remaining ~20% is contributed by the outpatient volumes (which includes doctor consultation, day-care surgeries and diagnostics; and excludes pharmaceuticals purchased).

Driven largely by private players, healthcare delivery services in India are restricted majorly to metro and tier I cities, leading to a disproportionate distribution of services in rural and urban areas. There lies immense scope for penetration of hospitals in India, thus presenting ample opportunity for development of healthcare industry.

GROWTH DRIVERS OF INDIAN HEALTHCARE INDUSTRY

Indian healthcare sector has been growing rapidly and has emerged as one of the largest sectors in terms of size and number of people employed.

The key growth drivers of Indian healthcare industry are:

1. Deficient healthcare infrastructure and lack of healthcare workforce

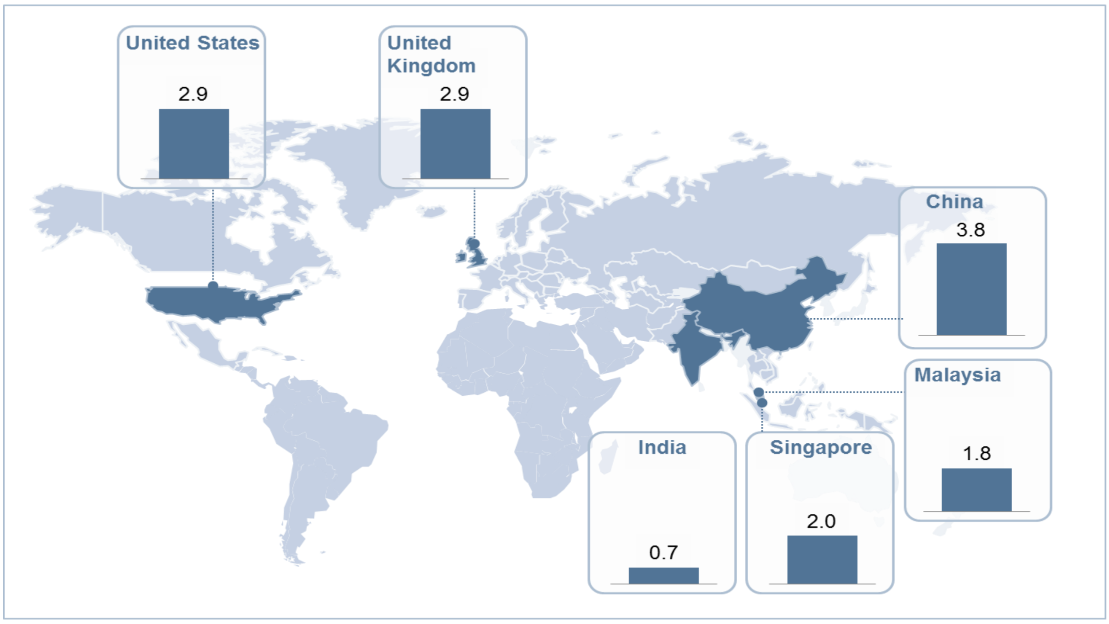
a. Healthcare Infrastructure

The Indian healthcare sector is facing a massive scarcity of both infrastructure and skilled workforce. In the present day scenario, per capita infrastructure availability is poor as compared to global standards.

In terms of healthcare infrastructure, India lags behind other countries. China, despite being one of the most populous countries of the world, features well on the hospital bed density with 3.8 beds per 1,000 populations compared to India with 0.7 hospitals beds per 1,000 populations, much lower than WHO recommendation of 3.5 beds per 1,000 people and global average of 2.7 beds per 1,000 populations.

To achieve the global average of 2.7 beds per 1,000 populations, an additional 2.7 million beds need to be added in India by 2020. This figure escalates to 3.8 million beds to achieve the WHO norm of 3.5 beds per 1,000 populations, denoting the need of radical reforms in the industry to deal with the challenge.

Figure 14: Hospital bed density per 1,000 people, 2011



Source: World Bank, 2011

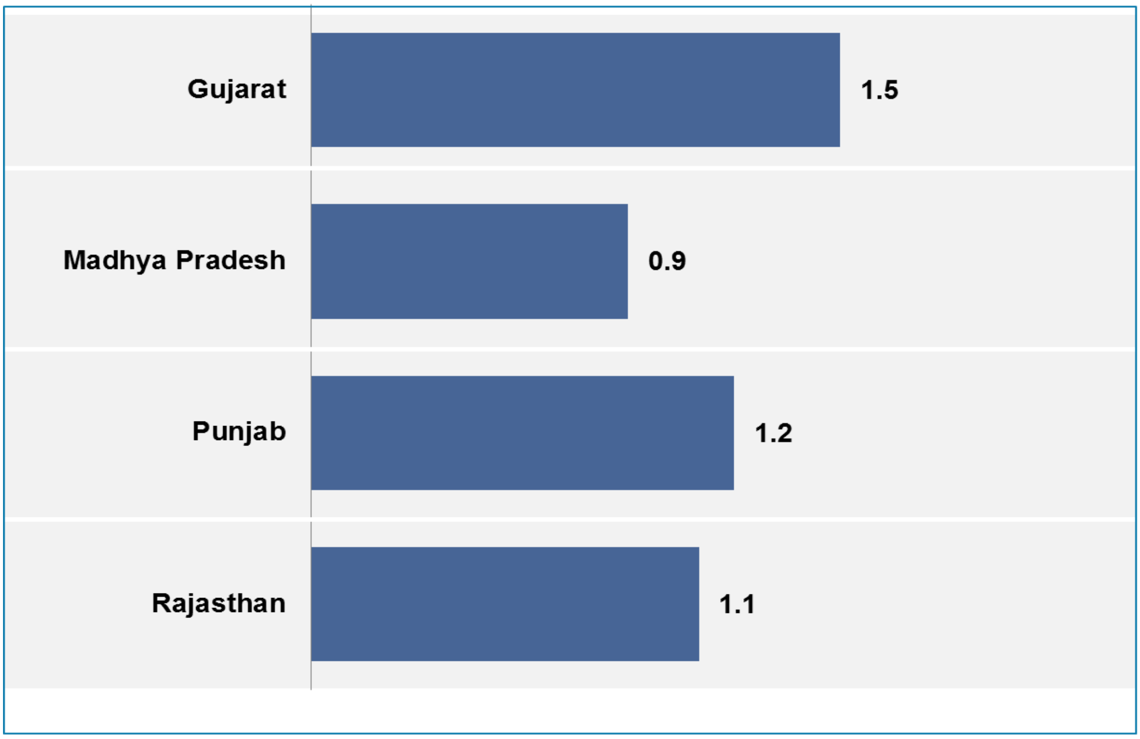
New initiatives by the Government including adding 17 new All India Institute of Medical Sciences (AIIMS), and 20 cancer institutes, plans to increase public health expenditure to 2.5% of GDP from existing 1.4%, and various benefits like tax holidays, easy route for foreign direct investment, emphasizing the need of greater participation of private healthcare players will accelerate the growth of healthcare sector.

The phenomenon of rapid growth of the private health sector has resulted in a large share of health infrastructure being provided by private players. Despite the rapid growth of private healthcare players in India offering quality healthcare, the bed density of private hospital beds per 1,000 populations is only 0.4 hospital beds per 1,000 in 2016.

Considering the high dependency on private healthcare and low public healthcare expenditure, the current private healthcare infrastructure would fall insufficient to meet the need to growing healthcare demands of India's population.

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

Figure 15: State wise hospital bed density per 1,000 people, 2016



Source: Frost & Sullivan analysis

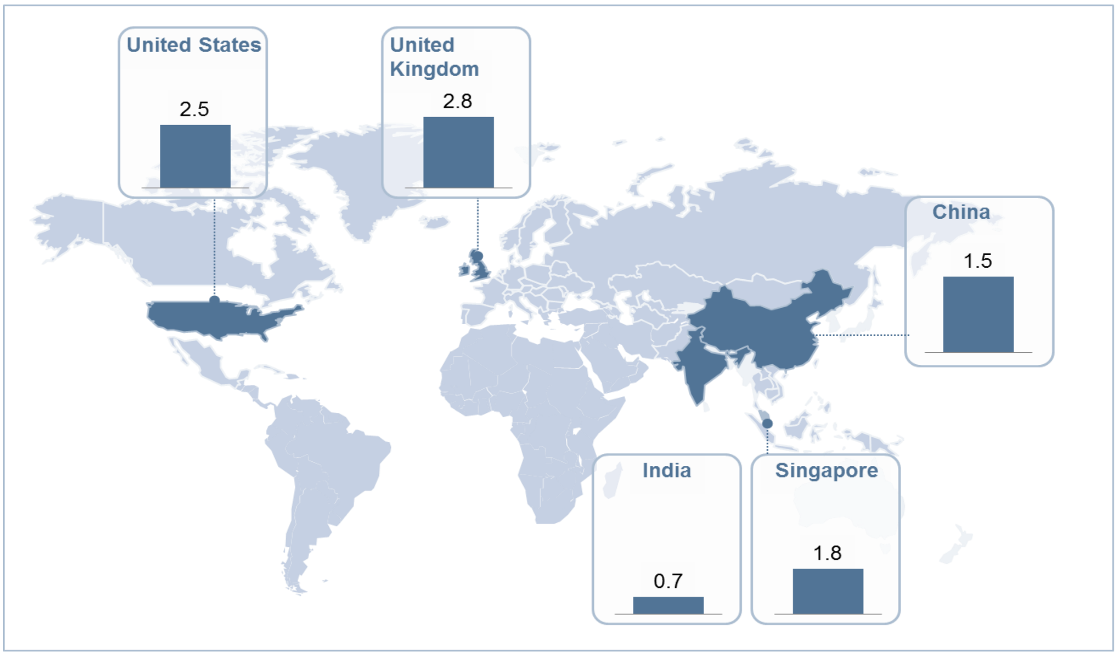
States like Gujarat, Madhya Pradesh, Punjab and Rajasthan have a higher number of hospital beds per 1,000 populations compared to the national average of 0.7 beds but lower than the global average of 2.7 beds per 1,000 populations, clearly indicating a higher burden on the system and the need for more hospital beds.

b. Healthcare Manpower

India faces an acute deficit of trained and skilled healthcare workforce. The situation seems grim considering the fact that a high proportion of workforce is inactive and not involved in the formal healthcare system, thereby putting additional pressure on formal healthcare practitioners.

In 2011, physician density in India, estimated at 0.74 physicians per 1,000 people was lower than the global average of 1.39 and also lower than other South Asian countries like Singapore (1.75) and China (1.49).

Figure 16: Physician density – India and other countries, 2011



Source: WHO, World Health Statistics, 2015

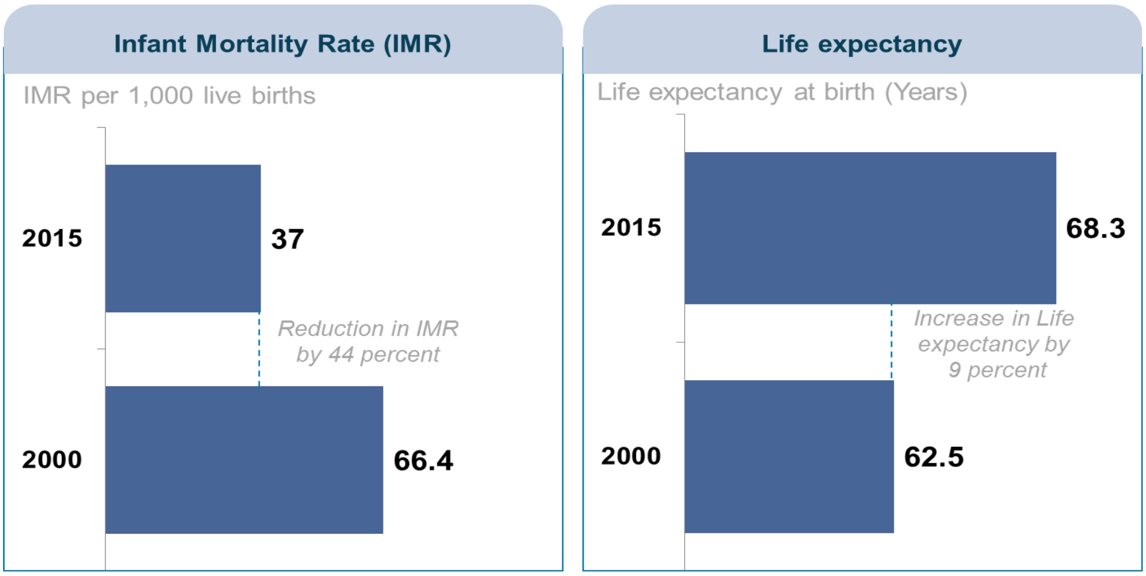
Nearly 70% of the total doctors are concentrated in urban India, serving nearly 33% of the total population. Further, the availability of skilled and trained doctors in urban regions is majorly in the metros and tier I cities, leaving the tier II and tier III cities and rural areas deprived of quality medical services.

In a swift move to cater to the situation, the Government has identified a few medical colleges in India with minimum capacity of 200 beds to be upgraded to medical colleges, thus adding nearly 10,000 M.B.B.S. seats in the country in the coming years. A recent move by the GoI in reducing the land requirement to set up a medical college from 10 acres to 60,000 sq. m. in a city with population of 1 million will further enhance the supply of healthcare manpower in India.

2. *Increasing population and life expectancy*

Considering the fast growing population at a CAGR of nearly 1.0%, India would be home to nearly 1.35 billion people by 2020. Further, a larger share of this growing population will comprise the elderly, leading to a rising share of population with chronic non- communicable diseases requiring better medical services. Managing these chronic patients with varying level of disabilities is bound to increase the financial demand on our healthcare system.

Figure 17: Trends in life expectancy at birth and infant mortality rate (per 1,000 people) in India



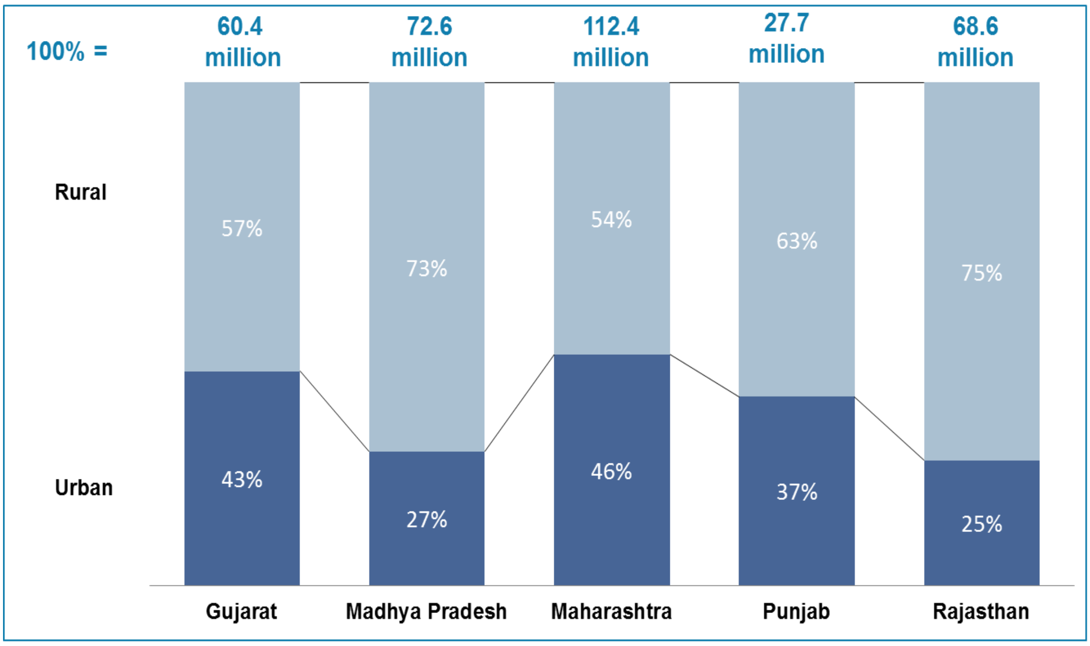
Source: World Bank, 2015

Currently dealing with the challenge of low bed density of 0.7 beds per 1,000 people against the WHO guideline of 3.5 beds per 1,000 people and global average of 2.7 beds in 2011, it would be challenging for India to meet its rising healthcare demand of the population with its existing healthcare infrastructure.

3. *Increasing urbanization and healthcare awareness*

Based on analysis by the World Bank, the level of urbanization in India has risen from 31% in 2011 to 33% in 2015 and is expected to be 36% by 2020. Growing urbanization offers many benefits to the population; at the same time gives rise to problems which form a barrier to balanced and inclusive development.

Figure 18: State wise share of urban and rural population in India, 2011



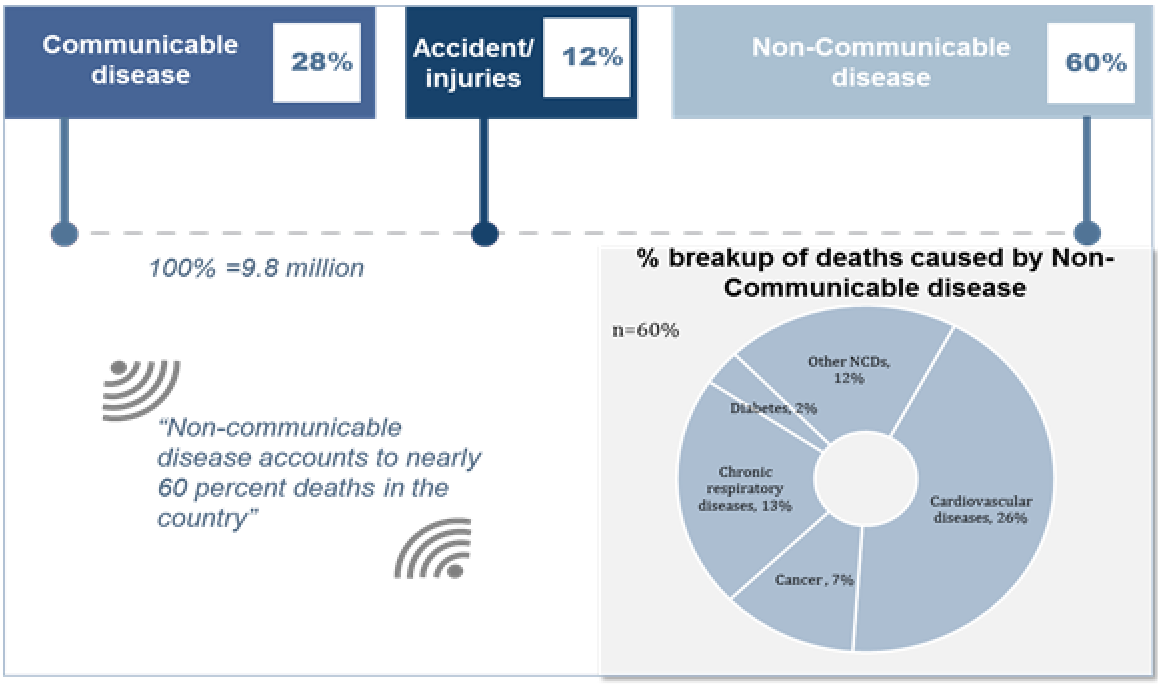
Source: Census of India 2011

Among the selected states, Gujarat has a higher ratio of urban population compared to the neighbouring states, except Maharashtra. Gujarat being one of the most industrially developed states has seen a large migration of rural population to urban regions with a growth of 6% in the urban population from 2001-2011.

4. *Growing prevalence of lifestyle disease*

India is facing a growing burden of Non-Communicable Diseases (NCD), largely caused by sedentary life styles, rise in pollution levels, global warming, and other factors. There has been a gradual transition in disease patterns, with NCDs emerging as a major killer, responsible for 60% of deaths in the country.

Figure 19: Causes of deaths in India, 2012



Source: WHO department of health statistics and information system

- ***Diabetes***: As per the International Diabetic Federation, there were about 69.2 million (20-79 years of age) diabetics in 2015, making India home to the second highest diabetic population after China with 109.6 million diabetics. India's numbers are expected to rise by 81% reaching 125.3 million in year 2040.

- ***Obesity***: Obesity has reached epidemic proportions, globally, with approximately 4 billion adults being overweight and at least 600 million of them being clinically obese. India is the third most obese country in the world with nearly 30 million obese people in 2014.

- ***Cardiovascular disease***: Cardiovascular diseases (CVD) are the leading cause of death across the globe, accounting for 31% of all global deaths (17.5 million) in 2012.

  In India, CVD account for (26%) of the total deaths caused by NCDs According to WHO estimates, CVD accounted for 1.5 million deaths in India in 2012; 16% of the total 9.8 million deaths. An increasing number of young Indians are falling victim to the CVD. An area which needs a major initiative to be undertaken at the national level, major health gains can be made through increased intervention of private healthcare players and public health measures.

- ***Cancer***: Cancer is among the leading causes of deaths in India accounting for 7% of the total deaths in India. In 2016, India had 4-5 million patients suffering from cancer, with nearly 1.45 million new patients added in 2016.

  According to Indian Council of Medical Research (ICMR), India is expected to have more than 1.7 million new cases of cancer per year and 0.9 million deaths due to cancer by 2020. Despite the rising prevalence of disease, there is very low awareness and accessibility for the treatment with only 12.5% patients availing treatment in early stage.

- ***Neurology***: India is facing a growing burden of neurological diseases that is expected to increase further due to stress, smoking, nutritional deficiency, high cholesterol, changing lifestyle, obesity, hypertension and other factors. Among neurological disorders, epilepsy, dementia, cerebrovascular disorder (stroke), movement disorders (Parkinson's disease, tremors) are common disorders with increasing prevalence and incidence: stroke and epilepsy are the most common.

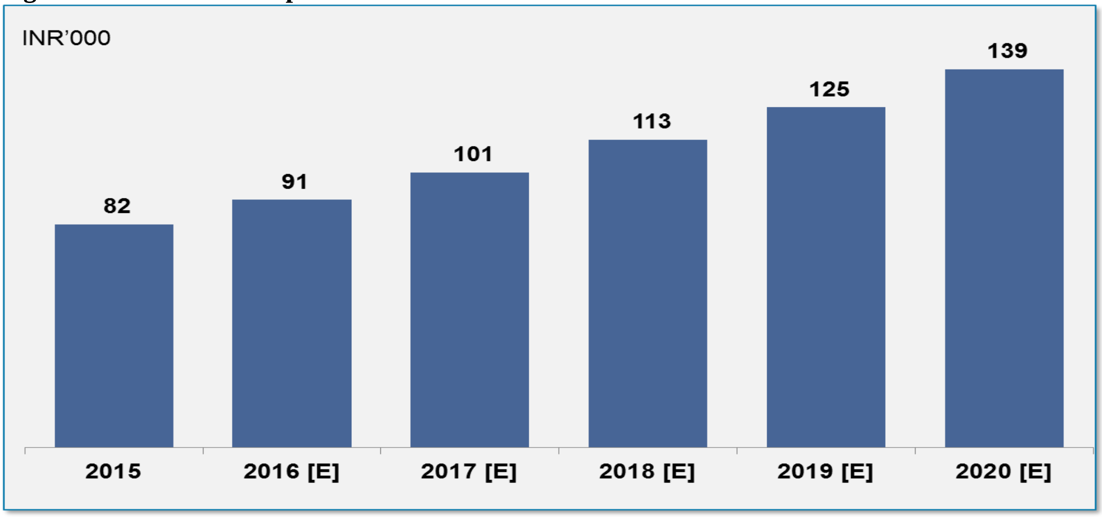
  According to a study, nearly 30 million people suffer from neurological disorders (excluding neuro-infections and traumatic injuries), considering a prevalence of 2,394 per 100,000 population. India, like other developing countries, is in the midst of a stroke epidemic. The prevalence rate of strokes is estimated to be 244-262 per 100,000 populations in rural India and 334-424 out of 100,000 populations in cities.

- ***Chronic respiratory disease***: According to the WHO, chronic respiratory diseases account for 13% of the total deaths in India. Among these chronic obstructive pulmonary disease (COPD) is the most common among men, mainly attributed to tobacco smoking. In India, there is an approximate prevalence of 6 to 7% for the respiratory symptoms among non-smokers and up to 14% in smokers. ICMR has estimated the incidence of COPD as 5% in Indian men. The number of COPD patients is estimated to increase from 13 million in 1996 to 22 million by 2016.

5. ***Rising income levels and affordability of healthcare***

In the country with an out-of-pocket spend on healthcare as high as 62%, growing disposable income has made healthcare affordable. The disposable income of Indian population grew from INR 16,695 in 2000 to 82,000 in 2015 and is expected to reach INR 139,258 by 2020 growing at a CAGR of 11% from 2015 to 2020.
A rising middle class with growing income levels has a higher awareness of health related services and demands better healthcare services and good infrastructure. This shift in the demand pattern has opened avenues for penetration of private corporate players delivering high quality healthcare services with sophisticated infrastructure and a high level of clinical excellence.

Figure 20: Growth of Disposable income in India

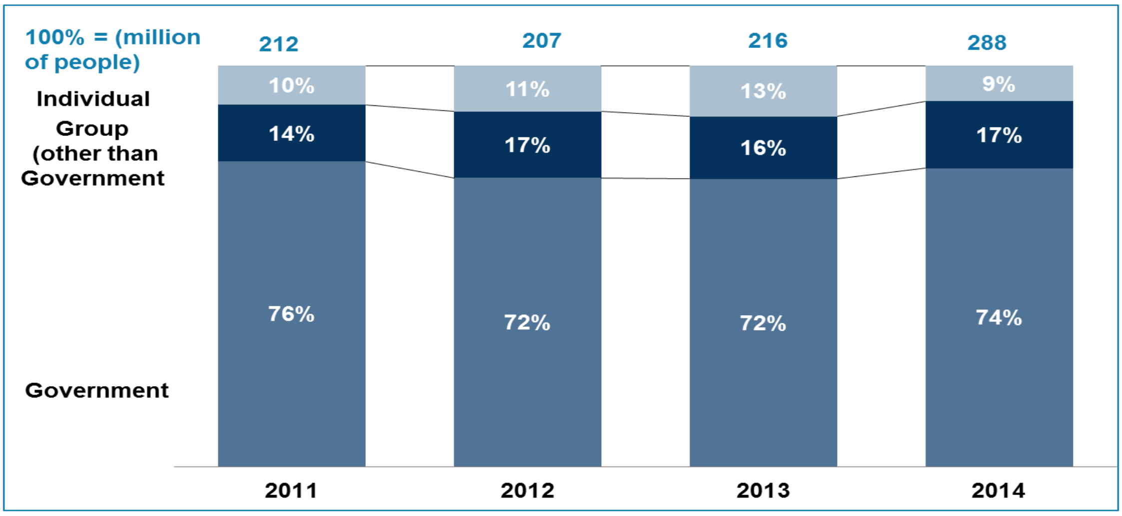


Source: Central statistics office

6. ***Growth in health insurance coverage***

In 2014, India had only 288 million people covered under any kind of health insurance. This accounted for nearly 25% of the total population, out of which nearly 90% are covered under government schemes like Central Government Health Scheme (CGHS), Employment State Insurance Scheme (ESIS), Rashtriya Swasthya Bima Yojana (RSBY), Aarogyasri Schemes and other group schemes and only 10% were covered by individual insurance.

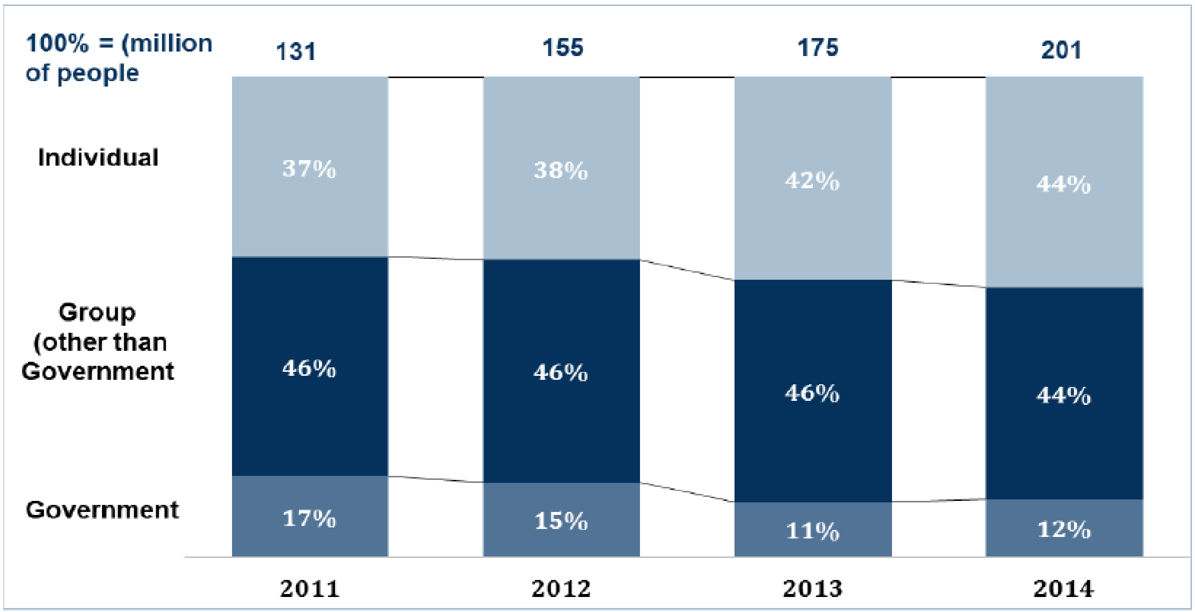
Figure 21: Health insurance penetration in India (2011-2014)



Source: IRDA Annual Report 2014-15

The health insurance premium in India has grown at a CAGR of 16% much higher than the growth of health insurance penetration. Though, individual insurance comprises merely 10% of the total health insurance holders in India, it occupies a major share of 46% in the health insurance premium segment in 2014.

Figure 22: Health insurance premium in India (2011-2014)



Source: IRDA Annual Report 2014-15

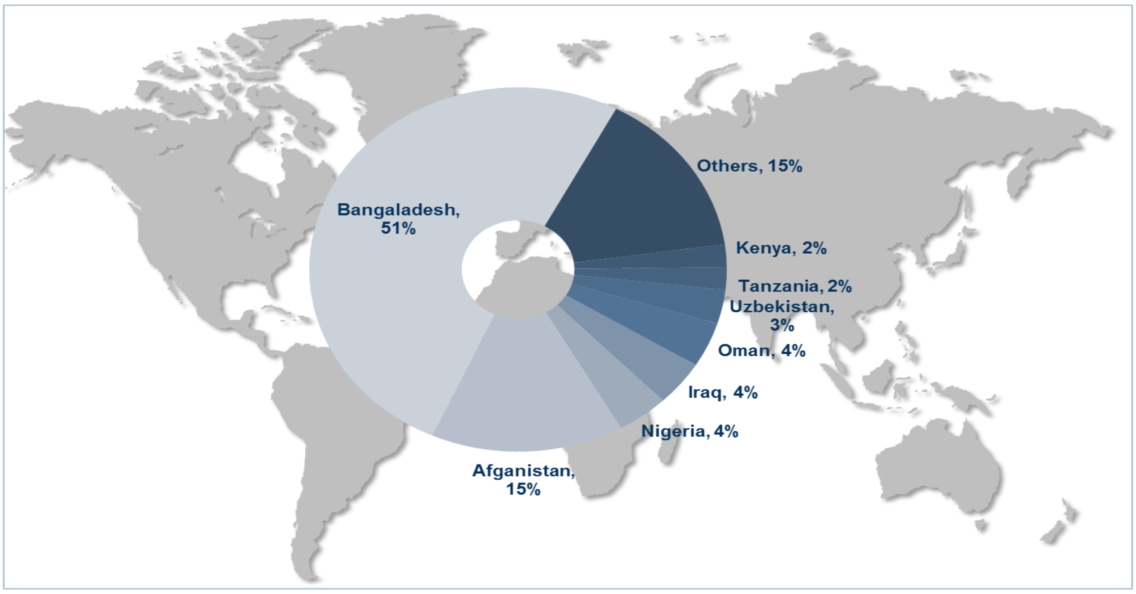
There is immense scope for growth of the healthcare delivery industry given the current low penetration of health insurance. The fact that health insurance premium has grown at a CAGR of ~16% between 2011 and 2014, indicates a bright scenario for the healthcare insurance industry. Individual insurance has seen tremendous growth, contributing 44% of the total premium and registering the highest CAGR of 21.4% between 2011 and 2014.

7. *Emergence of medical tourism*

In Asia, India is one of the major medical tourism destinations attracting patients from across the world, mainly from developing and underdeveloped countries lacking advanced medical facilities and sophisticated infrastructure.

Majority of the medical tourists in India are from the neighbouring countries of Bangladesh and Afghanistan accounting for 65% of the total arrivals. This is followed by patients from Africa, the Gulf Cooperation Council (GCC) and Commonwealth of Independent States (CIS).

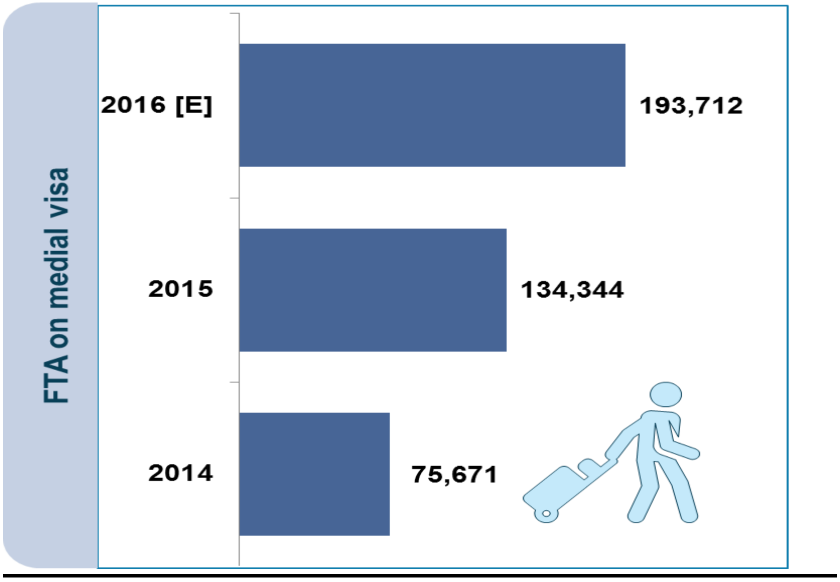
Figure 23: Nationality wise break-up of FTA for medical treatment purpose in India, 2015



Source: Ministry of Tourism

In recent years, the availability of a vast pool of skilled and trained medical professional, increased government intervention to support healthcare industry, increased penetration of corporate hospitals, improved healthcare infrastructure, growing technical expertise and the rich cultural heritage of India has been a boon to Indian medical tourism industry and helped India to make a mark on the global healthcare industry.

Figure 24: FTA for medical treatment in India



Source: Ministry of Tourism

Although allopathic surgical treatment is the most sought for, demand for Yoga, Meditation, Ayurveda and other traditional alternative sciences has also been attracting medical tourists from across the globe. According to the Ministry of Tourism, medical visa tourist arrivals increased by more than 100% between 2013 and 2015.

Figure 25: Country-wise cost of treatments ($)

Surgery	US	Thailand	Singapore	Malaysia	India
Hip replacement	43	12	12	10	7
Knee replacement	40	10	13	8	9
Heart bypass	130	11	19	9	7
Heart valve replacement	160	10	13	9	10

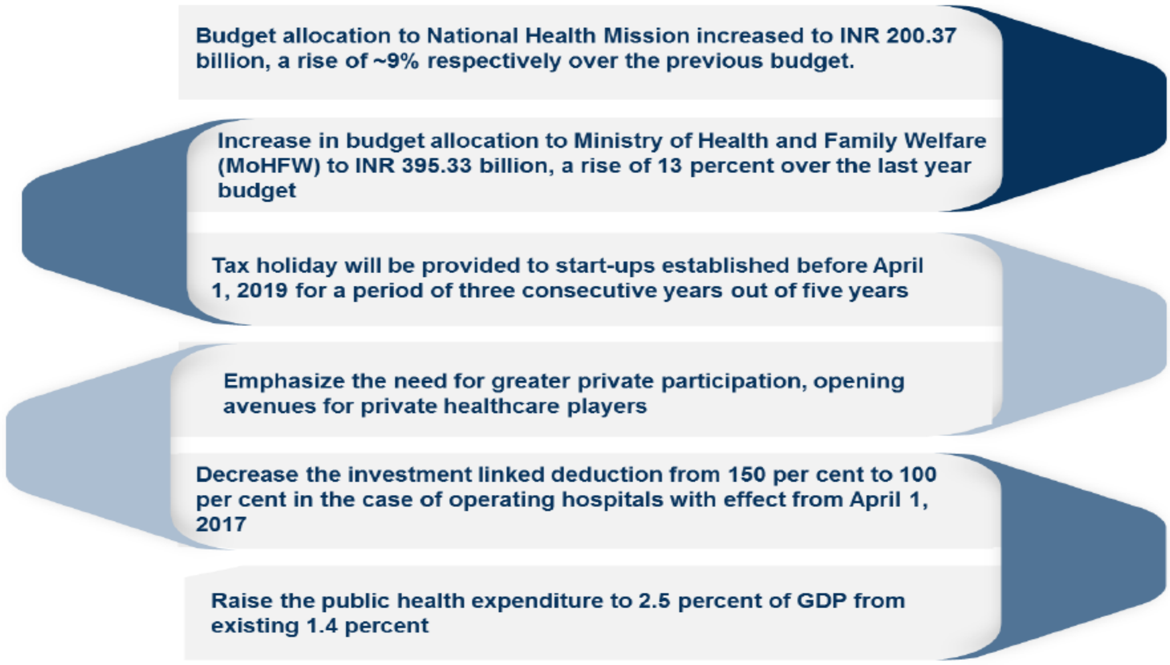
Source: Frost & Sullivan analysis

8. *Government policies driving healthcare*

In order to promote the penetration and availability of healthcare, the Government is also taking certain measures for the collective benefit of the industry and the people. The NITI Aayog (National Institute for Transforming India) has been working on reforms in the public health system to increase the outsourcing of primary healthcare to private doctors and promoting competition between government and private hospitals at the secondary level. The private sector will also benefit from the provisions of the IT act that enables financial institutions to provide long-term capital to hospitals with 100 or more beds. There is also a push for Public Private Partnerships (PPP), providing a big boost to private sector players. In addition to the developments in urban areas, the Government is supporting the establishment of hospitals in rural areas by extending tax holidays.

The key incentives offered to the healthcare sector are summarized in the figure below.

Figure 26

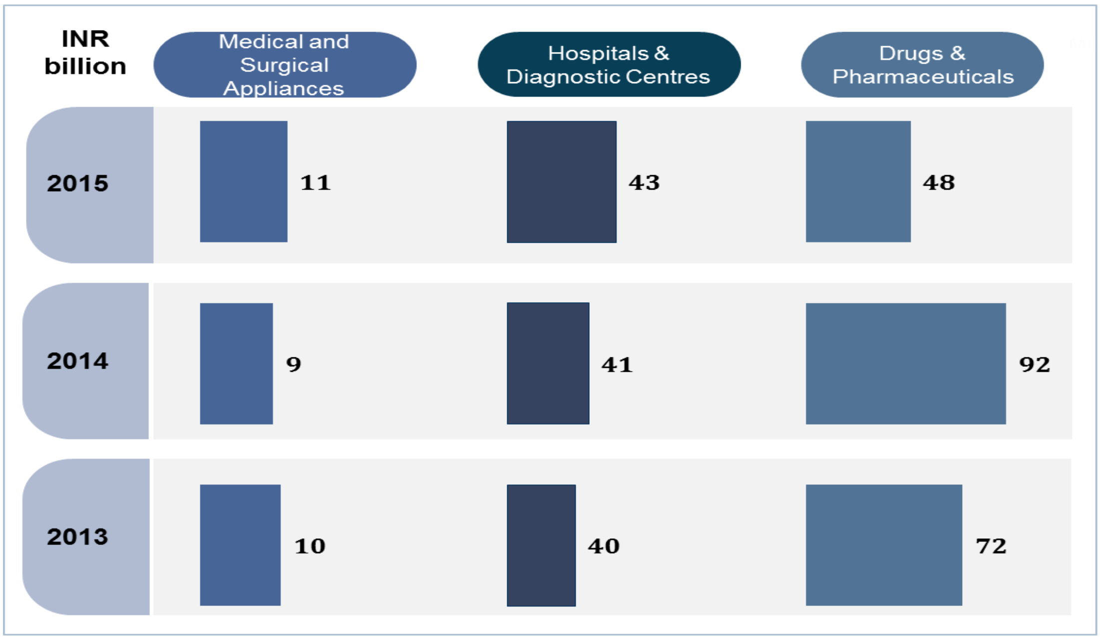


Source: Frost & Sullivan analysis

9. *Increasing private equity, venture capital funds and regulations pertaining to investment in the sector*

FDI equity inflow in the health sector has increased significantly in last five years and stands at INR 142 billion as of 2014. In this sector drugs and pharmaceutical industry saw the highest flow of FDI till 2014 with a slight slump in 2015, followed by hospitals. FDI in hospitals saw an exponential increase in 2013 with year-on-year increase of 180% to reach ~INR 40 billion.

Figure 27: FDI in Indian Healthcare (INR billion)



Source: Department of Industrial Policy and Promotion

10. Licenses and Statutory obligations

The Indian healthcare delivery sector is governed by an extensive list of 72 licenses and statutory obligations, in addition to other requirements. These licenses and obligations pertain to various operational aspects regarding facility infrastructure, use of drugs and other chemicals, human resources, and other financial and legal aspects. Almost all of these regulations have been well founded and established for several years, and their applicability varies for different types of healthcare delivery setups. While most secondary and tertiary healthcare facilities comply with these licenses, numerous facilities fail to do so.

Recently, several healthcare facilities have opted for NABH accreditation, which requires stringent and compulsory compliance with all licenses and statutory obligations.

As the improvement requires a lot of capital infusion, the government hospitals often lag behind, thereby creating immense opportunity for private players. Firstly, private hospitals have the opportunity to diligently acquire NABH accreditation and solidify their image and better capabilities to serve the public. Secondly, as CGHS and ESI require a minimum requirement of NABH accreditation for empanelment, private hospitals can also capitalize on the opportunity to serve patients with government insurance coverage.

As the Indian patients and families are becoming more cognizant and conscious of high healthcare standards and quality, all hospitals are going for NABH accreditation. Hence, full compliance with the licenses and statutory obligations, by the way NABH accreditation, has become a mark of high quality healthcare delivery.

Key Speciality and State-wise Healthcare Overview

Overview of orthopedic diseases in India:

Globally, the prevalence and burden from musculoskeletal conditions is high, the same is well reflected in India as well. India has been facing exceptionally high disease burden of injury, neoplastic, degenerative and metabolic conditions and musculoskeletal disorders.

Among musculoskeletal disorders, osteoarthritis has a high prevalence of 28.7% for the total population, and is higher for females at 31.6% compared to males with 28.1%. Mostly affecting the joints and more often leading to disability of knees and hips in the elderly population, osteoarthritis is expected to become a major disorder in India. Having serious impact on the elderly population and often resulting in the need of joint replacement surgeries; the 30-50 years-group that leads a sedentary lifestyle, lacks exercise, and has nutritional deficiencies is also being affected by osteoarthritis. Specifically, the prevalence of osteoarthritis is at 19.2% for population under 50 years, increasing drastically to 30.7% for population aged between 50 and 59, 39.7% for population aged between 60 and 69, and 54.1% for population over 70 years of age.

Rheumatoid Arthritis is prevalent in 0.7% of the total Indian population, and is more common in females than in men. Gout has a prevalence of 0.12% in India, which is higher than the global prevalence of 0.08%. Gout is another orthopedic disorder that has a higher prevalence in higher age groups, especially in men over 50 years of age. Finally, Low Back Pain has become highly prevalent in India now due to lifestyle changes, and its prevalence is found to be as low as 6.2% and as high as 9.2%.

India's population is undergoing a demographic shift and gradually adding more numbers to its elderly segment. With a growing elderly population highly susceptible to degenerative disorders and growing incidence of such diseases in the younger population (30-50 years), lack of healthcare infrastructure to cater to rising demand of orthopaedics related treatments is a major challenge. In India, nearly 23% of the population falls in the age group of 45 years and above in 2015, the population group accounting for nearly 95% of joint replacement surgeries. Though the share of population in the age group of 45 years and above is lower in India as compared to the other countries, the large population base of India results in a much higher population in the age group category. However, penetration of joint replacement surgeries is lower than the other countries.

<u>*Number of relevant specialists available in the country*</u>:

To serve orthopaedic patients in India, over 10,000 orthopaedic surgeons are registered with the Indian Orthopaedic Association (IOA); another estimated 10,000 orthopaedic surgeons are not registered with the IOA. Hence, the ratio of orthopaedic surgeons to total population of India is around 1 per 66,300 people. Of all the orthopaedic surgeons in the country, only 20 to 25% are estimated to practice joint replacement surgeries, and nearly two-thirds of those surgeons are concentrated in metropolitans and tier I cities. As a result, there are only 1.4 to 1.9 joint replacement surgeons per 100,000 populations above 45 years age in India. This is an extremely skewed ratio considering the large requirement of joint replacement surgeries in India.

Overview of cancer market in India:

Cancer cases have been rising at an alarming rate in India: among the leading causes of deaths accounting for 7% of the total deaths. In 2016, India had 4-5 million patients suffering from cancer, with nearly 1.45 million new cases per year. According to the ICMR, India is expected to have more than 1.7 million new cases of cancer per year and 0.9 million deaths due to cancer by 2020.

Over the past decade, there has been significant rise in the incidence of breast cancer among female population. Among male population, although tobacco related cancer still is the major killer, there has been a rise in the incidence of gastrointestinal cancers.

In order to address the growing demand of cancer treatment, India needs significant addition to the infrastructure. At present, 45-55% of the existing 397 facilities are concentrated in metros, further leading to an imbalance in the treatment delivery across India. Among these 397 facilities only 50-60% provides comprehensive cancer care (surgical, medical and radiation care) under one roof, while rest offer limited services only. Considering, the current imbalance in the distribution of cancer care facilities, there are opportunities for penetration in tier I and II cities.

Overview of cardiovascular disease ("CVD") market in India:

In India, CVD is the largest cause of mortality accounting to (26%) of the total deaths caused by non-communicable diseases. Overall, cardiovascular disease accounted for around 1.5 million deaths in India in 2012 which is expected to rise to 2.6 million per year by 2020, with nearly half of these deaths likely to occur in young and middle age individuals between 30-69 years of age which is a bigger cause of national concern.

Major gains can be made through increased intervention of private healthcare players and public health measures. Currently, Indians experience CVD deaths at least a decade earlier than other countries with established market economies (EME). It is estimated that 52% of CVD deaths occur below the age of 70 years as compared to 23% EME, resulting in a profound adverse impact on the economy as well.

According to National Interventional Council, India performed nearly 375,000 angioplasties and 475,000 angiographies in 2015 across 614 healthcare facilities delivering cardiac care. In 2015, there has been a rise of 42% in the number of angioplasties performed compared to 2014 and growth of more than 200% since 2011 with nearly 120,000 angioplasties.

There is an acute shortage of cardiologists in India. As per the membership of cardiology society of India (CSI), there were only 3,588 qualified cardiologists and 1,200 qualified cardiac surgeons in 2014. This accounts for 2.8 cardiologists per million populations against a minimum of 50 cardiologists per million supported in Europe. Due to the shortage of cardiologists, currently general physicians are being actively used to treat heart ailments. Moreover, at present, 70-80% of the existing facilities are concentrated in metros, further widening the gap in delivery of care. With the increasing focus of the Government on the PPP, private players have enough opportunities to further increase their penetration across India.

Healthcare overview and potential in Gujarat and selected states:

Compared to other states, death rate and infant mortality rate (IMR) in Gujarat are very high and given the current status, there is a need to strengthen infant care and develop better infrastructure for elderly care. The neighboring states of Madhya Pradesh and Rajasthan face a situation that is of greater concern due to relatively higher IMR; stringent actions are needed in order to improve health status. In the current scenario, private sector healthcare players have ample opportunities to penetrate with new hospitals and scale up the existing centres while supporting the healthcare system.

The states of Gujarat, Madhya Pradesh, Rajasthan and Maharashtra present underlying opportunities of expansion of healthcare services. As a quick solution, state governments are now actively taking the PPP route to extend the healthcare access to the masses opening better avenues for private healthcare players.

There is a wide gap in the availability of hospital beds in Gujarat, Madhya Pradesh and Rajasthan when compared to the global average of 2.7 beds per 1,000 populations. The overall availability of private hospital beds is much lower and also concentrated in the metro cities of these states, resulting in a higher burden on the private corporate hospitals in metro cities. There is also an outward movement of patients to other nearby states and metro cities for tertiary and quaternary care healthcare services.

Competition Analysis and Conclusion

Since 1990, India has witnessed a number of private sector companies setting up their hospitals across the country. With the growing demand of private healthcare in the country, there has been emergence of prominent hospital groups like Apollo Hospitals, Care Hospitals, Columbia Asia, Fortis Hospitals, Gleneagles Global Hospitals, Manipal Hospitals, Max Hospitals, Narayana Health and others, establishing a network of hospitals.

In addition to these groups with a pan India presence, there are various regional players commanding a sizable market share in their territory and expanding footprints in other regions. In Gujarat, the private healthcare sector majorly includes a mix of players with pan India presence like Apollo Hospitals and players with regional presence like Care Institute of Medical Science (CIMS) (1 unit), Shalby Limited (6 units), Sterling Hospitals (4 units) and Zydus Hospitals (2 units). However, most of these players have restricted their presence to the region except Shalby Limited, expanding its network in the central, western and northern India and operating a network of 11 multispecialty hospitals, 62 patient outreach centres and 5 SACE clinics across India. In fact, besides Shalby Limited, most other private players in Gujarat have restricted themselves to Ahmedabad only, while a few players like Sterling hospital and Zydus hospital have a presence across other cities of Gujarat.

In the past two decades, the healthcare sector in Gujarat has seen tremendous development with the establishment of private corporate healthcare players like Apollo Hospitals, CIMS, Narayana Multispecialty Hospital (Narayana Health) Shalby Limited, Sterling Hospitals, Zydus Hospitals and others.

Apollo Hospitals, CIMS and Narayana Multispecialty Hospital have an average capacity of 300 beds while other hospitals like Sterling Hospitals operates with a bed strength of nearly 862 beds across 4 hospitals in Gujarat and Zydus Hospitals has nearly 710 beds across its 2 hospitals. Out of these players, Shalby Limited has evolved as one of the largest private corporate healthcare groups in Gujarat with a network of 6 hospitals with a capacity of 1,104 beds in 2017, well spread across Gujarat.

Figure 28: Comparison of Shalby Limited and other key private hospitals in Gujarat

Hospital	Established year in Gujarat	Number of hospitals in Gujarat	Bed capacity	Type of Services
Shalby Limited	1994	06	1,104	Multispecialty
Sterling Hospitals	2001	04	862	Multispecialty
Apollo Hospitals	2003	01	234	Multispecialty
Care Institute of Medical Science (CIMS)	2009	01	300	Multispecialty
Narayana Multispecialty Hospital	2012	01	300	Multispecialty
Zydus Hospitals	2012	02	710	Multispecialty

Source: Company websites, Frost & Sullivan analysis

The key private corporate hospitals with a major presence in orthopedics are Apollo Hospitals, Shalby Hospitals, Max Hospitals, Fortis Hospitals, Max Hospitals, Sunshine Hospitals, and others. In 2016, private corporate hospitals in India accounted for nearly 35% of total joint replacements (total knee replacement and total hip replacement) performed. With ~7,600 joint replacements (total knee replacement and total hip replacement) in 2016 across all units, Shalby Limited is one of the largest players with ~15% share among private corporate hospitals across India.

Financial Indicators

Metric	Shalby Limited	Apollo Hospitals	Fortis Healthcare	Narayana Health	Other regional players
ARPOB per day (in INR)*	34,034	28,036	37,534	17,534	20,000-28,000
EBITDA Margin (%)	19%	21%	-	12%	12-18%
EBITDA Growth (2010-15)	20%	20%	-	26%	12-15%
ALOS	4.1 days	4.2 days	3.6 days	4.3 days	4-5 days

Figures for 2015-16

Source: Company websites; Annual reports, Frost & Sullivan analysis

OUR BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements, and also the section titled "Risk Factors" on page 19 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in, or implied by these forward-looking statements. Our Company's strengths and its ability to successfully implement its business strategies may be affected by various factors that have an influence on its operations, or on the industry segment in which our Company operates, which have been disclosed in the section titled "Risk Factors" on page 19. This section should be read in conjunction with such risk factors.

Our Financial Year ends on March 31 of each year, and references to a particular Financial Year are to the twelve month period ended March 31 of that year.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Red Herring Prospectus on page 217.

OVERVIEW

We are one of the leading multi-specialty chain of hospitals in India (*Source: F&S Report*). Our hospitals are tertiary care hospitals, few of which also offer quaternary healthcare services to patients in various areas of specialisation such as orthopaedics, complex joint replacements, cardiology, neurology, oncology, and renal transplantations. As on the date of this Red Herring Prospectus, we provide inpatient and outpatient healthcare services through 11 operational hospitals with an aggregate bed capacity of 2,012 beds. As on June 30, 2017, we had nine operational hospitals with an aggregate operational bed count of 841 beds. We had a 15% market share of all joint replacement surgeries conducted by private corporate hospitals in India in 2016 (*Source: F&S Report*). As on the date of this Red Herring Prospectus, we also provide outpatient services through 47 Outpatient Clinics and have ten shared surgery centres within third party hospitals, which we call "Shalby Arthroplasty Centre of Excellence" ("**SACE**"), where we offer orthopaedic healthcare services including surgeries. Since March 2007, we have conducted an aggregate of 92,100 surgeries, and provided healthcare services to an aggregate of 1,025,533 patients, consisting 133,652 inpatients and 891,881 outpatients.

Headquartered in Ahmedabad, India, we have a domestic and overseas outreach through a network of hospitals in India, and Outpatient Clinics and SACE located in India, Africa, and the Middle East. Having strong presence in western and central India and focus on Tier – I and Tier – II cities, our hospitals operate across five states, our Outpatient Clinics operate across 37 cities in 12 states in India, and our SACE are present in seven cities in six states in India. Our international footprint consists five Outpatient Clinics and one SACE in Africa, and two SACE in the UAE. We are expanding our footprint in western and central India with hospitals being set up in Nashik and Vadodara. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164.

Led by Dr Vikram Shah, an orthopaedic surgeon with more than 25 years of professional experience, we have grown from a single hospital to a chain of multi-specialty hospitals. Our first hospital, Vijay Shalby, was established by Shalby Orthopaedic Hospital and Research Centre, one of our Group Entities, in the year 1994. From the year 2004, the operations of Vijay Shalby have been undertaken by our Company. Our second, and third hospitals, SG Shalby and Vrundavan Shalby commenced operations in the year 2007 and the year 2011, respectively. From four hospitals in April 2012, we have grown to 11 hospitals as on the date of this Red Herring Prospectus.

We have benefited significantly from the experience and expertise of Dr Vikram Shah, one of our Promoters, who has been credited by Ethicon India for his involvement in the development of the 'OS Needle'. The OS Needle has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and the high rates of failure that once existed while undertaking orthopaedic surgeries. Apart from use of the OS Needle, we also employ an innovative surgical procedure which we call 'Zero Technique' that involves minimum incision during the surgery thereby reducing infection rates and surgical time required to complete a total knee replacement surgery.

Apart from a focus on orthopaedics, our hospitals provide advanced levels of care across various specialties such as neurology, cardiac care, critical care, oncology, and nephrology. It has been our endeavour to ensure that our patients are offered quality healthcare services. To this end, our hospitals are equipped with modern medical equipment required to provide multispecialty healthcare services and employ practices and policies to ensure quality of the healthcare services offered. Some of our hospitals are equipped with modern equipment which *inter alia*, include linac systems, holmium lasers, thulium lasers, and intra-operative neuro monitoring systems. Our hospitals, Krishna Shalby, SG Shalby, Shalby Indore and Shalby Jabalpur are accredited by the NABH. Further, Krishna Shalby and SG Shalby are also accredited by the NABL. In addition, we have submitted applications to the NABH for accreditation of one of our hospitals, Vijay Shalby.

We operate and expand our business through a combination of the following models:

- Owning and operating multi-specialty hospitals;
- Operating and managing hospitals on a revenue sharing basis, by adopting an asset-light model;
- Associating with third-party hospitals on a revenue sharing and/or professional fee basis to offer orthopaedic healthcare services under SACE; and
- Providing orthopaedic healthcare services through Outpatient Clinics that are either independently operated by us, or operated by us within third party premises on a revenue sharing basis.

As a part of our ancillary services, we offer certain educational programmes through "Shalby Academy" ("**Shalby Academy**"), home-based healthcare services under "Shalby Homecare" ("**Shalby Homecare**"), and also undertake clinical research trials. Through Shalby Academy, we offer educational programmes including diplomas and fellowships in a range of medical and para-medical disciplines. Under Shalby Homecare, we offer home-based healthcare services, which *inter alia*, include nursing services, physiotherapy services, and home deputation of medical officers. Further, we have been engaged in conducting clinical research trials since 2006. These clinical research trials are conducted at our hospitals SG Shalby and Krishna Shalby. The clinical research trials are supervised and monitored by ethics committees, and are typically sponsored by pharmaceutical companies and various clinical research organisations.

As of June 30, 2017, we employed 2,049 employees and engaged 319 professional consultants, consisting 294 doctors who are full-time consultants and 25 doctors who are part-time consultants. Our staff strength also comprises 699 nurses and 1,350 paramedical, corporate and support staff and pharmacists.

We believe that our brand equity is strongly associated with our leadership in joint replacements. In recognition of our service, clinical, and financial excellence, we have been recipients of various awards, which we believe have created our strong brand value. These awards *inter alia*, include the "*Best Multispecialty Hospital*" award under the *"Metro*" category, instituted by CNBC in the year 2015, the "*Emerging Tertiary Care Hospital of the Year*" award instituted by VCCircle Network in the year 2015, and the "*Healthcare Service Provider Company of the Year*" award instituted by Frost and Sullivan in the year 2013. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 179.

We have invested in, and have established a robust IT system both for clinical purposes as well as integrating systems and processes through ERP towards streamlining our clinical and administrative functions. We have adopted technology with a view to ensure quick transmission of disease data, subsequent analysis, and prompt disease management.

The key highlights of our financial and operating metrics on a consolidated basis from Fiscal 2013 to Fiscal 2017, and for the three months period ended June 30, 2017, are set out in the table below:

Particulars	Three months period ended June 30, 2017[(1)]	Fiscal 2017[(1)]	Fiscal 2016[(1)]	Fiscal 2015[(1)]	Fiscal 2014[(1)]	Fiscal 2013[(1)]
Total bed capacity[(2)]	2,012[(3)]	2,012[(3)]	1,295	907	674	674
Number of operational beds[(2)]	841 [(3)]	781	823	593	455	373[(5)]
Revenue (in ₹ million)	905.99	3,328.62	2,925.56	2,776.26	2,616.76	2,298.28
EBITDA margin (%)	28.85	22.24	19.10	24.50	24.20	18.45
Bed occupancy rate (%)*	33.76	34.48	31.75	40.95	39.62	49.03[(5)]
ARPOB (in ₹)[(4)]	36,720	33,032	34,173	39,904	39,349	40,838[(5)]
ALOS	3.88	3.99	4.14	4.03	3.96	4.10
Average RoCE (%)	3.66[(6)]	11.12	13.12	21.15	35.33	24.75
Inpatient volume	6,258	24,704	20,528	17,147	16,609	15,348
Outpatient volume	47,956	166,519	152,921	128,821	125,981	110,919

(1) Data in respect of Vrundavan Shalby has been considered until December 9, 2016, the date on which its operations were temporarily suspended by our Company

(2) Total bed capacity and number of operational bed are as at the end of the relevant Fiscal or accounting period, as the case may be.

(3) Total bed capacity and number of operational beds as on March 31, 2017 June 30, 2017 do not consider Vrundavan Shalby since the operations at Vrundavan Shalby were temporarily suspended by our Company from December 9, 2016. Further, number of operational beds as on June 30, 2017 does not include Shalby Naroda and Shalby Surat which started providing in-patient services from July, 2017 and August, 2017, respectively.

(4) ARPOB is based on our Company's revenue from operations. (EBITDA Margin also based on our revenue from operations).

(5) Does not include data pertaining to Shalby Vapi since occupancy data for Shalby Vapi is not available for Fiscal 2013.

(6) Average ROCE not annualised..

* *Bed occupancy rate, calculated by dividing the total number of occupied bed days by the total operational bed days.*

As of June 30, 2017, we achieved a capital cost per bed of ₹4.2 million. The average capital cost per bed is arrived at by dividing the total capital expenditure incurred by us, by the number of beds installed in a particular hospital.

OUR COMPETITIVE STRENGTHS

We believe that we are well-positioned to capture market opportunities and benefit from the expected growth in the healthcare services market in India through our competitive strengths, which principally, include the following:

Leadership in orthopaedics and strong capabilities in other specialties

We believe that our reputation and clinical capabilities in the field of orthopaedics, along with our continuing expansion across other healthcare specialties position us favourably to benefit from the increasing demand in India for quality healthcare services. Having performed approximately 54,105 joint replacements since 2007, our Company has been a market leader in the area of joint replacement surgeries (*Source: F&S Report*). We provide our patients with a wide range of orthopaedic services and to this end, we lay emphasis on providing end to end services to our patients with preoperative, operative, and postoperative care. Through 47 Outpatient Clinics, we offer orthopaedic consultation services to our patients, and through our chain of 11 operational hospitals and ten SACE, we undertake orthopaedic surgeries and procedures.

Our chain of multi-specialty hospitals provide advanced levels of care in various specialties. To ensure that we are able to provide multi-specialty healthcare services, our hospitals have been equipped with modern medical equipment, which, *inter alia*, include linac systems which are used for cancer diagnosis and treatment, holmium lasers, which are used to perform endoscopic lithotripsy, thulium lasers, which are used to perform soft tissue surgeries, and intra-operative neuro monitoring systems which are used to monitor neural structures while performing ENT procedures. Key volume statistics for our orthopaedic and non-orthopaedic surgeries and procedures during from Fiscal 2013 to Fiscal 2017, and the three months period ended June 30, 2017, are set out below:

Particulars	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	CAGR(1) (%)
Orthopaedic surgeries and procedures	2,656	9,813	9,719	9,244	8,741	7,579	6.67
Non-orthopaedic surgeries and procedures	1,051	5,402	4,567	4,447	3,701	2,267	24.24

(2) CAGR from Fiscal 2013 to Fiscal 2017.

Since Fiscal 2013, we have experienced a steady growth in providing orthopaedic and non-orthopaedic healthcare services to our patients. Details of the number of patients who availed our orthopaedic and non-orthopaedic services in the last five Fiscals, and the three months period ended June 30, 2017, is set out below:

Particulars	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	CAGR(1) (%)
Orthopaedic services	13,019	41,617	40,258	34,724	37,438	36,183	3.56
Non-orthopaedic services	41,195	149,606	133,191	111,244	105,152	90,084	13.52

(2) CAGR from Fiscal 2013 to Fiscal 2017.

Our leadership in the field of orthopaedics helps us in offering our other healthcare services to geriatric patients. Joint replacements are typically required at an advanced age, and many of our elderly patients who require treatment for one or more age related ailments such as cardiovascular diseases, diabetes, etc.

Integrated and scalable business model enhancing our patient reach

We have an integrated and scalable business model enabling us to provide comprehensive healthcare solutions through a network of multi-specialty hospitals, Outpatient Clinics, and SACE.

Multi-specialty Hospitals:

From four hospitals in April 2012, we have grown to 11 operational hospitals which offer inpatient and outpatient healthcare services, with an aggregate bed capacity of 2,012 beds. As on June 30, 2017, we had nine operational hospitals with an aggregate operational bed count of 841 beds. Our expansion has been achieved through a combination of greenfield or brownfield projects, strategic acquisitions, and operation and management ("**O&M**") arrangements. We carry out our O&M arrangements on an asset-light, revenue sharing basis with third party healthcare service providers to ensure efficient capital deployment. We operate multi-specialty hospitals targeting healthcare demands in Tier I Cities and Tier II Cities. Our hospitals are tertiary care hospitals, few of which also offer quaternary healthcare services to patients.

Details of our operational hospitals, their respective locations and commencement of operations are set out below:

Hospital	Location	Date of commencement
Vijay Shalby	Ahmedabad	March, 1994
SG Shalby	Ahmedabad	March, 2007
Shalby Vapi	Vapi	April, 2012
Krishna Shalby	Ahmedabad	October, 2012
Shalby Jabalpur	Jabalpur	March, 2015
Shalby Indore	Indore	August, 2015
Shalby Mohali	Mohali	September, 2015
Zynova Shalby	Mumbai	January, 2017
Shalby Jaipur	Jaipur	March, 2017(1)
Shalby Naroda	Ahmedabad	March, 2017(1)
Shalby Surat	Surat	March, 2017(1)

(2) Refers to commencement of outpatient services only. Shalby Jaipur commenced providing inpatient services from April 2017, Shalby Naroda commenced providing inpatient services from July 2017 and Shalby Surat commenced providing inpatient services from August 2017.

Our expansion strategies are also centred on establishing our presence in Tier II Cities such as Nashik and Vadodara. With an established brand equity in Gujarat, our existing network of hospitals and expansion strategies are focused on strengthening our presence in western and central India.

Outpatient Clinics and SACE:

We have 47 Outpatient Clinics as on the date of this Red Herring Prospectus. Through Outpatient Clinics that are operated by us either independently, or within third party premises, we offer orthopaedic consultation services. Apart from Outpatient Clinics, as on the date of this Red Herring Prospectus, we have seven domestic SACE and three overseas SACE. Through our SACE, we offer orthopaedic consultation services and undertake orthopaedic and spine surgeries. Through our wide network of Outpatient Clinics and SACE, we have witnessed a steady increase inpatient footfall, with patients travelling from various parts of the country and overseas to avail intensive diagnosis and treatment at our hospitals. This apart, our Outpatient Clinics and SACE have also given us the opportunity to carry out preliminary assessments on markets, which helps us in determining the feasibility of setting up full-fledged hospitals in new locations, which may involve high capital expenditure. Our Outpatient Clinics and SACE have also been instrumental in setting up our presence overseas. Our international footprint consists five Outpatient Clinics spread across Ethiopia, Kenya, Tanzania, and Uganda, and one SACE in Kenya in Africa, and two SACE in Ras al-Khaimah and Dubai in the UAE. Our presence in Africa and the Middle East are established through local tie-ups with established hospitals and medical centres, and has been largely instrumental in scaling our presence across borders. During Fiscal 2017 and three months period ended June 30, 2017, our Outpatient Clinics in India provided healthcare services to 5,580 patients and 1,851 patients respectively. The inpatient count at our SACEs during Fiscal 2017 and three months period ended June 30, 2017 was 116 and 11, respectively.

Shalby Homecare:

We commenced the operations of Shalby Homecare in Fiscal 2015. Through Shalby Homecare, we have been able to extend expert healthcare services at a patient's doorstep, so as to facilitate a speedy and comfortable recovery from diseases and other medical conditions from the comfort of one's home. Shalby Homecare services are offered through our hospitals located in Ahmedabad, Indore, Jabalpur, Jaipur, Mohali, Naroda, Surat, and Vapi. Under Shalby Homecare, we offer a wide range of services which *inter alia*, include attendant services, nursing services, physiotherapy services, pathology services, and home deputation of medical officers. As on June 30, 2017, we had 10 dedicated staff for Shalby Homecare. During Fiscal 2017 and the three months period ended June 30, 2017, we serviced a total of 9,560 and 5,919 patients, respectively, through Shalby Homecare. We believe that through Shalby Homecare, we will establish longstanding relationships with patients, which in turn will increase patient footfalls in our hospitals.

Shalby Academy:

We commenced the operations of Shalby Academy in Fiscal 2016. Through Shalby Academy, we offer various educational programmes. These programmes include diploma in orthopaedics, fellowship in critical care, and courses offered by the Paramedical Council of Gujarat. Shalby Academy is functional at our hospitals located in Ahmedabad, Jabalpur, and Indore. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Academy catered to 48 and 155 students, respectively.

Experienced player with longstanding presence and brand recall

Although our Company was incorporated in the year 2004, healthcare services under the brand "Shalby" had commenced as early as the year 1994. Vijay Shalby was set up under the aegis of our Group Entity, Shalby Orthopaedic Hospital and Research Centre in the year 1994. From 2004, the operation of Vijay Shalby has been undertaken by our Company. Our strong brand equity is evident from the consistent growth in our inpatient and outpatient base from 15,348 and 110,919, respectively, during Fiscal 2013 to 24,704 and 166,519 during Fiscal 2017, with a CAGR of 12.63 % and 10.69 %, respectively.

We have an established presence and strong brand recall in Gujarat, and an emerging presence in western and central India. We believe that our brand equity and operational experience in our core markets provides us with the platform to further expand our presence and operations in select locations across the country. On account of our brand equity, our hospitals have also seen a consistent growth in inpatient and outpatient volumes. For instance, while Shalby Indore, commissioned in August 2015, serviced 56 inpatients and 358 outpatients during the first quarter of its operations ending September 2015, for the quarter ended June 30, 2017, Shalby Indore serviced 1,130 inpatients and 7,824 outpatients. Similarly, while Shalby Jabalpur, commissioned in March 2015, serviced 106 inpatients and 312 outpatients during the first quarter of its operations ending March 2015, for the quarter ended June 30, 2017, Shalby Jabalpur serviced 1,126 inpatients and 7,386 outpatients. According to the F&S Report, we are one of the most active healthcare players in international medical tourism, having catered to over 35,000 international patients since 2007.

We have benefited from the experience of Dr Vikram Shah, one of our Promoters, who has an experience spanning over 25 years across various geographies including the United Kingdom and India. Dr Vikram Shah's expertise has significantly contributed in building our longstanding presence and brand recall. He has been credited by Ethicon India for his involvement in developing the OS Needle, which has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and diminishing the high rates of failure that once existed while undertaking orthopaedic surgeries.

Our excellence in healthcare services has led to us being conferred with various awards. These awards *inter alia*, include the "*Best Multispecialty Hospital*" award under the *"Metro"* category, instituted by CNBC in the year 2015, the "*Emerging Tertiary Care Hospital of the Year*" award instituted by VCCircle Network in the year 2015, the "*Healthcare Service Provider Company of the Year*" award instituted by Frost and Sullivan in the year 2013, the "*Rajiv Gandhi National Quality*" award instituted by Bureau of Indian Standards, Ministry of Science and Technology, Government of India in the year 2012 and the "*FICCI Healthcare Operational Excellence"* award instituted by FICCI in the year 2011. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 179.

We believe that we have been successful in being a trusted healthcare service provider to our patients. In Fiscal 2017 and for the three months period ended June 30, 2017, the number of revision cases (being patients approaching us after undergoing treatment at other hospitals) referred to us was 36 and 7, respectively. Since 2004, we have also handled a number of complex surgeries and procedures. For instance, in January 2017, we undertook a rare surgery which involved a dual kidney transplantation, extracted from a brain dead donor. This apart, we also performed a complex bypass colostomy to extract a rusted iron rod from a patient's body. We believe that our brand equity and longstanding presence are as a result of our efforts to preserve and sustain quality human life through facilitation of speedy recovery and indigenization of medical technology.

Track record of operating and financial performance and growth

We believe that our track record of consistent growth in revenue and profitability is one of our key competitive strengths. Our growth in revenue and profitability can be credited to our strong operational efficiency, which we achieve by streamlining our clinical and administrative functions, continually introducing process innovations, and ensuring that we maintain economies of scale.

We incur lower capital expenses by making optimal use of the available built-up area in our hospitals. For instance, we have 10 operation theatres in SG Shalby, which has a built-up area of 147,633.89 sq. ft., and nine operation theatres in Shalby Indore, which has a built-up area of 169,942.61 sq. ft. By achieving an optimization of the built-up area at our hospitals, we have been able to set up additional operation theatres. Apart from allowing us to undertake more surgeries each day, this has also ensured that we maintain an average bed to operation theatre ratio of 200:8 as on June 30, 2017. In Fiscal 2017 and the three months period ended June 30, 2017, we undertook 8,074 and 1,600 surgeries, respectively, in SG Shalby, which has a total of eight major and two minor operation theatres. To ensure our financial efficiency and minimization of capital expenses, members from our management lead the planning, development, and execution of our greenfield projects, brownfield projects, and strategic acquisitions.

We believe that by reducing ALOS in our hospitals, we can increase our inpatient turnover rate, thereby ensuring a growth in our financial performance. Our average earnings-per-bed during the first three days of an inpatient's stay is significantly higher than our average earnings-per-bed in servicing such patients for their stay beyond the first three days. The ALOS during Fiscal 2013 and Fiscal 2017 was 4.10 and 3.99, respectively. During the three months period ended June 30, 2017, the ALOS was 3.88. In our pursuit of ensuring our operational efficiency, we have implemented a robust internal supply chain mechanism which *inter alia*, involves the centralized purchasing of drugs and various other medical consumables required by us for the purposes of operating our hospitals. Along with this, we consistently work towards optimizing procurement costs, standardizing the type of medical consumables used across our chain of hospitals, consolidating our suppliers, and adopting guidelines for medical procedures. This has resulted in reducing the expenses incurred by us towards procurement of medical consumables. While in Fiscal 2013, we expended 29.12% of our revenue from operations, towards procurement of medical consumables, in the three months period ended June 30, 2017, we expended 20.50% of our sales towards such procurement.

For details of key highlights of our financial and operating metrics on a consolidated basis from Fiscal 2013 to Fiscal 2017, and for the three months period ended June 30, 2017 see "*Our Business – Overview*" on page 150 above.

Our clinical and administrative functions are streamlined by staffing our hospitals with teams of qualified and experienced doctors, who are available to use their expertise and specialties across regions. As on June 30, 2017, we had 163 surgeons practicing across disciplines. On account of the number of surgeons engaged by us, we are capable of undertaking a higher number of surgeries each day, thereby enhancing our focus on being a surgery oriented multi-specialty healthcare service provider. Unlike most other specialties, orthopaedic surgeries and procedures are usually planned in advance. This provides us with the ability to organize such surgeries and procedures, and utilize our manpower resource in a cost and time effective manner.

On account of the operational efficiency factors described above, we believe that we have been able to reduce the time required for our hospitals to achieve positive EBITDA from the date on which we commenced operating these hospitals. For instance, SG Shalby achieved positive EBITDA in the first financial year after we commenced operating SG Shalby in 2007.

Ability to attract quality doctors, nurses, paramedical, and other staff

As at June 30, 2017, we employed 2,049 employees and engaged 319 professional consultants, which comprised 294 doctors who are full-time consultants and 25 doctors who are part-time consultants. Our staff strength also comprises 699 nurses and 1,350 paramedical, corporate and support staff and pharmacists. Since a majority of our doctors are engaged full time by us, our doctors are generally available on-call, round the clock, and are able to fulfil patient needs and requirements, while also effectively addressing emergencies. In respect of employees engaged full time by us, our compensation structure comprises providing our employees with a fixed monthly salary, performance based compensation and an annual pay-out of bonus. Typically, the remuneration paid to our employees is negotiated within a framework of defined parameters, depending on an individual employee's profile and nature of work. With a view to incentivize our doctors, our Company has constituted the Shalby Medicos Trust for the benefit of doctors associated with our Company. For details, see "*Capital Structure – Shalby Medicos Trust*" on page 101.

We believe that it is important for a career in medicine to be well complemented with sufficient training. To meet this end, we continually train our doctors, nurses, and paramedical staff and educate them on key developments, protocols and practices in their respective areas of practice. This initiative has benefited us by ensuring that our staff are kept abreast with global developments concerning the healthcare sector, and that they are aware of the innovations introduced in the medical industry. In addition, our doctors are also provided specialised training by the heads of various departments.

Our doctors and consultants are experienced professionals within their respective specialties and this gives us ample leverage to handle highly complex and critical cases. It is our firm belief that our doctors, consultants, nurses, paramedical staff, corporate staff members and pharmacists have contributed largely in building and maintaining the "Shalby" brand and reputation. In a market where the availability of physicians, nurses, and paramedical staff is highly scarce, we expect that our continuing need for quality human resources will be met by the strong academic and learning environment we have created for prospective doctors, nurses, and paramedical staff engaged by us. Through Shalby Academy, we have been successful in creating a pool of resourceful manpower, some of whom, upon successful completion of their respective courses have enlisted with us as permanent staff, or consultants as paramedical staff. We believe that our reputation for clinical excellence, amiable work culture, professional ethics, and competitive compensation packages have all enabled us to successfully attract talented doctors, nurses, paramedical staff, and other corporate staff members.

Experienced and qualified professional management team with strong execution track record

We believe that we are well guided, and continue to be led by a strong, highly qualified, experienced, and reliable management team. To ensure that we are led by a right mix of professionals from various fields, our corporate setup has been appropriately balanced to include healthcare and other management professionals.

Our Chairman and Managing Director, Dr Vikram Shah is a veteran and specializes in the field of orthopaedics. With over 25 years of professional medical experience, Dr Vikram Shah has consulted across various geographies including the United Kingdom and India. Dr Vikram Shah has been credited by Ethicon India for his involvement in the development of the OS Needle, which has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and diminishing high rates of failure that once existed while undertaking orthopaedic surgeries. In recognition of his contributions to the healthcare sector, Dr Vikram Shah has been the recipient of various awards. These include, the "*Hercules Award*" instituted by the Gujarat Innovation Society in 2014, and the "*Pathbreaking Services in the Field of Joint Replacement and Orthopaedic Surgery Award*" instituted by Rotary International in 2009. We believe that the credibility associated with Dr Vikram Shah's vast experience, as well as his diverse medical acumen has contributed significantly towards building our brand name.

Our Board is composed of accomplished Directors, having diverse experience in the sectors of medicine, finance, and education. For further details, see "*Our Management – Board of Directors – Brief biographies of Directors*" on page 189. Along with Dr Vikram Shah, we are also guided by our Chief Executive Officer, Ravi Bhandari, who has an experience of 25 years in various industries, including, petrochemicals and refinery, telecom, and healthcare. Ravi Bhandari is entrusted with the duties of managing our day-to-day operations across our domestic and overseas network, and identifying and pursuing expansion opportunities. For further details, see "*Our Management – Key Management Personnel*" on page 200.

We believe that the rich experience of our management team, coupled with their industry experience and business acumen has contributed in us making effective strategy related decisions.

OUR BUSINESS STRATEGY

It is our mission to leverage our leadership in joint replacements to establishing multi-specialty care across geographies. In tandem with our pursuance of the above mission, we also intend to build a longstanding, successful relationship with our Shareholders. We aim to achieve the above mission and grow our business by pursuing the following strategies:

Strengthen hospital presence in western and central India, and continue expanding into new geographies

We aim to continue to be one of the leading healthcare service providers in India by expanding our network of hospitals owned and operated by us through greenfield projects and brownfield projects, strategic acquisitions, and O&M arrangements with third party healthcare service providers. Towards this, we intend to strengthen our hospital presence in western and central India, and establish hospitals in new geographies. Every opportunity for expansion is viewed against the background of various factors such as local demography, catchment area served, gentry and spending capacity, growth rate of population, patient flow, availability of local partners, location of the property, expected investment, financial returns, local competition, and the availability of local talent. Expansion of our network of hospitals will be undertaken through a combination of greenfield projects and brownfield projects, strategic acquisitions, and O&M arrangements with third party healthcare service providers. We will continue to focus on cities with high growth rate. We currently have presence in Ahmedabad, Mumbai, Indore and Jaipur which are among the 10 most developed cities of India, based on GDP (*Source: F&S Report*).

In March 2017, we set up three new hospitals, Shalby Jaipur, Shalby Naroda, and Shalby Surat, which had an aggregate bed capacity of 747 beds, which have commenced providing inpatient services from April, 2017, July, 2017 and August, 2017, respectively.

We are currently in the process of setting up hospitals for a total bed capacity of 263 beds in Nashik and Vadodara. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. Further, we also intend to expand our hospitals to northern India, eastern India, and north eastern India. As part of our expansion strategies, we also intend on expanding our existing hospitals. For instance, we are presently in the process of expanding Zynova Shalby, our hospital in Mumbai, by increasing the bed capacity from 50 to 150 beds. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. We believe that by expanding our chain of hospitals, we will be able to provide a greater range of healthcare services to a larger population base.

Continue to enhance our outreach programmes

We aim to enhance our outreach programmes by establishing our Outpatient Clinics and SACE in various Tier I Cities, Tier II Cities, and Tier III Cities. This apart, we also intend on establishing additional Outpatient Clinics and SACE in various cities across India where our Outpatient Clinics and SACE currently cater to patients. As a part of our international expansion plans, we intend to set up Outpatient Clinics and SACE in certain SAARC countries. We believe in adopting a long-term and sustainable strategy while expanding our overseas footprint. To this end, we plan to enhance our international patient outreach by conducting health camps, screening camps, and healthcare awareness lectures. Through our 'star doctor' programme, we engage the services of senior medical practitioners, who bring with them an established practice, recurring patients, and a valuable knowledge base. As a part of our outreach initiatives, we intend on engaging the services of additional established medical practitioners who will be able to consistently grow our patient base, whilst diversifying our strength in multiple specialties of healthcare.

Our domestic and international Outpatient Clinics are either solely operated by us, or operated on the basis of a revenue sharing model. Our doctors consult in such domestic and international Outpatient Clinics on a daily, weekly, fortnightly, or monthly basis. We believe that the strategies employed by us in establishing and operating Outpatient Clinics have given us the leverage to venture into new markets, while ensuring that the expenses incurred by us remain minimal. This apart, we believe that our asset-light Outpatient Clinics and SACE afford us the opportunity to assess a market prior to setting up a full-fledged hospital. By referring patients to our hospitals for further diagnosis and treatment, our Outpatient Clinics and SACE have also been instrumental in building brand recognition, and increasing patient footfall in our hospitals. We intend to continue to expand our presence by establishing Outpatient Clinics and SACE in order to optimise the use of our capital, while facilitating the growth of our portfolio and brand through partnerships and greenfield projects.

Continue to strengthen healthcare services across other specialties

Our expansion strategies are centred on establishing hospitals which focus on offering quality healthcare services across a spectrum of specialties such as neurology, nephrology, cardiac care, critical care, and oncology. We intend to continue to strengthen our capabilities in specialties other than orthopaedics. To this end, and together with our strategy to expand our hospitals to new geographies, we intend to strengthen our specialties by setting up multi-specialty hospitals which focus on specialties other than orthopaedics. For instance, in 2014, we established Shalby Jabalpur as a multi-specialty hospital with a primary focus on cardiology. During Fiscal 2017, and for the three months period ended June 30, 2017, Shalby Jabalpur contributed to 8.41% and 9.00 % respectively, of our revenue. Further, during Fiscal 2017, and for the three months period ended June 30, 2017, 25.98 % and 27.34%, respectively, of Shalby Jabalpur's revenue was generated from cardiology.

Further, for the purposes of strengthening our focus on other specialties, we intend to equip our hospitals with an additional range of diverse healthcare equipment. These include equipment which are used for cancer diagnosis and treatment, equipment which use nephelometric technology to manage a variety of diseases such as cardiovascular diseases, and liver transplant equipment and instruments. Currently, Shalby Indore provides advanced radiation therapy for the treatment of cancer. In addition to Shalby Indore, we intent to equip our recently set up hospitals, Shalby Jaipur and Shalby Naroda with equipment to provide radiation therapy for the treatment of cancer.

We have also engaged doctors with diverse areas of specialty. As at June 30, 2017, we engaged the services of 75 doctors with a specialisation in the area of orthopaedics, and 244 doctors with specialisations in other branches of medicine. Further, in line with our strategy to further strengthen our capabilities in non-orthopaedic specialties, we offer advance post-graduate diplomas in a range of disciplines including non-invasive cardiology, dialysis management, oncology, and sports medicine through Shalby Academy. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Academy catered to 48 and 155 students respectively. We also intend to offer courses in newer disciplines and specialties through Shalby Academy.

Implement initiatives to improve operational efficiencies

We believe that improving operating efficiencies and profitability is critical to our growth. We intend to focus on the following key areas to improve our clinical and administrative operating efficiencies and profitability:

- We aim to improve our daily ARPOB by enhancing our focus on high growth care areas such as oncology, nephrology, and hepatology.

- We intend to lower the costs of consumption by centralising our procurement function. To this end, we intend on implementing various measures to improve our operational efficiencies, including undertaking measures to reduce our consumption of disposable items and avoid wastage. Further, we also intend to minimise our costs and leverage our economies of scale by standardizing the type of medical consumables used at our hospitals, optimizing procurement costs, and consolidating our suppliers by establishing and adopting strict guidelines for medical procedures across our hospitals.

- We intend to continue to minimise ALOS at our hospitals. Based on our past experience, revenue generated by us in servicing our inpatients during their first three day of stay is higher than the revenue generated by us in servicing the same patients for their stay from the fourth day onwards. We believe that systematically reducing an inpatient's ALOS at our hospitals will aid in improving our daily ARPOB.

- We intend to maximise our operational efficiency by achieving greater integration and by implementing a stronger supply chain management.

- We intend to obtain NABH accreditations for all our operational and upcoming hospitals, which we believe, will give us with the credibility to liaise with various government agencies, thereby attracting more patients to our hospitals. In addition, we also intend on obtaining certifications under the IT Act, through which we can offer our services to public service undertakings, thereby increasing our target group.

- Improve occupancy rates and the utilisation of key equipment and operating theatres, particularly at our new hospitals, by placing greater emphasis on delivery of tertiary care services, expanding our referral network and increasing community outreach programs.

- Through a systematic and mindful investment in our branding and marketing activities, including through medical camps, seminars, hoardings, digital marketing, and periodicals, we intend on promoting our hospitals, thereby increasing the patient turnover and occupancy rates. For further information on our marketing activities, see "*Our Business – Marketing and Promotional Activities*" on page 169.

Continue to grow our ancillary businesses

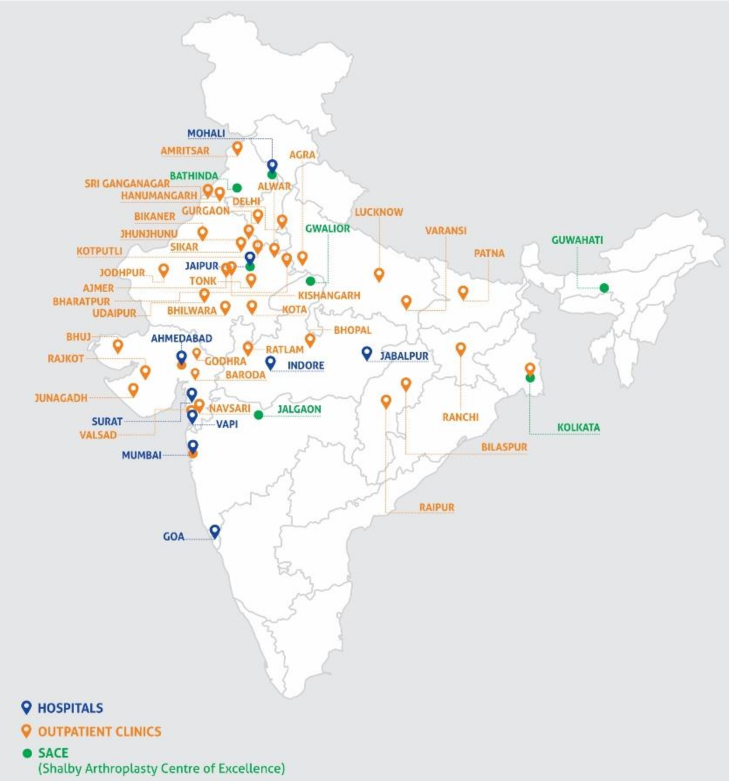
Apart from offering multi-specialty tertiary and quaternary healthcare services, we also provide home-based healthcare services under Shalby Homecare. Details of Shalby Homecare are set out below:

We have been engaged in providing home-based healthcare services since Fiscal 2015. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Homecare catered to 9,560 and 5,919 patients, respectively. Shalby Homecare services are being offered through our hospitals located in Ahmedabad, Indore, Jabalpur, Jaipur, Mohali, Naroda, Surat, and Vapi, as on the date of this Red Herring Prospectus. In the future, we intend to offer the Shalby Homecare services through all our existing and upcoming hospitals.

DESCRIPTION OF BUSINESS

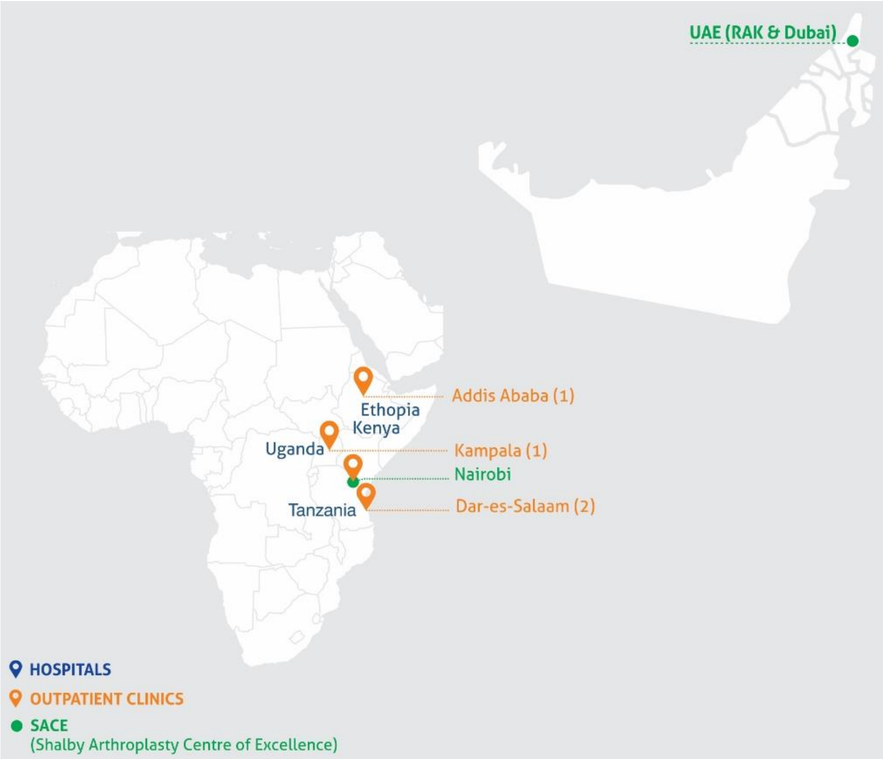
We are engaged in the business of providing tertiary and quaternary healthcare services with a focus on orthopaedics. We provide inpatient and outpatient healthcare services through 11 operational hospitals, 47 Outpatient Clinics and ten SACE, as on the date of this Red Herring Prospectus.

A map indicating our presence in India is given below:



Note: Four of our hospitals are located in Ahmedabad.

A map indicating our presence outside India is given below:



Maturity based operational and financial metrics of our operational hospitals

Some key metrics indicating operational and financial growth at some of our operational hospitals are provided in the tables below, categorised on the basis of the maturity of such hospitals:

1. *Hospitals that are being operated by us for a period of more than five years, being SG Shalby Shalby Vapi and Vijay Shalby:*

	Three months period ended June 30, 2017[(1)]	Fiscal 2017[(1)]	Fiscal 2016[(1)]	Fiscal 2015[(1)]	Fiscal 2014[(1)]	Fiscal 2013[(1)]
Service Revenue (in ₹ million)	457.07	1,853.86	1,806.62	1,982.45	1,893.11	1,804.98
Other Income (in ₹ million)	2.84	52.11	26.14	20.84	34.59	27.46
Total Income (in ₹ million)	459.91	1,905.97	1,832.76	2,003.29	1,927.70	1,832.44
EBITDA(in ₹ million)	178.41	629.53	388.35	516.59	509.02	426.10
EBITDA Margin (%)	39.03	33.96	21.50	26.06	26.69	23.61
Occupancy Rate (%)	41.32	46.82	43.89	47.92	48.02	60.25
ARPOB (in ₹)	46,050	41,087	42,717	42,935	40,915	42,309
ALOS	3.85	3.72	3.69	3.98	4.11	4.08

(1) Does not include data pertaining to Vrundavan Shalby, the operations of which has been temporarily discontinued by our Company in December 9, 2016

2. *Hospitals that are being operated by us for a period of more than two years and less than five years, being Krishna Shalby and Shalby Jabalpur:*

	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Service Revenue (in ₹ million)	262.23	1,034.79	909.02	704.15	568.07	277.63
Other Income (in ₹ million)	1.06	21.08	2.91	5.75	2.83	19.77
Total Income (in ₹ million)	263.29	1,055.87	911.93	709.89	570.90	297.40
EBITDA(in ₹ million)	79.03	267.71	192.01	165.63	119.07	5.52
EBITDA Margin (%)	30.14	25.87	21.12	23.52	20.96	1.99
Occupancy Rate (%)	33.94	35.08	29.86	34.93	28.44	24.69

	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
ARPOB (in ₹)	29,481.95	28,059.21	28,956.74	35,220.84	36,485.01	45,017.16
ALOS	4.11	4.36	4.82	5.17	4.44	5.17

3. *Hospitals that are being operated by us for a period of less than two years, being Shalby Jaipur, Shalby Indore and Shalby Mohali:*

	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016
Service Revenue (in ₹ million)	163.35	322.86	142.74
Other Income (in ₹ million)	1.75	10.33	0.69
Total Income (in ₹ million)	165.10	333.19	143.43
EBITDA(in ₹ million)	22.49	(71.57)	(16.34)
EBITDA Margin (%)	13.77%	(22.17%)	(11.44%)
Occupancy Rate (%)	25.19	24.15	19.18
ARPOB (in ₹)	29,812.68	20,465.46	14,544.29
ALOS	3.62	4.02	6.04

(1) Data for Fiscal 2015 pertains only to Shalby Jabalpur which was operational for 18 days in Fiscal 2015

Key operational and financial metrics for each of our operational hospitals as of and for the three months period ended June 30, 2017

The key highlights and operational and financial metrics as of and for the three months period ended June 30, 2017 of our operational hospitals are set out below:

Particulars(1)	SG Shalby	Krishna Shalby	Shalby Jabalpur	Shalby Indore	Shalby Vapi	Shalby Mohali	Vijay Shalby	Shalby Jaipur
Location	Ahmedabad	Ahmedabad	Jabalpur	Indore	Vapi	Mohali	Ahmedabad	Jaipur
Commencement of operations by our Company or subsidiaries	March, 2007	October, 2012	March, 2015	August, 2015	April, 2012	September, 2015	March, 1994	April, 2017
Bed capacity	201	220	233	243	146	145	27	237
Number of operational beds	174	150	138	155	70	24	20	60
Bed occupancy rate (%)*	50.31	36.84	30.78	26.82	26.45	36.64	15.10	16.40
Inpatient volume	1,970	1,036	1,126	1,130	545	142	66	243
Outpatient volume	16,428	2,948	7,386	7,824	6,099	899	421	1,722
ALOS (In days)	4.04	4.85	3.43	3.35	3.09	5.64	4.16	3.69
In-patient income (In ₹ million)	381.95	173.11	65.75	88.51	14.86	9.74	7.77	38.12
Out-patient income (In ₹ million)	35.02	5.67	10.20	20.33	3.94	.71	0.90	1.86
ARPOB (in ₹)	53,643	36,180	20,769	29,421	12,382	13,399	32,352.31	46,131
Revenue (in ₹ million)	427.32	181.94	80.29	111.31	20.86	10.72	8.89	41.32
EBITDA (in ₹ million)	180.22	79.65	(0.62)	7.96	(3.79)	0.16	2.18	14.37

(1) Details pertaining to Zynova Shalby, have not been presented in the table above as our Company currently receives only a fixed management fee. Further, details pertaining to Vrundavan Shalby have not been presented in the table above as the operations of Vrundavan Shalby have been temporarily suspended from December 9, 2016. Furthermore, Shalby Naroda and Shalby Surat provided only outpatient services to patients as on June 30, 2017 and started providing inpatient services from July, 2017 and August, 2017, respectively.

** Bed occupancy rate, calculated by dividing the total number of occupied bed days by the total operational bed days.*

Hospitals

Operational Hospitals:

Set out below, is a hospital-wise description, setting out key details in respect of our operational multi-specialty facilities:

SG Shalby:

SG Shalby, located in Ahmedabad, commenced its operations in the year 2007 and was established as a greenfield project. With a bed capacity of 201 beds and 174 operational beds as on June 30, 2017, this facility is a multi-specialty, quaternary care hospital. SG Shalby offers various facilities including a blood bank, intensive care units, operation theatres, diagnostic services, and a pharmacy. SG Shalby is equipped with modern infrastructure and medical equipment, including intra-operative neuro monitoring systems, BMD machines, CT scanning machines, MRI scanning machines, x-ray machines, catheterization laboratories, and ultrasound systems. The land on which SG Shalby is located is owned by Dr Vikram Shah, one of our Promoters, and is leased to us by way of a lease agreement dated March 8, 2017. The term of the lease is 10 years, and upon its expiration, we have the option to purchase the land from Dr Vikram Shah. For further details, see "*Our Promoters and Promoter Group – Interests of Promoters*" on page 206.

In Fiscal 2013, SG Shalby catered to a total of 76,881 patients, and in Fiscal 2017 and the three months period ended June 30, 2017, SG Shalby catered to a total of 76,234 and 18,385 patients, respectively. In Fiscal 2013, the bed occupancy rate and ARPOB generated by SG Shalby was 60.25% and ₹42,309, and in Fiscal 2017 and the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 54.83% and ₹50,094, and 50.31% and ₹53,643, respectively. Duly accredited with the NABH and NABL, SG Shalby generated a revenue of ₹1,744.51 million in Fiscal 2017, and ₹427.32 million for the three months period ended June 30, 2017 and had an EBITDA of ₹633.33 million in Fiscal 2017 and ₹180.02 million for the three months period ended June 30, 2017.

Krishna Shalby:

Krishna Shalby, located in Ahmedabad, is a multi-specialty hospital. We acquired and started operating Krishna Shalby in the year 2012.

With a bed capacity of 220 beds and 150 operational beds as on June 30, 2017, Krishna Shalby offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Krishna Shalby, with a dedicated wing for international patients is a hospital equipped with modern infrastructure and medical equipment such as the IPCC Cryolipolysis, a machine used to undertake liposuction procedures. This apart, the hospital is also equipped with CT scanning machines, x-ray machines, catheterization laboratories, and ultrasound systems. The land on which Krishna Shalby is located is owned by our Company.

In Fiscal 2013, Krishna Shalby catered to a total of 3,684 patients, and in Fiscal 2017 and the three months period ended June 30, 2017, Krishna Shalby catered to a total of 12,515 and 3,984 patients, respectively. In Fiscal 2013, the bed occupancy rate and ARPOB generated by Krishna Shalby was 24.69% and ₹45,017, and in Fiscal 2017 and the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 41.83% and ₹33,244 and 36.84% and ₹36,180, respectively. Duly accredited with the NABH and NABL, Krishna Shalby generated a revenue of ₹761.30 million in Fiscal 2017, and ₹181.94 million for the three months period ended June 30, 2017 and had an EBITDA of ₹288.95 million in Fiscal 2017 and ₹79.65 million for the three months period ended June 30, 2017.

Krishna Shalby was originally owned and operated by Yogeshwar Healthcare and was acquired by us through an acquisition of 94.68% of the equity share capital of Yogeshwar Healthcare by our Company in September 2012. Subsequently, by way of an order dated September 3, 2013, the High Court of Gujarat approved the scheme of arrangement between our Company and Yogeshwar Healthcare, pursuant to which Krishna Shalby was transferred to our Company. For further details of the acquisition of Yogeshwar Healthcare and the scheme of arrangement, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*" on page 184.

Shalby Jabalpur:

Shalby Jabalpur, located in Jabalpur, is a multi-specialty hospital which commenced its operations in the year 2015 under an O&M arrangement on a revenue sharing basis.

With a bed capacity of 233 beds and 138 operational beds as on June 30, 2017, Shalby Jabalpur offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Shalby Jabalpur is equipped with modern infrastructure and medical equipment, including a holmium laser, a thulium laser, phaco systems, CT scanning machines, MRI scanning machines, x-ray machines, catheterization laboratories, and ultrasound systems. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Jabalpur catered to a total of 32,892 and 8,512 patients, respectively. In Fiscal 2017 and the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 27.75% and ₹19,565 and 30.78% and ₹20,769.22, respectively. Duly accredited with the NABH, Shalby Jabalpur generated a revenue of ₹273.49 million in Fiscal 2017, and ₹80.29 million for the three months period ended June 30, 2017, and had an EBITDA of ₹(21.25) million in Fiscal 2017 and ₹(0.62) million for the three months period ended June 30, 2017.

Our Company operates Shalby Jabalpur pursuant to an O&M agreement dated January 31, 2014, executed by our Company with the SMJH Trust ("**Shalby Jabalpur O&M Agreement**"). The Shalby Jabalpur O&M Agreement is valid for a term of 30 years commencing from the date of commencement of Shalby Jabalpur's operations, being March 13, 2015. Our Company has the option of renewing the Shalby Jabalpur O&M Agreement for another 30 years, if our Company so decides. The land on which Shalby Jabalpur is located has been obtained by the SMJH Trust on lease from the Jabalpur Development Authority. Pursuant to the Shalby Jabalpur O&M Agreement, our Company and the SMJH Trust, jointly commissioned the construction of Shalby Jabalpur. In accordance with the terms of the Shalby Jabalpur O&M Agreement, the SMJH Trust has *inter alia*, been entrusted with the obligations of obtaining all licenses and approvals required to operate Shalby Jabalpur, obtaining adequate insurance for the land on which Shalby Jabalpur has been set up, ensuring that adequate electricity is available, and bearing all taxes and cesses on the land on which Shalby Jabalpur has been constructed. While the land and building have been obtained on lease by the SMJH Trust, our Company owns the medical equipment, furniture, fixtures, and other fittings in the hospital. Our Company operates Shalby Jabalpur and meets the staffing requirements through employees and consultants of our Company. The abovementioned land is the subject matter of a dispute pending before the High Court of Madhya Pradesh. For further details, see "*Risk Factors – Our O&M Partner, SMJH Trust, has not perfected its leasehold rights upon the land on which Shalby Jabalpur has been constructed. Accordingly, our rights arising out of our O&M arrangement with SMJH Trust in respect of Shalby Jabalpur may be impaired, thus adversely affecting our revenue, profits, and financial conditions*" on page 20 and "*Outstanding Litigation and Material Developments – Litigation involving our Company – Outstanding litigation involving our Company in accordance with the Materiality Policy – Civil proceedings against our Company*" on page 388.

Shalby Indore:

Shalby Indore, located in Indore, is a multi-specialty hospital. We acquired and started operating Shalby Indore in the year 2015.

With a bed capacity of 243 beds and 155 operational beds as on June 30, 2017, Shalby Indore offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Shalby Indore is equipped with modern infrastructure and medical equipment, including a linac system, a holmium laser, a thulium laser, aspiration systems, CT scanning machines, MRI scanning machines, x-ray machines, catheterization laboratories, and ultrasound systems. The land on which Shalby Indore is located is owned by the Indore Municipal Corporation, and by way of agreements dated October 24, 2009 ("**Shalby Indore Lease Agreement I**"), and October 26, 2009 ("**Shalby Indore Lease Agreement II**"), our Company has been granted leasehold rights to occupy and use the land. The Shalby Indore Lease Agreement I expires on August 16, 2031, and the Shalby Indore Lease Agreement II expires on August 15, 2031. In Fiscal 2017, Shalby Indore catered to a total of 28,614 patients and in the three months period ended June 30, 2017, Shalby Indore catered to a total of 8,954 patients. In Fiscal 2017, the bed occupancy rate and ARPOB generated by Shalby Indore was 17.72% and ₹27,879.48, and in the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 26.82% and ₹29,421.31. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Indore generated a revenue of ₹279.43 million and ₹111.31 million, respectively and had an EBITDA of ₹(36.15) million in Fiscal 2017 and ₹7.96 million for the three months period ended June 30, 2017.

Shalby Indore was originally owned and operated by Hari Om Healthcare Private Limited and was acquired by us through an acquisition of 100% of the equity share capital of Hari Om Healthcare Private Limited by our Company in two tranches during April 2014 and October 2014. Subsequently, by way of an order dated April 30, 2015, the High Court of Gujarat approved the scheme of amalgamation between our Company and Hari Om Healthcare Private Limited which was a wholly owned subsidiary of our Company, resulting in the transfer of Shalby Indore to our Company. For further details, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*" on page 184.

Shalby Vapi:

Shalby Vapi, located in Vapi, is a multi-specialty hospital. We acquired and started operating Shalby Vapi in the year 2012.

With a bed capacity of 146 beds and 70 operational beds as on June 30, 2017, Shalby Vapi offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Shalby Vapi is equipped with modern infrastructure and medical equipment, including x-ray machines, catheterization laboratories, and ultrasound systems. The land on which Shalby Vapi is located is owned by our Company. In Fiscal 2013, Shalby Vapi catered to a total of 31,878 patients, and in Fiscal 2017 and the three months period ended June 30, 2017, Shalby Vapi catered to a total of 30,096 and 6,644 patients, respectively. In Fiscal 2014, the bed occupancy rate and ARPOB generated by Shalby Vapi was 23.21% and ₹10,975, and in Fiscal 2017 and the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 36.65% and ₹8,401 and 26.45% and ₹12,382, respectively. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Vapi generated a revenue of ₹78.67 million and ₹20.86 million, respectively, and had an EBITDA of ₹(10.41) million in Fiscal 2017 and ₹(3.79) million for the three months period ended June 30, 2017.

Shalby Vapi was originally owned and operated by Kusha Healthcare and was acquired by us through an acquisition of 100% of the equity share capital of Kusha Healthcare by our Company in four tranches. Subsequently, by way of an order dated August 5, 2016, the High Court of Gujarat approved the scheme of amalgamation between our Company and two of its wholly owned subsidiaries, Shalby Surat Hospitals Private Limited and Kusha Healthcare, transferring Shalby Vapi to our Company. For further details of the acquisition and the scheme of arrangement, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*" on page 184.

Shalby Mohali:

Shalby Mohali, located in Mohali, is a multi-specialty hospital. We started operating Mohali in the year 2015 under an O&M arrangement on a revenue sharing basis and currently owns Shalby Mohali.

With a bed capacity of 145 beds and 24 operational beds as on June 30, 2017, Shalby Mohali offers various facilities services including, intensive care units, operation theatres, diagnostic services, and a pharmacy. Shalby Mohali is currently under renovation. Upon completion of the renovation, it is proposed to equip Shalby Mohali with modern infrastructure and medical equipment including CT scanning machines and MRI scanning machines. Currently, Shalby Mohali is equipped with infrastructure and medical equipment, including x-ray machines and dialysis machines. The land on which Shalby Mohali is located is owned by our Company. In Fiscal 2017, Shalby Mohali catered to a total of 3,342 patients, and in the three months period ended June 30, 2017, Shalby Mohali catered to a total of 1,041 patients. In Fiscal 2017, the bed occupancy rate and ARPOB generated by Shalby Mohali was 33.36 % and ₹7,548.76 and in the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 36.64 % and ₹13,398.98. In Fiscal 2017, and the three months period ended June 30, 2017, Shalby Mohali generated a revenue of ₹43.43 million and ₹10.72 million, respectively. Shalby Mohali had an EBITDA of ₹(35.43) million in 2017 and ₹0.16 million for the three months period ended June 30, 2017.

Our Company earlier operated Shalby Mohali pursuant to an O&M agreement dated September 5, 2015, executed by our Company with Kamesh Hospital ("**Silver Oaks O&M Agreement**"). By way of a resolution dated January 5, 2016, our Board approved the scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956, involving the demerger and transfer of the hospital division of Kamesh Hospital, which owns the land and building on which Shalby Mohali is located, to our Company. The High Court of Gujarat approved the aforementioned scheme of arrangement by way of an order dated September 30, 2016, the petition for approval of the scheme of arrangement filed in the High Court of Punjab and Haryana was transferred to the NCLT, Chandigarh Bench. The NCLT, Chandigarh Bench approved the scheme of arrangement by way of an order dated July 13, 2017. Accordingly, the Shalby Mohali has now been transferred to our Company pursuant to the scheme of arrangement. For further details, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*" on page 184. The Silver Oaks O&M Agreement has been terminated by our Company and Kamesh Hospital by way of a letter dated July 17, 2017.

Vijay Shalby:

Vijay Shalby, a multi-specialty hospital located in Ahmedabad, Gujarat, was commissioned by our Group Entity, Shalby Orthopaedic Hospital and Research Centre in the year 1994. From the year 2004, the operations of Vijay Shalby have been undertaken by our Company.

With a bed capacity of 27 beds and 20 operational beds as on June 30, 2017, Vijay Shalby offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Vijay Shalby is equipped with modern infrastructure and medical equipment, including x-ray machines. The land on which Vijay Shalby is located is owned by Dr Vikram Shah, one of our Promoters, and leased to our Company by way of a lease agreement dated March 6, 2017. The term of the lease is 10 years, and upon its expiration, we have the option to purchase the land from our Dr. Vikram Shah. For further details, see "*Our Promoters and Promoter Group – Interests of Promoters*" on page 206.

In Fiscal 2017, Vijay Shalby catered to a total of 2,996 patients, and in the three months period ended June 30, 2017, Vijay Shalby catered to a total of 487 patients. In Fiscal 2017, the bed occupancy rate and ARPOB generated by Vijay Shalby was 12.75% and ₹32,966, and in the three months period ended June 30, 2017, the bed occupancy rate and ARPOB was 15.10% and ₹32,352.31. In Fiscal 2017, and the three months period ended June 30, 2017, Vijay Shalby generated a revenue of ₹30.67 million and ₹8.89 million, respectively EBITDA ₹6.61 million and ₹2.18 million respectively.

Zynova Shalby:

Zynova Shalby, is a multi-specialty hospital located in Mumbai. We started operating Zynova Shalby in the year 2017 under an O&M arrangement on a management fee basis, where our Company is paid a fixed management fee.

With a bed capacity of 50 beds and 50 operational beds as on June 30, 2017, Zynova Shalby offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Zynova Shalby is well equipped with modern infrastructure and medical equipment, including x-ray machines and ultrasound systems.

We commenced operating Zynova Shalby in January 2017, pursuant to a memorandum of understanding dated July 22, 2015, executed by our Company with ZH Private Limited ("**Zynova Shalby MoU**"). The Zynova Shalby MoU is valid for a term of 30 years, with a lock-in of 15 years. Pursuant to the amendment to the Zynova Shalby MoU on July 1, 2017, our Company and ZH Private Limited have agreed to enter into an Operations & Management ("**O&M")** agreement within 36 months from the date of Zynova Shalby MOA. In accordance with the terms of the Zynova Shalby MoU, ZH Private Limited has *inter alia*, been entrusted with the obligations of obtaining all licenses and approvals required to operate Zynova Shalby, meeting Zynova Shalby's capital investment and working capital requirements, providing funds necessary to upgrade Zynova Shalby as and when required, and undertaking all billing activities. Our Company has *inter alia*, been entrusted with the obligations of providing all expertise and technical know-how for operating the hospital, undertaking all billings in the name of ZH Private Limited, establishing standard operating procedures in Zynova Shalby, and ensuring compliance with applicable laws. We are presently in the process of expanding Zynova Shalby by increasing the bed capacity to 150 beds. The process of expansion is expected to be completed during Fiscal 2019.

Shalby Jaipur:

Shalby Jaipur, located in Jaipur, is a multi-specialty hospital set up in March, 2017 and commenced providing inpatient services from April 2017. With a bed capacity of 237 beds and 60 operational beds as on June 30, 2017, Shalby Jaipur offers various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Shalby Jaipur is proposed to be equipped with modern infrastructure and medical equipment, including linac systems, x-ray machines, catheterization laboratories, and CT scanning fluoroscopies. The land on which Shalby Jaipur is located is owned by our Company. During the three months period ended June 30, 2017, Shalby Jaipur catered to a total of 1,965 patients, and the bed occupancy rate and ARPOB generated by Shalby Jaipur was 16.40% and ₹46,131, respectively. Further, during the three months period ended June 30, 2017, Shalby Jaipur generated a revenue of ₹41.32 million and EBITDA ₹14.37 million.

Shalby Naroda:

Shalby Naroda, located in Ahmedabad, is a multi-specialty hospital set up in March, 2017. As on June 30, 2017, Shalby Naroda provided only outpatient services to our patients and commenced providing inpatient services in July, 2017. With a bed capacity of 267 beds as on June 30, 2017, through Shalby Naroda, we propose to offer various facilities including intensive care units, operation theatres, diagnostic services, and a pharmacy. Shalby Naroda is proposed to be equipped with modern infrastructure and medical equipment, including linac systems, x-ray machines, catheterization laboratories, and CT scanning fluoroscopies. The land on which Shalby Naroda is located is owned by Dr Vikram Shah and Uday Bhatt ("**Naroda Land**"). Our Company, Dr Vikram Shah and Uday Bhatt have executed a lease deed dated May 16, 2017, wherein Dr Vikram Shah and Uday Bhatt have leased the Naroda Land to our Company for a term of 30 years, effective from the date on which the 'building use permission' is granted by the Ahmedabad Municipal Corporation, for use of Shalby Naroda's hospital building. Our Company has made an application dated May 11, 2017 with the Ahmedabad Municipal Corporation for the 'building use permission', and the application is currently pending. For details, see "*Government and Other Approvals – Approvals in relation to our business operations – Pending approvals – Approvals for which applications have been made*" on page 400. During the three months period ended June 30, 2017, Shalby Naroda generated a revenue of ₹1.55 million.

Shalby Surat:

Shalby Surat, located in Surat, is a multi-specialty hospital set up in March, 2017. As on June 30, 2017, Shalby Surat only provided outpatient services to our patients and commenced providing inpatient services in August, 2017. With a bed capacity of 243 beds as on June 30, 2017, through Shalby Surat, we propose to offer various facilities including intensive care units, surgery units, operation theatres, diagnostic services, and a pharmacy. Shalby Surat is also proposed to be equipped with modern infrastructure and medical equipment, including x-ray machines, catheterization laboratories, and CT scanning fluoroscopies. The land on which Shalby Surat is located is owned by Navyug Vidyabhavan Trust, and by way of an agreement dated February 3, 2017, our Company has been granted leasehold rights to occupy and use the land ("**Shalby Surat Lease Deed**"). The Shalby Surat Lease Deed expires on February 2, 2025.

<u>*Expansion Plans*</u>:

We intend to continually invest in upgrading our existing hospital facilities and creating partnerships to operate new hospitals. Set out below is a table giving details of our hospitals under development:

Location	Estimated time for commencement of operations / Estimated time for completion of expansion	Type of hospital	Number of capacity beds to be added	Mode of expansion
Nashik	Fiscal 2019	Multi-specialty	113	O&M arrangement

Location	Estimated time for commencement of operations / Estimated time for completion of expansion	Type of hospital	Number of capacity beds to be added	Mode of expansion
Vadodara	Fiscal 2020	Multi-specialty	150	O&M Arrangement
Mumbai (Zynova Shalby)	Fiscal 2019	Multi-specialty	100	O&M arrangement

Set out below, is a unit-wise description, setting out key details in respect of our upcoming hospitals:

Shalby Nashik

Our Company is in the process of setting up a multi-specialty hospital in Nashik. The hospital being set up on a land admeasuring 19,681.91 sq. ft., owned by Samruddhi. The hospital is proposed to be equipped with modern medical equipment such as catheterization laboratories, x-ray machines and CT scans fluoroscopy, and is being constructed to have a bed capacity of 113 beds. Our Company is setting up the hospital in Nashik pursuant to an O&M agreement dated May 6, 2014, executed between our Company and Samruddhi ("**Samruddhi O&M Agreement**"). The Samruddhi O&M Agreement is valid for a term of 30 years, with the option of renewal for another 30 years, if our Company so decides. In accordance with the terms of the Samruddhi O&M Agreement, Samruddhi has *inter alia*, been entrusted with the obligations of constructing the hospital building, bearing all costs towards the interiors, obtaining all licenses and approvals required to construct the hospital, obtaining adequate insurance for the land on which the hospital is being set up, ensuring that adequate electricity is available, and bearing all taxes and cesses on the land on which the hospital is being constructed. While the land and building are owned by Samruddhi, our Company will own the medical equipment, furniture, fixtures, and other fittings in the hospital. Further, our Company will operate the hospital, and meet the staffing requirements through employees and consultants of our Company. Shalby Nashik is expected to commence operations in Fiscal 2019.

Shalby Vadodara:

Our Company is in the process of setting up a multi-specialty hospital in Vadodara. The hospital being set up on a land admeasuring 24,000 sq. ft. The hospital is proposed to be equipped with modern medical equipment such as catheterization laboratories, x-ray machines and CT scans fluoroscopy, and is being constructed to have a bed capacity of 150 beds. The land on which Shalby Vadodara is being constructed is owned by Mukesh Shah, Amit Shah and Surbhit Shah ("**Vadodara Land Owners**"). Our Company is setting up the hospital in Vadodara pursuant to a memorandum of understanding dated April 14, 2017, executed between our Company and Akshar PHC Realcon and Vadodara Land Owners ("**Vadodara MoU**"). The Vadodara MoU is valid for a term of 30 years, with the option of renewal for another 30 years, if our Company so decides. In accordance with the terms of the Vadodara MoU, Akshar PHC Realcon will handover complete hospital building to our Company and our Company will operate and manage the hospital under the name "Shalby Hospitals". Shalby Vadodara is expected to commence operations in Fiscal 2020.

MoU with Santacruz Residents Association Dispensary and Bhikubhai Chandulal Jalundwala General Hospital

Our Company has entered into an MoU dated July 7, 2017 with the Santacruz Residents Association Dispensary and Bhikubhai Chandulal Jalundwala General Hospital ("**Trust**"), to maintain and manage the B.C.J. General Hospital & Asha Parekh Research Centre ("**Hospital**") owned by the Trust. In terms of the MoU, our Company will evaluate the renovation of the existing hospital building structure or construction of a new hospital building structure at its own cost and thereafter operate and manage the Hospital. The parties to the MoU intend to execute a definitive O&M agreement which will be for a period of 60 years or 30 years as mutually decided by the parties.

*Memorandum of understanding with Ahmedabad Bariatrics and Cosmetics Private Limited ("**ABC**"), Mahendra Narwaria, and Sanjay Patolia*

Our Company has executed a non-binding MoU to record our Company's intention to purchase 100% of ABC's equity share capital ("**ABC MoU**"). In accordance with the terms of the ABC MoU, our Company will acquire 100% of ABC's equity share capital from Mahendra Narwaria and Sanjay Patolia. Definitive agreement in this regard will be executed by the parties upon completion of certain conditions precedent including, Mahendra Narwaria and Sanjay Patolia acquiring 100% of the share capital of ABC from other remaining shareholders.

ABC is engaged in running a chain of hospitals at Ahmedabad, Rajkot, Surat and Hyderabad. Upon completion of the acquisition as envisaged in the ABC MoU, Mahendra Narwaria and Sanjay Patolia, who are doctors providing services to ABC currently, will be associated with our Company as "totally committed consultants" for a term of 10 years from the date of execution of the definitive agreement, which may be extended for a further term of five years.

The ABC MoU is valid for a period of three months from the date of its execution, and can be further extended by mutual consent among the parties.

Outpatient Clinics

Our Outpatient Clinics are operated on a revenue sharing basis with an established healthcare service provider or solely by us. We have 47 Outpatient Clinics as on the date of this Red Herring Prospectus, out of which four Outpatient Clinics are operated solely by us, and 43 are operated on a revenue sharing basis with established healthcare service providers. Our Outpatient Clinics offer orthopaedic consultation services. Our Outpatient Clinics have grown from 18 in Fiscal 2013, to 47 as on the date of this Red Herring Prospectus.

SACE

We have seven domestic SACE and three SACE outside India as on the date of this Red Herring Prospectus. Our SACE, adopted in pursuance of our asset-light strategy, involves us occupying portions of space from established hospitals and offering healthcare services, including the conducting of orthopaedic and spine surgeries under our brand name on a revenue sharing basis. Based on a principal-to-principal relationship, we execute an agreement with our SACE partner which *inter alia*, sets out that we shall provide consultation services and perform orthopaedic and spine surgeries in the hospitals owned and established by our SACE partners. In Fiscal 2017 and for the three months period ended June 30, 2017, our SACE conducted 116 and 11 surgeries, respectively.

***Ancillary Business*:**

Clinical Research:

We have been engaged in conducting clinical research trials since 2006. These clinical research trials are conducted at our hospitals SG Shalby and Krishna Shalby. These clinical research trials, duly monitored by a DGCI registered institutional ethics committee are entirely sponsored by pharmaceutical companies and various clinical research organisations. Our clinical trials are conducted for the purposes of research on various areas of medicine including orthopaedics, gastroenterology, oncology, general medicine, endocrinology, critical care, dermatology, gynaecology, and pulmonology. Our clinical research trials are conducted by a team of appropriately qualified and experienced doctors, who are accompanied by nurses and other paramedical staff. Since Fiscal 2006, we have undertaken 80 sponsored clinical research trials. In Fiscal 2017 and the three months period ended June 30, 2017, our clinical research trials generated a revenue of ₹7.19 million and ₹3.45 million, respectively.

Shalby Homecare:

We have been engaged in providing Shalby Homecare services since Fiscal 2015. By providing Shalby Homecare services, it is our initiative to extend expert healthcare services at a patient's doorstep, so as to facilitate a speedy and comfortable recovery from diseases and other medical conditions. The Shalby Homecare services are primarily offered through our hospitals located in Ahmedabad, Indore, Jabalpur, Jaipur, Mohali, Naroda, Surat, and Vapi. Under Shalby Homecare, we offer a wide range of services which *inter alia*, include attendant services, nursing services, physiotherapy services, pathology services, and home deputation of medical officers. For the purposes of providing our services through Shalby Homecare, as at June 30, 2017, apart from a dedicated team of 10 healthcare professionals, we also utilise our pool of doctors and nurses. This apart, we also procure certain services such as home attendant services through tie-ups with third party agencies. In providing the home-based healthcare services, we make use of modern and compact medical equipment such as suction apparatus, nebulizers, fowler beds, and pulse oximeters. In Fiscal 2017, Shalby Homecare catered to 9,560 patients and in the three months period ended June 30, 2017, Shalby Homecare catered to 5,919 patients. In Fiscal 2017 and the three months period ended June 30, 2017, Shalby Homecare generated a revenue of ₹14.58 million and ₹6.57 million, respectively.

Shalby Academy:

Shalby Academy has been operational since Fiscal 2016. By partnering with the Gujarat Paramedical Council, the National Board of Examination, the Shalby Academy offers various educational programmes. These programmes include diploma in orthopaedics and fellowship in critical care. Presently, the Shalby Academy is functional at our hospitals located in Ahmedabad, Jabalpur, and Indore. Details of the number of students who have enrolled with Shalby Academy since Fiscal 2014 are set out below:

Period	Number of students
Three months period ended June 30, 2017	155
Fiscal 2017	48

CORPORATE ARRANGEMENTS AND THIRD PARTY ADMINISTRATORS

We partner with various corporate organisations and offer health management plans at competitive pricing. With a focus on disease prevention and wellness check-ups, our corporate health management plans are provided by offering customized preventive health check-ups, screening camps, consultation across our array of specialties, health talks, and wellness workshops.

To ensure the smooth processing and administration of insurance claims, we also have tie-ups with various third-party administrators. Our pool of third party administrators assist us in handling insurance claims, and other processing activities.

Revenue contribution by different payer categories is provided in the table below:

(₹ in *million, except %)*

Particulars	Three months ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Revenue from central, state and local government bodies under government schemes	96.07	331.35	273.09	219.07	201.73
Percentage of our total revenue (%)	11.25	10.54	9.82	8.34	8.28
Revenue from insurers acting through third party administrators	281.72	1,049.79	578.22	843.71	718.73
Percentage of our total revenue (%)	32.98	33.40	20.79	32.14	29.49
Revenue from private corporate bodies	9.91	42.15	31.00	38.55	45.05
Percentage of our total revenue (%)	1.16	1.34	1.11	1.47	1.85
Revenue from self-payers	466.41	1,719.83	1,894.06	1,524.14	1,471.90
Percentage of our total revenue (%)	54.61	54.72	68.10	58.05	60.39

AWARDS AND ACCREDITATIONS

Set out below are a list of key awards and accreditations received by us:

Calendar Year	Award/Accreditation	Conferred by
2017	Best CSR Initiative in Healthcare Award	Healthcare Leaders Forum
2017	Best Hospital for Medical Tourism of Gujarat Award	Tourism Awards, Gujarat
2016	The Best Medical Tourism Centre of Gujarat Award	Tourism Awards Gujarat
2016	Gujarat Ratna Award	CNBC
2015	Emerging Tertiary Care Hospital of the Year Award	VCCircle Network
2014	Best Multi-specialty Hospital – Metro	CNBC
2014	Company of the Year Award (In recognition of valuable contribution towards healthcare)	IMA Med Achievers
2014	Hercules Award	Gujarat Innovation Society
2013	Healthcare Service Provider Company of the Year Award (In the category for companies generating annual revenue below ₹5,000 million)	Frost and Sullivan
2012	Best Medium Enterprise Award	Yes Bank and Business Today
2011	FICCI Healthcare Operational Excellence Award	FICCI
2010	Rajiv Gandhi National Quality Award	Bureau of Indian Standards

INTELLECTUAL PROPERTY

Our business is largely dependent on the brand name "Shalby", which has over the years helped us in building brand equity and patient loyalty. As on the date of this Red Herring Prospectus, we have registered 10 trademarks including under the brand name 'Shalby Homecare' and we have filed 13 trademark registration applications with the Registrar of Trademarks, Ahmedabad, for registration of various trademarks including our brand name "Shalby". For further details, see "*Government and Other Approvals – Intellectual Property Rights*" on page 401.

EMPLOYEES AND HUMAN RESOURCE MANAGEMENT

As at June 30, 2017, we have 2,049 employees providing the following services to us. The breakup of manpower engaged by us is as follows:

Category of Employees	Number of Employees (as at June 30, 2017)
Nurses	699
Pharmacists	67
Paramedical Staff	331

Category of Employees	Number of Employees (as at June 30, 2017)
Administration	952
Total	**2,049**

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

We have adopted a risk management policy which *inter alia*, sets out our approach towards risk assessment, risk management, and risk monitoring. Our risk management policy is periodically reviewed by the Board, after taking into consideration changes in market conditions and our internal business strategies, among other things. Through our risk management policy, we seek to constantly monitor and address risks such as technology obsolescence, attrition of talent, competition, and various other business risks, including financial, political and legal risks. Our Company adopts a systematic approach to risk mitigation in relation to each specific type of risk, associated with the accomplishment of corresponding objectives and operations.

We believe that by monitoring and identifying risks on a regular basis, we can refine our internal risk management procedures, and reconcile our risk exposure levels with our risk appetite.

TECHNOLOGY AND INNOVATION

One of our Promoters, Dr Vikram Shah, has been credited by Ethicon India for his involvement in the development of the OS Needle. The OS Needle has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and diminishing high rates of failure that once existed while undertaking orthopaedic surgeries. Apart from use of the OS Needle, we also employ an innovative surgical procedure which we call as 'Zero Technique', that involves minimum incision during the surgery thereby reducing infection rate and the surgical time required to complete a total knee replacement surgery. Dr. Vikram Shah also received a 'Double Helical National Health Award – 2017' for 'outstanding record in knee replacement surgery with his own innovation 'Zero Technique''.

We have implemented a Company-wide resource planning and information management software system, "CareWorks" covering various functions ranging from admission to discharge ("**ERP System**"). Through the ERP System, all our hospitals are able to generate reports with valuable information on a real time basis, thereby facilitating quick decision making and ease of operations. We are currently in the process of implementing a more advanced, integrated version of the ERP System. We also have Picture Archiving and Communication System ("**PACS**") and medical grid monitors at Krishna Shalby, to enable our doctor to view patients' reports, x-ray records, CT scan reports, and MRI scan reports. In addition to our software systems, we also have a well-managed and robust hardware systems in place. Our hardware systems *inter alia*, include secure servers which ensure data security, and blade centres which process power in lesser space, thereby simplifying cabling, storage, and maintenance. All our hospitals are covered extensively with cameras and continuously monitored centrally by our vigilance team.

COMPETITION

While our primary competition comprises hospitals, which are institutionalised hospitals providing primary, tertiary, and quaternary healthcare services, we face varying degrees of competition across the numerous markets that we have a presence in. We believe that we have been able to gain a competitive edge over our competition as a result of constant innovation and technical expertise, particularly, in the field of orthopaedics.

INSURANCE AND LIABILITY

We maintain a number of insurance policies which are in line with industry practices. The insurance policies maintained by us include policies covering professional indemnity, public liability, workmen's compensation, burglary, standard fire and perils, and other accidental risks. Our insurance coverage and choice of policies or the nature of risks covered are not subjected to any independent third party review. We believe that the insurance policies availed by us are adequate, and take into account our scope and scale of business, as well as the potential liabilities that we reasonably anticipate.

Being a part of the healthcare industry, we ensure that we adhere to high standards of care and caution in the treatment of our patients. However, as is the norm in the healthcare industry, we face potential liability for medical negligence, through lawsuits, claims and other legal actions that may be initiated against us by our patients. For further details, please see *"Outstanding Litigation – Litigation involving our Company*" on page 387.

Our handling of bio-medical and hazardous wastes is regulated under environmental legislation that is applicable to us and we may face liability for damages if we were to be in non-compliance with environmental laws. See "*Regulations and Policies*" on page 171.

CORPORATE SOCIAL RESPONSIBILITY

Our Company has adopted a CSR policy in line with the requirements of the Companies Act, 2013, and the Companies (Corporate Social Responsibility) Rules, 2014, notified by the Central Government. Our vision while undertaking CSR activities is as follows:

- Improving the health and hygiene of the socially and economically weaker sections and families by providing free or subsidised consultation, medicine, clinical laboratory facilities, free or concessional treatment at our hospitals, providing first-aid kits, and organising medical and diagnostic camps;

- Ensuring an increased commitment at all levels in our Company, by encouraging employees to participate in our Company's CSR initiatives in an organised manner through volunteering programmes; and

- Setting high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

As a part of our CSR initiatives, we have provided health talks at the offices of various bodies corporate and have also organised multispecialty health camps (including arthroplasty) in various towns such as Ajmer, Alwar, and Kota. Our CSR activities are monitored by the Corporate Social Responsibility Committee. For details of the terms of reference of the Corporate Social Responsibility Committee, see "*Our Management – Committees of the Board – Corporate Social Responsibility Committee*" on page 196.

MARKETING AND PROMOTIONAL ACTIVITIES

We use multiple conventional and unconventional channels in a cost-effective manner to undertake our marketing activities. Our marketing activities are centred on building our brand image, our reputation as a trusted healthcare service provider, and enhancing the flow of patients to our healthcare facilities, using both 'above the line' and 'below the line' strategies. Apart from periodically engaging the services of reputed public relations agencies, our Company has a dedicated team of professionals who oversee different marketing related functions. For our brand building exercises, we regularly use various mass media platforms such as leading English and vernacular print media, hoardings, and radio stations. In the recent past, we have also explored digital marketing channels, including social media, and have identified a specific market segmentation and differentiation approach for greater efficiency and impact, at a relatively low cost.

To ensure brand recall, we publish a monthly newsletter titled the "Shalby Times". The newsletter is mailed to a select database of community opinion leaders, referral doctors, corporate clients and domestic and international patients. This apart, in order to extend its outreach to rural areas, our Company conducts various health camps through the 'Heart Express' and 'Joint Express' initiatives. Through these initiatives, our Company deploys buses to rural areas in Gujarat and offers free consultation services including ECG monitoring, diabetes check-up, blood pressure check-up, and cardiac consultations. To ensure relevance, we invite opinion leaders from the medical fraternity for tours of our multi-specialty hospitals. This gives us the leverage to showcase our infrastructure, our team of doctors, and clinical capability. The planned tours of our hospitals have led to the dissemination of positive word of mouth publicity, through credible personalities of the medical fraternity. For branding and networking, we regularly attend major trade fairs organised in India and abroad. We also undertake screening camps, seminars and health awareness lectures in all targeted markets. Targeting members from the medical fraternity, we conduct 'Continuing Medical' seminars to raise awareness on global developments concerning the healthcare sector. Apart from ensuring that a significant number of patients are referred to us, this initiative also aids us in maintaining healthy relationships with members from the medical fraternity. This apart, by regularly conducting overseas healthcare camps and awareness lectures, our Company has emerged as being one of the leading centres for medical tourism in Gujarat (*Source: F&S Report*).

PROPERTIES

Of our operational hospitals, we own the premises of Krishna Shalby, Shalby Mohali, and Shalby Vapi. Details of the premises are set out below:

(a) Krishna Shalby is set up on a land admeasuring 8,193.96 sq. m., located at 319, Garden City, Ghuma, Via Bopal, Ahmedabad – 380 058, Gujarat, India;

(b) Shalby Mohali is set up on a land admeasuring 4,889.71 sq. m., (5,848.05 sq. yard) located at Phase IX, Sector 63, SAS Nagar, Mohali-160 062, Punjab, India; and

(c) Shalby Vapi is set up on a 5,488.00 sq. m., located at Near Cine Park, Silvassa Road, Vapi – 396 195, Gujarat, India.

Apart from the above, the table below sets out a brief description of the properties occupied by us on a leasehold basis:

Sr. No.	Location	Name of the Hospital	Lease Expiry
1.	Land admeasuring 3,354.32 sq. m., located at Opposite Karnavati Club, S G Highway, Ahmedabad – 380 015, Gujarat, India	SG Shalby	February 28, 2027
2.	Land admeasuring 22,578.00 sq. ft., located at Block #5, House #58, Race Course Road, Indore – 452 001, Madhya Pradesh, India	Shalby Indore	August 15, 2031
3.	Land admeasuring 12,989.68 sq. ft., located at Block #6, House #59, Race Course Road, Indore, Madhya Pradesh, India	Shalby Indore	August 16, 2031
4.	Land admeasuring 3,330.50 sq. m., located at Commercial Plot, near Gandhi Path, 200 Feet Bypass, Sector – 3, Chitrakoot, Vaishali Nagar, Jaipur – 302 021, Rajasthan, India	Shalby Jaipur	February 2, 2106
5.	Land admeasuring 6,879 sq. m., located at Survey #679, Naroda Village, Asarwa Taluk, Ahmedabad – 382 330, Gujarat, India	Shalby Naroda	The Shalby Naroda Lease Deed is valid for a term of 30 years, effective from the date on which the 'building use permission' is granted by the Ahmedabad Municipal Corporation, for use of Shalby Naroda's hospital building.
6.	Land admeasuring 3,762.50 sq. m., located at Survey #475 to Survey #480, T P Scheme #12, Final Plot #29, Adjan, Surat – 395 009, Gujarat, India	Shalby Surat	March 25, 2107
7.	Land admeasuring 402.00 sq. m., located at 6, Rupam Society, Drive In Road, Vijay Char Rasta, Navrangupura, Ahmedabad – 380 009, Gujarat, India	Vijay Shalby	February 28, 2027

REGULATIONS AND POLICIES

Given below is a summary of certain relevant Indian laws and regulations applicable to our Company and our Subsidiaries. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive, and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We operate in multiple segments including (i) setting up hospitals and facilities for manufacturing medical equipment, medicines, pharmaceuticals, other applied goods and articles, (ii) designing, importing, exporting, buying, selling, installing, maintaining, managing and improving all kinds of equipment and instrumentation for hospitals, dispensaries, clinics, laboratories and health clubs, (iii) providing homecare medical services, and (iv) undertaking clinical research trials. For further details, see "Our Business" on page 150.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, see "*Government and Other Approvals*" on page 398.

Given below is a brief description of certain relevant legislations that are currently applicable to the business carried on by us.

INDUSTRY SPECIFIC REGULATIONS

Indian Medical Council Act, 1956 ("IMC Act")

The IMC Act, and the rules thereunder, provide for the maintenance of a medical register in India and primarily deals with the recognition of medical degrees and the grant of licenses to practise the medical profession in India. The Medical Council of India and respective State Medical Councils are bodies that are set up under the IMC Act to monitor and regulate the registration of medical professionals in India. The Medical Council of India and respective State Medical Councils perform various functions including, the recognition of medical qualifications granted by medical institutions in India, the registration of medical practitioners with recognised medical qualifications, and the establishment and maintenance of uniform standards for medical education in India.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("IMC Regulations")

The IMC Regulations set out the code of medical ethics to be followed by medical practitioners in the conduct of their profession. Only a medical practitioner having qualifications duly recognised by the Medical Council of India and registered with the Medical Council of India or any respective State Medical Council is permitted to practise the modern system of medicine or surgery. The IMC Regulations prescribe the duties of medical practitioners which *inter alia*, include the requirement to maintain good medical practice, maintain medical records, display registration numbers, and use of generic names of drugs. Among various restrictions imposed under the IMC Regulations, a medical practitioner is restricted from directly or indirectly, either by himself / herself, or through a group of physicians or institutions or organisations soliciting patients.

Drugs and Cosmetics Act, 1940 ("Drugs and Cosmetics Act")

The Drugs and Cosmetics Act, and the rules thereunder, regulate the import, manufacture, and distribution of drugs in India. Mandating the licensing of import, manufacture, and distribution of drugs in India, the Drugs and Cosmetics Act has been promulgated with a view to ensure that all drugs and cosmetics sold in India are safe, effective, and conform to prescribed quality standards. Apart from having elaborate provisions to check the production and distribution of spurious and substandard drugs in India, the Drugs and Cosmetics Act also prescribes the framework governing the regulatory control over the manufacture and sale of drugs. Drugs that may be sold by a pharmacy or a hospital are classified according to the nature of the license granted, details of which are provided as schedules in the Drugs and Cosmetics Act. The Drugs and Cosmetics Act also prescribes various punishments for contravention of its provisions.

Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act, and the rules thereunder, have been enacted to prohibit persons from producing, manufacturing, cultivating, possessing, selling, purchasing, transporting, storing, and / or consuming narcotic drugs or psychotropic substances. Under the provisions of the NDPS Act, a Narcotics Control Bureau has been set up to monitor the usage of narcotic drugs and psychotropic substances. Chapter IV of the NDPS Act details various offences and sets out the punishment for non-compliance. In accordance thereof, failure to abide with certain provisions of the NDPS Act may be punishable with imprisonment of up to 10 years, which may extend to 20 years. Additionally, offenders may also be punishable with fine, which may extend to ₹0.2 million.

Pharmacy Act, 1948 ("**Pharmacy Act**")

The Pharmacy Act, and the rules thereunder, have been enacted to regulate the profession of pharmacy in India. The Pharmacy Act *inter alia*, sets out the conditions to be registered as a pharmacist in India. These conditions include the requirement for a person to hold a degree or diploma in pharmacy or pharmaceutical chemistry, or a chemist and druggist diploma awarded by an Indian university or State Government, as the case may be. Additionally, all pharmacists registered under the Pharmacy Act are required to be engaged in the compounding of drugs in a hospital or dispensary, or other place in which drugs are regularly dispensed on prescription of medical practitioners for a total period of not less than five years, prior to being registered. In order to carry out the profession of pharmacy, pharmacists are required to have their names duly entered in the register maintained by the Central Council.

Clinical Establishments (Registration & Regulation) Act, 2010 ("Clinical Establishments Act")

The Clinical Establishments Act *inter alia*, regulates all clinical establishments in India, and prescribes certain minimum standards for facilities and services provided by such establishments. The Clinical Establishments Act mandates the registration of therapeutic and diagnostic clinical establishments, across all recognised systems of medicine, with the exception of clinical establishments run by the armed forces. In accordance thereof, the registering authority regulates policy formulation, resource allocation and determination of standards of treatment provided by clinical establishments. This apart, the Clinical Establishments Act lays down guidelines for treatment of common diseases, procedures for registration of such establishments, and also mandates a council body to periodically review the minimum standards followed by clinical establishments.

Ethical Guidelines for Biomedical Research on Human Participants, 2006 ("**ICMR Code**")

The ICMR Code sets out various ethical considerations and standards that have to be complied with while handling cases where human beings are involved as biomedical research participants. The ICMR Code *inter alia*, mandates that any research using human participants follow the principles of essentiality, voluntariness, informed consent, community agreement, non-exploitation, privacy, confidentiality, professional competence, and transparency. The ICMR Code accords prime importance to the dignity and well-being of research participants, and requires that all stages of research involving human participants be subject to strict evaluation by a duly constituted ethics committee. This apart, the ICMR Code also deals with the necessity of informed consent of the human participant before involving such person in research. Further, only competent and qualified persons who act with integrity and impartiality are permitted to conduct research on human participants.

Transplantation of Human Organs Act, 1994 ("**Transplantation Act**")

The Transplantation Act, and the rules thereunder, have been enacted to regulate the removal, storage, and transplantation of human organs for therapeutic purposes, and for the prevention of commercial dealings in human organs. The Transplantation Act *inter alia*, deals with the process for transplantation of human organs and tissues from living donors and cadavers, and sets out the roles and responsibilities of regulatory and advisory bodies constituted for monitoring tissue and organ transplantation in India. This apart, the Transplantation Act sets out particulars pertaining to the manpower and facilities required for registration of a hospital as a transplantation centre, and prescribes the minimum qualifications required to practise as transplant surgeons, cornea, or tissue retrieval technicians.

Atomic Energy Act, 1962 ("**Atomic Energy Act**")

The Atomic Energy Act, and the rules thereunder, regulate the development, control, and use of atomic energy for the welfare of the people of India. Restricting the acquisition, production, possession, use, disposal, export, or import of any substances covered under the Atomic Energy Act, or of any minerals from which such substance may be obtained, the Atomic Energy Act sets out that the aforementioned acts may be undertaken only under a valid license issued by the Central Government. The Atomic Energy Act recognises the Atomic Energy Regulatory Board ("**AERB**"), a regulatory authority which has been set up to regulate the areas of radiotherapy, nuclear medicine, diagnostic radiology, radioimmunoassay laboratory, and radioisotope laboratory in the field of medicine. Various rules, regulations, procedures, and codes prescribed under the Atomic Energy Act prescribe the norms that govern the production, use, and disposal of atomic energy in medical facilities.

Atomic Energy (Radiation Protection) Rules, 2004 ("**Radiation Protection Rules**")

The Radiation Protection Rules prescribed under the Atomic Energy Act *inter alia*, regulates the handling and operation of any radiation generating equipment, and stipulates the requirement for a permission to be obtained for such handling and operating. As per the Radiation Protection Rules, no person is permitted to establish or decommission a radiation installation, or handle or operate any radiation generating equipment, except in accordance with the terms and conditions prescribed under a license obtained in accordance with the Radiation Protection Rules.

It may be noted that sources and practices associated with the operation of brachytherapy, deep x-ray units, superficial and contact therapy x-ray units, and nuclear medicine facilities require authorisations under the Radiation Protection Rules. This apart, medical diagnostic equipment such as therapy simulators, analytical x-ray equipment used for research, and nucleonic gauges require registrations under the provisions of the Radiation Protection Rules. Compliance with the provisions of relevant safety codes and standards, as specified by the AERB, is a condition precedent for grant of license under the Radiation Protection Rules.

Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 ("**X-Ray Safety Code**")

The X-Ray Safety Code prescribed by the AERB regulates radiation safety in the design, installation, and operation of x-ray generating equipment for medical diagnostic purposes. The X-Ray Safety Code *inter alia*, sets out the requirement to ensure that radiation workers and members of the public are not exposed to radiation in excess of limits permissible by the AERB, and to adopt safety directives from time to time. In addition, the X-Ray Safety Code places a liability on persons using x-ray generating equipment to reduce radiation exposures to levels as low as reasonably achievable, and to ensure the availability of appropriate equipment, personnel, and expertise for the safe use of equipment for patient protection. This apart, the X-Ray Safety Code also prescribes various safety specifications for medical diagnostic x-ray equipment and protective devices, and also sets out key particulars in respect of room layouts for x-ray installation, and the radiation protection standards required to be adopted by entities providing x-ray generating equipment for medical diagnostic purposes.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Radiation Surveillance Procedures")

The Radiation Surveillance Procedures, prescribed by the AERB, monitor and regulate the operations and procedures involved in the medical application of radiation. The Radiation Surveillance Procedures *inter alia*, stipulate the requirement for procedures involving radiation equipment to be performed in accordance with a pre-planned surveillance programme, in order to ensure the safety of patients. Under the Radiation Surveillance Procedures, persons are permitted to handle radioactive material only after obtaining a valid license from the AERB. Additionally, the Radiation Surveillance Procedures place an obligation on the radiological safety officer to maintain records of radiation incidents, and set out specifications and details in relation to the commissioning and decommissioning of radiation installations, disposal procedures for radioactive effluents, and the various responsibilities of employers.

Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994 ("**PNDT Act**")

The PNDT Act, and the rules thereunder, have been enacted with the objective of stopping female foeticide, and controlling the declining sex ratio in India. Under the provisions of the PNDT Act, conducting, or helping in the conduct of pre-natal diagnostic techniques in unregistered units, sex selection, conducting pre-natal diagnostic tests for any purposes other than such as permitted under the PNDT Act, and the sale, distribution, supply, renting etc., of any ultrasound machine, or other equipment which is capable of determining the sex of the foetus, are punishable offences. The PNDT Act mandates compulsory registration of all diagnostic laboratories, genetic counselling centres, genetic laboratories, genetic clinics, and ultrasound clinics.

Medical Termination of Pregnancy Act, 1971 ("MTP Act")

The MTP Act has been enacted to regulate the termination of certain pregnancies by registered medical practitioners in India. The MTP Act *inter alia*, sets out the circumstances under which pregnancies may be terminated by registered medical practitioners, and mentions places where such termination of pregnancy may be undertaken. Under the provisions of the MTP Act, the termination of pregnancies by persons who are not registered medical practitioners is a punishable criminal offence. This apart, the MTP Act also protects registered medical practitioners from legal proceedings arising out of any damage caused, or likely to be caused by any act done or intended to be done in good faith.

Consumer Protection Act, 1986 ("Consumer Protection Act")

The Consumer Protection Act, and the rules thereunder, have been enacted to safeguard the interests of consumers, and to provide for a simple mechanism to redress consumer grievances against deficiencies in goods and services for personal use. This apart, the Consumer Protection Act provides for the dismissal of frivolous or vexatious complaints made before the consumer forums. Further, the provisions of the Consumer Protection Act *inter alia*, set out various specifications such as the establishment of consumer protection councils, the manner in which complaints are to be made, and the procedure to be followed upon the admission of such complaint. As per the Consumer Protection Act, failure to comply with orders of the consumer forum shall be punishable with imprisonment for a term which shall not be less than 1 month, but which may extend to 3 years. Additionally, offenders may also be punishable with a fine which shall not be less than ₹2,000, but which may extend to ₹10,000.

Central Government Health Scheme, 1954 ("CGHS")

The CGHS has been promulgated to provide comprehensive medical care to Central Government employees and pensioners. The CGHS provides for diversified health services through allopathic, homeopathic and other systems of medicine. Additionally, the CGHS offers medical facilities to its beneficiaries through wellness centres and polyclinics which are regulated by designated medical officers. The CGHS also sets forth guidelines for issuing medicines, prescribes documents required for obtaining lifesaving drugs, and provides for cashless treatment of certain categories of personnel.

Madhya Pradesh Upcharyagriha Tatha Rujopchar Sambandhi Sthapnaye (Registrikaran Tatha Anugyapan) Adhiniyam, 1973 ("**MP Nursing Home Act**")

The MP Nursing Home Act has been enacted to regulate clinical establishments and nursing homes in the State of Madhya Pradesh. In accordance thereof, any person intending to start, or carry on a clinical establishment or nursing home is required to make an application, at least one month prior to the date of commencing such clinical establishment or nursing home with the jurisdictional supervising authority for an authorisation. Additionally, the MP Nursing Home Act also sets out various specifications, including requirements which have to be met with to set up and operate a clinical establishment, as well as details in respect of the equipment and infrastructure required to set up and operate clinical establishments in the State of Madhya Pradesh.

The Gujarat Emergency Medical Services Act, 2007 ("**Gujarat Medical Services Act**")

The Gujarat Medical Services Act, and the rules thereunder, *inter alia*, mandate the requirement for every person desiring to engage in providing advance life support ambulance services, or basic life support ambulance services in the State of Gujarat to do so only under a valid authorisation. The provisions of the Gujarat Medical Services Act also prescribe various requirements and conditions for operating an ambulance. These requirements and conditions include that the ambulance contain equipment relating to visual and audible signals as may be necessary for emergency vehicles, and that the ambulance carry such medical equipment and supplies as are more fully described under the Gujarat Medical Services Act, and the rules thereunder.

FOOD SAFETY REGULATIONS

Food Safety and Standards Act, 2006 ("**FSS Act**")

The FSS Act, and the rules thereunder, have been enacted to *inter alia*, regulate the manufacture, storage, distribution, sale and import, and to ensure the availability of safe and wholesome food for human consumption. In accordance with the provisions of the FSS Act, no person is permitted to commence or carry on any food business except under a license. The term 'food business' has been defined to mean any undertaking, whether for profit or not, and whether public or private, carrying out any of the activities related to any stage of manufacture, processing, packaging, storage, transportation, distribution of food, import, and includes food services, catering services, sale of food, or food ingredients. The FSS Act recognises the Food Safety and Standards Authority of India, a regulatory authority which has been set up to lay down science-based standards for articles of food, to regulate the manufacture, storage, distribution, sale, and import of food, and to facilitate food safety.

ENVIRONMENT REGULATIONS

Environment (Protection) Act, 1986 ("**EP Act**")

The EP Act, and the rules thereunder, have been enacted to implement the decisions of the United Nations Conference on the Human Environment that relate to the protection and improvement of the human environment, and *inter alia*, prevent the occurrence of hazards to human beings and property. In accordance with the provisions of the EP Act, no person carrying on any industry, operation, or process, is permitted to discharge or emit any environmental pollutants in excess of prescribed standards. The EP Act largely operates as an 'umbrella' legislation which has been designed to provide a framework for the Central Government to coordinate activities of various Central and State Government authorities, established under previous laws such as the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981.

Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act**")

The Water Act, and the rules thereunder, have been enacted to prevent the pollution of water by industrial, agricultural, and household wastewater that can contaminate water sources. The main objective of the Water Act is to provide for prevention, control, and abatement of water pollution and has been enacted in furtherance of maintaining and restoring the wholesomeness of water. The Water Act recognises the Central Pollution Control Board ("**CPCB**"), and respective State Pollution Control Boards ("**SPCB**"), which, in their respective capacities perform various functions including the planning and execution of nation-wide and state-wide programmes for the prevention, control, or abatement of water pollution. The Water Act prohibits the release of any poisonous, noxious, or polluting matter into any water body.

The CPCB from time to time categorises industries into 'red', 'orange', or 'green' depending on the extent of pollution emitted by such industries. All industries falling under any of the aforementioned categories are required to obtain a combined consent to operate their facilities from jurisdictional SPCBs to ensure compliance with the provisions of the Water Act and the Air (Prevention and Control of Pollution) Act, 1981.

Water (Prevention and Control of Pollution) Cess Act, 1977 ("**Water Cess Act**")

The Water Cess Act, and the rules thereunder, have been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries. Such cess is levied by local authorities constituted under the Water Act, with a view to augment the resources of the CPCB and SPCBs, and for the prevention and control of water pollution. Under the provisions of the Water Cess Act, consumers are required to install water meters, and file monthly returns with authorities constituted under the provisions of the Water Cess Act.

Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**")

The Air Act, and the rules thereunder, have been enacted to control and prevent air pollution in India. The main objective of the Air Act is to provide for prevention, control, and abatement of air pollution. Similar to the provisions of the Water Act, the CPCB and respective SPCBs are recognised under the Air Act as regulatory authorities, which are entrusted with the implementation and enforcement of the various provisions of the Air Act. The functions of the CPCB and various SPCBs include carrying out training programmes, planning and executing such programmes at a national and state level to raise awareness on air pollution control. The Air Act provides for the declaration of 'air pollution control areas' within the precincts of which the use of certain fuels is prohibited. Additionally, the Air Act also seeks to prevent emissions which are in excess of prescribed standards.

The CPCB, from time to time, categorises industries into 'red', 'orange', or 'green' depending on the extent of pollution emitted by such industries. All industries falling under any of the aforementioned categories are required to obtain a combined consent to operate their facilities from jurisdictional SPCBs to ensure compliance with the provisions of the Water Act and Air Act.

Biomedical Waste Management Rules, 2016 ("**Biomedical Waste Rules**")

The Biomedical Waste Rules have been enacted to improve the collection, segregation, processing, treatment, and disposal of biomedical wastes in an environmentally sound manner. The Biomedical Waste Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose, or handle biomedical waste in any form, including hospitals, nursing homes, clinics, and dispensaries. In accordance with the provisions of the Biomedical Waste Rules, every person handling biomedical waste is required to obtain an authorisation for handling such biomedical waste.

Any person having administrative control over an institution generating biomedical waste is under an obligation under the Biomedical Waste Rules to take all necessary steps to ensure that the biomedical waste is handled without any adverse effect to human health, and environment. Such person, referred to as an 'occupier' under the Biomedical Waste Rules is required to make provisions for safe storage of segregated biomedical waste, pre-treat laboratory waste (including blood samples), and provide training to all healthcare workers, and others involved in the handling of biomedical waste from time to time.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("**Hazardous Wastes Rules**")

The Hazardous Wastes Rules have been enacted to ensure resource recovery and disposal of hazardous wastes, as defined under the Hazardous Wastes Rules in an environmentally sound manner. The Hazardous Wastes Rules apply to all persons who handle, generate, collect, store, pack, transport, use, treat, process, recycle, recover, pre-process, co-process, utilise, offer for sale, transfer, or dispose hazardous and other wastes. In accordance with the provisions of the Hazardous Wastes Rules, every person undertaking any of the aforementioned activities with hazardous, and other wastes, is required to obtain an authorisation for undertaking such activities. Further, an occupier is *inter alia*, under an obligation to ensure the safe and environmentally sound management of hazardous and other wastes. It may be noted that wastes defined under the Hazardous Wastes Rules are to be disposed only in a facility, duly authorised under the provisions of the Hazardous Wastes Rules.

LAWS RELATING TO TAXATION

Service Tax

Chapter V of the Finance Act, 1994, as amended ("**Finance Act**") provides for levy of service tax in respect of taxable services as defined under the provisions of the Finance Act. The service provider of taxable services is required to collect service tax from the recipient of such services, and pay such tax to the Government. Every person who is liable to pay service tax must register with appropriate authorities. According to Rule 6 of the Service Tax Rules, 1994, an assessee is required to pay service tax in TR 6 challan, by the 6^{th} day of the month immediately following the month to which it relates.

Goods and Service Tax Act, 2016 ("**GST Act**")

On August 8, 2016, the Lok Sabha unanimously passed the 122^{nd} Constitutional Amendment Bill, thereby introducing the goods and services regime. GST provides for imposition of tax on the supply of goods or services and is levied at two levels, central GST, and state GST, along with an integrated GST, for inter-state supply of goods or services. GST replaces a majority of indirect taxes and duties that are in place currently at the central and state levels, and is applicable on all goods with the exclusion of alcohol for human consumption, real estate and electricity.

LAWS RELATING TO EMPLOYMENT

In undertaking its operations, our Company is required to ensure compliance with various employment laws. These include, but are not restricted to:

(i) Contract Labour (Regulation & Abolition) Act, 1970;

(ii) Employees Compensation Act, 1923;

(iii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(iv) Employees' State Insurance Act, 1948;

(v) Equal Remuneration Act, 1976;

(vi) The Maternity Benefit Act, 1961;

(vii) Industrial Disputes Act, 1947;

(viii) Minimum Wages Act, 1948;

(ix) Payment of Bonus Act, 1965;

(x) Payment of Gratuity Act, 1972;

(xi) Payment of Wages Act, 1936;

(xii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and

(xiii) Relevant State Shops and Commercial Establishments Act.

HISTORY AND CERTAIN CORPORATE MATTERS

BRIEF HISTORY OF OUR COMPANY

Our Company was originally incorporated as Shalby Hospital Private Limited on August 30, 2004 at Ahmedabad, Gujarat, India, as a private limited company under the Companies Act, 1956. Subsequently, our Company was converted to a public limited company and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on May 15, 2006 in the name of Shalby Hospital Public Limited. The name of our Company was subsequently changed to Shalby Hospitals Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on July 26, 2006. Thereafter, the name of our Company was changed to Shalby Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on February 13, 2008. The change to the name of our Company from Shalby Hospital Private Limited to Shalby Hospital Public Limited was undertaken upon conversion of our Company from a private limited company to a public limited company. Subsequent changes to the name of our Company to Shalby Hospitals Limited and Shalby Limited were undertaken to explore other activities as mentioned in the main objects of the Memorandum of Association.

For a description of our business and the locations of our hospitals, see "*Our Business*" on page 150.

For a description of schemes of arrangements involving our Company, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers, and Amalgamations*" on page 184.

CHANGES IN REGISTERED OFFICE

The details of changes in the registered office of our Company are given below:

Date of change of registered office	Details of the address of registered office
July 1, 2009	Pursuant to the Board resolution dated July 1, 2009, our registered office was shifted from #6, Rupam Society, Vijay Cross Road, Near Memnagar Fire Station, Navrangpura, Ahmedabad – 380 009, Gujarat, India to Opposite Karnawati Club, Sarkhej Gandhinagar Highway, Near Prahlad Nagar Garden, Ahmedabad – 380 015, Gujarat, India

The change in the registered office was made to ensure operational efficiency and to meet growing business requirements.

MEMORANDUM OF ASSOCIATION OF OUR COMPANY

Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

"*1. To undertake, promote, assist, or engage in all kinds of research and development work required to promote, assist in, or engage in the establishment of hospitals, and setting up of manufacturing facilities and servicing facilities for medical equipment, medicines, pharmaceuticals, chemicals, artificial human body parts, and other applied goods and articles.*

2. To carry on the business of all kinds of hospitals, dispensaries, clinics, laboratories and health clubs and permissible services centre within hospital by the company.

3. To design, import, export, buy, sell, install, maintain and improve all kinds of equipment and instrumentation for hospitals, dispensaries, clinics, laboratories and health clubs.

4. To set up laboratories, purchase and acquire any equipment and instruments required for carrying out medical research.

5. To carry on the business to establish, organize, acquire, undertake, promote, develop, own, run, manage, operate, administer home-based healthcare centres, chemist shops, blood banks, and to provide fully equipped intensive-care units reinforcement in medical emergency, doctor on call, to provide nurses on hourly basis, round the clock, to rent medical equipment and machineries, to provide on-line and off line, all types of medicines and delivery at door step, basic and advanced life support, bed-to-bed services, fully equipped intensive-care unit backup stick, intra-aortic balloon pump facility, restorative help, and rescue vehicle that suits the necessities of individuals and association for all.

6. To carry on the business to promote, encourage, establish, develop, maintain, organize, undertake, manage, operate, conduct, and run medical academies and medical educational institutions, research centres, training facilities, coaching centres, and to provide a wide range of coaching and training for courses including paramedical, nursing, *operation theatre technology, dialysis technology, medical laboratory technology, X-ray technology, radiography, medical imaging technology, and to issue certifications upon successful completion of training and coaching."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out, and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see "*Objects of the Offer*" on page 106.

Amendments to the Memorandum of Association

Set out below are the amendments to the Memorandum of Association since the incorporation of our Company:

Date of Shareholders' Resolution	Particulars
April 10, 2006	Clause I of the Memorandum of Association was amended to reflect the new name of our Company, "Shalby Hospital Public Limited".
June 20, 2006	Clause V of the Memorandum of Association was amended to reflect the increase in authorized share capital of ₹10 million divided into 1,000,000 Equity Shares to ₹100 million divided into 10,000,000 Equity Shares.
July 13, 2006	Clause I of the Memorandum of Association was amended to reflect the new name of our Company, "Shalby Hospitals Limited".
April 2, 2007	Clause III (C) of the Memorandum of Association was altered to include the following incidental or ancillary objects: *"56. To carry on business of jewelers, bullion merchants, goldsmiths, silversmiths, gems and stone merchants and to engage in the business of buying, selling, making, importing, exporting, repairing, altering, exchanging, storing, ornamenting, designing bullion like gold, silver, rubies, pearls, diamonds, emeralds and other precious stones and metals whether natural or man made in physical form whether with or without delivery in current market or in futures market and generally to mine, prospect, buy, sell, resell, procure, market, supply, import, export, distribute, repair, let on hire or hire-purchase system, keep in deposit or safe custody, process, carry out job-work, alter, exchange, improve, utilize, indent, store, stock, prepare, manufacture, produce, process, deal in rubies, pearls, diamonds, precious and semi-precious stones, agates, jewellery, gold, silver, electroplates, coins, curions, articles of art and antiquities, bronzes and like metals, articles, things.* *57. To carry on the business of Full Pledge and / or Restrictive Money Changers and Authorized Dealers of foreign currencies and to buy, sell and deal in foreign currencies of all kinds and types whether in the form of coins, bank notes or traveler cheque, credit cards, debit cards, wire transfers or conduct transactions of all types, and descriptions in foreign currencies and to convert foreign currencies into Indian rupees and vice versa and to apply and to take license from Reserve Bank of India as per requirement of Section 1 of Foreign Exchange Management Act, 1999 and also to take registrations as per the requirements under any other statute, law or legal enactments and subject to the prevailing guidelines/policies and with required approvals of Reserve Bank .of India / Central Government and to deal in foreign exchange and to provide all sorts of services related thereto."*
December 24, 2007	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of ₹100 million divided into 10,000,000 Equity Shares to ₹250 million divided into 25,000,000 Equity Shares.
January 30, 2008	Clause I of the Memorandum of Association was amended to reflect the new name of our Company, "Shalby Limited".
August 16, 2010	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of ₹250 million divided into 25,000,000 Equity Shares to ₹500 million divided into 50,000,000 Equity Shares.
October 14, 2011	Clause V of the Memorandum of Association was amended to reflect the reclassification of the authorized share capital of ₹500 million divided into 50,000,000 Equity Shares to 48,000,000 Equity Shares and 2,000,000 Preference Shares.
September 3, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of ₹500 million divided into 48,000,000 Equity Shares and 2,000,000 Preference Shares to ₹892.50 million divided into 87,250,000 Equity Shares and 2,000,000 Preference Shares.

Date of Shareholders' Resolution	Particulars
April 30, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of ₹892.50 million divided into 87,250,000 Equity Shares and 2,000,000 Preference Shares to ₹942.50 million divided into 92,250,000 Equity Shares and 2,000,000 Preference Shares.
August 5, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of ₹942.50 million divided into 92,250,000 Equity Shares and 2,000,000 Preference Shares to ₹1,012.50 million divided into 99,250,000 Equity Shares and 2,000,000 Preference Shares.
February 6, 2017	Clause III(A) of the Memorandum of Association was altered to replace Object III(A)(1) with the following object: "*1. To undertake, promote, assist, or engage in all kinds of research and development work required to promote, assist in, or engage in the establishment of hospitals, and setting up of manufacturing facilities and servicing facilities for medical equipment, medicines, pharmaceuticals, chemicals, artificial human body parts, and other applied goods and articles.*"
February 6, 2017	Clause III(A) of the Memorandum of Association was altered to include the following objects: *"5. To carry on the business to establish, organize, acquire, undertake, promote, develop, own, run, manage, operate, administer home-based healthcare centres, chemist shops, blood banks, and to provide fully equipped intensive-care units reinforcement in medical emergency, doctor on call, to provide nurses on hourly basis, round the clock, to rent medical equipment and machineries, to provide on-line and off line, all types of medicines and delivery at door step, basic and advanced life support, bed-to-bed services, fully equipped intensive-care unit backup stick, intra-aortic balloon pump facility, restorative help, and rescue vehicle that suits the necessities of individuals and association for all.* *6. To carry on the business to promote, encourage, establish, develop, maintain, organize, undertake, manage, operate, conduct, and run medical academies and medical educational institutions, research centres, training facilities, coaching centres, and to provide a wide range of coaching and training for courses including paramedical, nursing, operation theatre technology, dialysis technology, medical laboratory technology, X-ray technology, radiography, medical imaging technology, and to issue certifications upon successful completion of training and coaching."* Further, Clause V of the Memorandum of Association was amended to reflect the increase in the authorized share capital of ₹1,012.50 million divided into 99,250,000 Equity Shares and 2,000,000 Preference Shares to ₹1,112.50 million divided into 109,250,000 Equity Shares and 2,000,000 Preference Shares.
February 6, 2017	Clause V of the Memorandum of Association was amended to reflect the reclassification of the authorized share capital of ₹1,112.50 million divided into 109,250,000 Equity Shares and 2,000,000 Preference Shares to 111,250,000 Equity Shares.
July 13, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in the authorised share capital of ₹1,112,500,000 divided into 111,250,000 Equity Shares was increased to ₹1,177,500,000 divided into 117,750,000 Equity Shares.

MAJOR EVENTS AND MILESTONES OF OUR COMPANY

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2007	Established and commenced operations of our first multi-specialty hospital, SG Shalby, at Sarkhej Gandhinagar Highway in Ahmedabad
2013	Krishna Shalby commences operations
2013	Shalby Vapi commences operations
2015	Shalby Jabalpur commences operations
2016	Shalby Indore commences operations
2016	Executed a memorandum of understanding with ZH Private Limited to manage and operate Zynova Shalby
2016	Executed an O&M agreement with Kamesh Hospital to commence operations of Shalby Mohali
2017	Entered into an agreement with Bait Al Batterjee Medical Company LLC, Dubai, to provide outpatient orthopaedics and spine surgeries

AWARDS AND ACCREDITATIONS

We have been given the following awards and accreditations:

Calendar Year	Award/Accreditation	Conferred by
2017	Best CSR Initiative in Healthcare Award	Healthcare Leaders Forum

Calendar Year	Award/Accreditation	Conferred by
2017	The Best Hospital for Medical Tourism of Gujarat Award	Tourism Awards Gujarat
2016	The Best Medical Tourism Centre of Gujarat Award	Tourism Awards Gujarat
2016	Gujarat Ratna Award	CNBC
2015	Emerging Tertiary Care Hospital of the Year Award	VCCircle Network
2014	Best Multi-specialty Hospital – Metro	CNBC
2014	Company of the Year Award (In recognition of valuable contribution towards healthcare)	IMA Med Achievers
2014	Hercules Award	Gujarat Innovation Society
2013	Healthcare Service Provider Company of the Year Award (In the category for companies generating annual revenue below ₹5,000 million)	Frost and Sullivan
2012	Best Medium Enterprise Award	Yes Bank and Business Today
2011	FICCI Healthcare Operational Excellence Award	FICCI
2010	Rajiv Gandhi National Quality Award	Bureau of Indian Standards

OTHER DETAILS REGARDING OUR COMPANY

For details regarding the description of our activities, the growth of our Company, services offered by our Company, market of each segment, facility creation, market capacity build-up, environmental issues, marketing and competition, see "*Our Business*" and "*Industry Overview*" on pages 150 and 128 respectively.

For details regarding our management and its managerial competence, see "*Our Management*" on page 187.

For details regarding profits due to foreign operations, see "*Financial Statements*" on page 217.

Strikes, lock-outs, injunctions, and restraining orders

There have been no lock-outs or strikes at any time in our Company and our Company is not operating under any injunction or restraining order.

Capital raising activities through equity and debt

Except as mentioned in "*Capital Structure*" on page 87, our Company has not raised any capital through equity. For details of the outstanding debt facilities of our Company, see "*Financial Indebtedness*" and "*Financial Statements*" on page 385 and 217, respectively.

Defaults or rescheduling of borrowings with financial institutions / banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions / banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

There have been no instances of significant time and cost overruns in the development or construction of any of our projects or establishments.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit / loss account of our Company, including discontinuance of a line of business, loss of agencies or markets and similar factors. For details, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 150 and 354, respectively.

Interest in our Company

None of our Subsidiaries have any interest in our Company's business other than as stated in "*Our Business*" and "*Financial*

Statements" on pages 150 and 217, respectively.

Our Shareholders

Our Company has 95 Shareholders as of the date of this Red Herring Prospectus. For further details regarding our Shareholders, see "*Capital Structure – Shareholding Pattern of our Company*" on page 98.

Strategic or Financial Partners

Our Company does not have any strategic or financial partner.

Our Holding Company

Our Company does not have a holding company.

OUR SUBSIDIARIES

Our Company has four Subsidiaries. Unless stated otherwise, information in relation to our Subsidiaries is as on the date of this Red Herring Prospectus.

(a) Shalby International Limited ("Shalby International")

Corporate Information

Shalby International was incorporated as Shalby Pune Limited on September 5, 2012 as a public limited company under the Companies Act, 1956 with the corporate identity number U65923GJ2012PLC071824. It has its registered office at Shalby Hospitals, Opposite Karnawati Club, S G Highway, Ahmedabad – 380 015, Gujarat, India.

The main objects of Shalby International as per its charter documents *inter alia*, include investing, acquiring, holding, underwriting, selling, or otherwise dealing in shares, stocks, debenture stocks, bonds, negotiable instruments, and securities of any company, including, but not limited to group companies, subsidiaries, associated companies, and government companies. Shalby International is currently not involved in any business and is purported to act as an investing company for our Subsidiaries, Group Entities, and associate companies.

Capital Structure

The authorised share capital of Shalby International is ₹10 million divided into 1,000,000 equity shares of face value of ₹10 each, and the issued, paid-up, and subscribed share capital of Shalby International is ₹500,000, divided into 50,000 equity shares of face value ₹10 each.

Shareholding

As on the date of this Red Herring Prospectus, the issued and paid-up share capital of Shalby International is as set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares (of face value of ₹10 each)	Percentage of shareholding (%)
1.	Shalby Limited	49,400	98.80
2.	Maitreya Shah (beneficially, in favour of our Company)	100	0.20
3.	Dr Vikram Shah (beneficially, in favour of our Company)	100	0.20
4.	Dr Darshini Shah (beneficially, in favour of our Company)	100	0.20
5.	Kiritbhai Shah (beneficially, in favour of our Company)	100	0.20
6.	Shanay Shah (beneficially, in favour of our Company)	100	0.20
7.	Veenaben Shah (beneficially, in favour of our Company)	100	0.20
TOTAL		**50,000**	**100.00**

(b) Vrundavan Shalby Hospitals Limited ("VSHL")

Corporate Information

VSHL was incorporated as Vrundavan Hospital & Research Centre Private Limited on May 10, 1995 as a private limited company under the Companies Act, 1956 with the corporate identity number U85110GA1995PLC001851. It has its registered office at Vrundavan Hospital and Research Centre, Karaswada P Otivim Industrial Estate, Bardez, Goa – 403 507, India.

The main objects of VSHL as per its charter documents *inter alia*, include managing, establishing, administering, owning and running hospitals, nursing homes, clinics, polyclinics, dispensaries, maternity homes, blood banks, child welfare and family planning centres, diagnostic centres, immunization centres, medical research centres and laboratories, including pathological laboratories for scientific, technical, health and medical research and experiments, and to run x-ray, ECG, clinics, and to carry on the business of running crèches. VSHL is involved in the business of owning and operating hospitals. The operations of Vrundavan Shalby have temporarily been suspended by our Company from December, 2016.

Capital Structure

The authorised share capital of VSHL is ₹20 million divided into 200,000 equity shares of face value ₹100 each, and the issued, paid-up share capital of VSHL is ₹18 million divided into 180,000 equity shares of face value ₹100 each.

Shareholding

As on the date of this Red Herring Prospectus, the issued and paid-up share capital of VSHL is as set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares (of face value of ₹100 each)	Percentage of shareholding (%)
1.	Shalby Limited	179,993	99.99
2.	Dr Vikram Shah (beneficially, in favour of our Company)	1	*Negligible*
3.	Dr Darshini Shah (beneficially, in favour of our Company)	1	*Negligible*
4.	Ravi Bhandari (beneficially, in favour of our Company)	2	*Negligible*
5.	Shyamal Joshi (beneficially, in favour of our Company)	1	*Negligible*
6.	Viral Shah (beneficially, in favour of our Company)	1	*Negligible*
7.	Shanay Shah (beneficially, in favour of our Company)	1	*Negligible*
TOTAL		**180,000**	**100.00**

(c) Yogeshwar Healthcare Limited

Corporate Information

Yogeshwar Healthcare was incorporated as a public limited company under the Companies Act, 1956 on June 10, 1997 with the corporate identity number U85110GJ1997PLC032486. It has its registered office at 319, Green City, Ghuma, Ahmedabad – 380 058, Gujarat, India.

The main objects of Yogeshwar Healthcare as per its charter documents *inter alia*, include establishing, erecting, maintaining, running, managing, developing, owning, acquiring, purchasing, undertaking, improving, equipping, promoting, initiating, encouraging, subsidising, and organising hospitals, dispensaries, clinics, diagnostic centres, polyclinics, pathology laboratories, catheterization laboratories, operation theatres, chemist shops, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centres, house, health spas, gymnasiums, meditation centres, and other similar establishments for providing treatment and medical reliefs. Yogeshwar Healthcare is currently involved in the business of healthcare services.

Capital Structure

The authorised share capital of Yogeshwar Healthcare is ₹7.50 million, divided into 750,000 equity shares of face value ₹10 each, and the issued, paid-up and subscribed share capital of Yogeshwar Healthcare is ₹7.35 million, divided into 735,369 equity shares of face value ₹10 each.

Shareholding

As on the date of this Red Herring Prospectus, the issued and paid-up share capital of Yogeshwar Healthcare is as set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares (of face value of ₹10 each)	Percentage of shareholding (%)
1.	Shalby Limited	696,252	94.68
2.	Zodiac Mediquip Limited	22,041	3.00
3.	Muthusamy Krishnamurthy jointly with Lalitha Krishnamurthy	8,036	1.09
4.	Balaji Gopalakrishnan jointly with Sarada Krishnamurthy	8,036	1.09
5.	Shashin Parikh	793	0.11
6.	Atul Choksi	201	0.03
7.	Shyamal Joshi	2	Negligible
8.	Ravi Bhandari	2	Negligible
9.	Shanay Shah	2	Negligible
10.	Jayesh Patel	2	Negligible
11.	Nishita Shukla	2	Negligible
TOTAL		**735,369**	**100.00**

(d) Shalby (Kenya) Limited ("Shalby Kenya")

Corporate Information

Shalby Kenya was incorporated on June 9, 2011 as a limited company under the laws of Kenya with the corporate identity number CPR / 2011 / 49589. It has its registered office at Plot #1870 / II / 236, the Pride Rock #6, Donyo Sabuk Avenue, Off General Mathenge Drive, P O Box 69952 – 00400, Nairobi, Kenya.

The main objects of Shalby Kenya as per its charter documents *inter alia*, include carrying on the business of all kinds of hospitals, dispensaries, clinics, laboratories, and providing other permitted services within hospitals established by Shalby Kenya. Shalby Kenya is currently involved in setting up and operating clinics and SACE in Africa.

Capital Structure

The authorised share capital of Shalby Kenya is KES 100,000, divided into 100 ordinary shares of KES 1,000 each, and the issued, paid-up and subscribed share capital of Shalby Kenya is KES 100,000, divided into 100 ordinary shares of KES 1,000 each.

Shareholding

As on the date of this Red Herring Prospectus, the issued and paid-up share capital of Shalby Kenya is as set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares (of face value of KES 1,000 each)	Percentage of shareholding (%)
1.	Shalby Limited	99	99.00
2.	Nilesh Soni	1	1.00
TOTAL		**100**	**100.00**

(e) None of the Subsidiaries (i) are listed on any stock exchange in India or abroad; (ii) have been refused listing of any securities at any time, by any stock exchange in India or abroad; (iii) have become a sick company under the meaning of SICA; or (iv) have any winding up proceedings initiated against them.

(f) Significant sale / purchase between our Subsidiaries and our Company

Our Subsidiaries are not involved in any significant sales or purchases with our Company where such sales or purchases exceed the aggregate value of 10% of the total sales or purchases of our Company.

(g) Common pursuits

Our Subsidiaries are engaged in lines of business that are similar to our Company. Conflict in operations of our Subsidiaries and our Company may arise to the extent of providing healthcare services.

(h) Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements

(i) Business interest between our Company and our Subsidiary

Our Subsidiaries do not have any business interest in our Company.

(j) Joint ventures of our Company

Our Company does not have any joint ventures.

SUMMARY OF KEY AGREEMENTS

Unless otherwise defined or repugnant to the context thereof, defined terms used in the descriptions below have the meanings given to such terms under the respective agreements.

(a) Memorandum of understanding dated November 3, 2017 ("ABC MoU") between our Company, Ahmedabad Bariatrics and Cosmetics Private Limited ("ABC"), Mahendra Narwaria, and Sanjay Patolia ("Doctor Selling Shareholders")

Our Company, ABC, and the Doctor Selling Shareholders have executed the ABC MoU to record our Company's intention to purchase 100% of ABC's equity share capital from the Doctor Selling Shareholders. As on the date of execution of the MoU, the Doctor Selling Shareholders jointly held 82.1% of ABC's equity share capital. In accordance with the terms of the MoU, the Company shall acquire 100% of ABC's equity share capital from the Doctor Selling Shareholders ("**Contemplated Acquisition**") only upon the Doctor Selling Shareholders acquiring 100% of ABC's equity share capital from the other existing shareholders of ABC before the execution of the definitive agreements for the Contemplated Acquisition ("**Definitive Agreements**"). ABC is engaged in running a chain of hospitals at Ahmedabad, Rajkot, Surat and Hyderabad, and the Doctor Selling Shareholders are associated with ABC and provide their services to the patients of ABC. As a part of the Contemplated Transaction, the Doctor Selling Shareholders will be associated with our Company as "totally committed consultants" for a term of 10 years from the date of execution of the Definitive Agreements, which may be extended for a further term of five years.

The ABC MoU is valid for a period of three months from the date of its execution, and can be further extended by mutual consent among the parties. The terms of the ABC MoU are not legally binding on our Company, ABC, and the Selling Shareholders and may be amended only by mutual consent of all parties.

ACQUISITION OF BUSINESS, MERGERS AND AMALGAMATIONS

(a) Scheme of arrangement between our Company and Yogeshwar Healthcare

By way of a memorandum of understanding dated September 13, 2012, executed between Yogeshwar Healthcare, Atul Choksi, and our Company ("**YHL MoU**"), our Company had agreed to purchase 100% of Yogeshwar Healthcare's equity share capital from Atul Choksi and the then existing shareholders of Yogeshwar Healthcare for a consideration of ₹295.37 million. Further, our Company also agreed to acquire Krishna Shalby, being the hospital located at #319, Green City Ghuma, Bopal, Ahmedabad – 380 058, with all assets and equipment lying therein, by way of a court convened demerger. This apart, by way of the YHL MoU, our Company also acquired the leasehold rights to the hospital located near Balvatika, Maninagar, Ahmedabad – 380 028 ("**Maninagar Hospital**"), with all assets and equipment lying therein. Further, in accordance with the terms of the YHL MoU, our Company purchased the land on which Krishna Shalby is constructed on for a consideration of ₹52.70 million. Since the Maninagar Hospital was occupied on a leasehold basis, such leasehold rights were transferred to our Company. Subsequently, by way of a resolution dated January 17, 2013, our Board approved a scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956, involving the demerger of a business unit, and restructuring of Yogeshwar Healthcare, by way of a reduction in Yogeshwar Healthcare's capital ("**YHL Demerger Scheme**"). The YHL Demerger Scheme *inter alia*, contemplated the transfer of all assets, properties, reserves, movable and immovable properties, industrial and other licenses, debts, liabilities, duties and obligations of Yogeshwar Healthcare's Ghuma division to our Company ("**YHL Demerged Undertaking**"). The petition for approval of the YHL Demerger Scheme was filed in the High Court of Gujarat and an order approving the petition was pronounced on September 3, 2013.

In terms of the order, all the properties pertaining to, and all liabilities having arisen immediately before the appointed date concerning the YHL Demerged Undertaking were transferred to our Company. Such properties and liabilities were transferred on a going concern basis at values appearing in the books of the YHL Demerged Undertaking. Upon the YHL Demerger Scheme becoming effective, the authorized share capital of Yogeshwar Healthcare stood reduced by ₹392.50 million, and that of our Company, increased to ₹892.50 million. The appointed date for the demerger as identified in the YHL Demerger Scheme was April 1, 2012.

In consideration of the demerger, every shareholder of Yogeshwar Healthcare was entitled to receive one Equity Share against 51 equity shares held by them in Yogeshwar Healthcare's paid-up capital. Resultantly, on December 19, 2013, our Company allotted an aggregate of 38,352 Equity Shares to the shareholders of Yogeshwar Healthcare. Upon the YHL Demerger Scheme becoming effective and with effect from the appointed date as indicated above, our Company was required to record the assets and liabilities of the YHL Demerged Undertaking at such book values as were appearing in the books of Yogeshwar Healthcare, without taking into account any revaluations. Additionally, our Company was also required to credit its share capital account with the aggregate face value of the Equity Shares issued to the then existing shareholders of Yogeshwar Healthcare pursuant to the YHL Demerger Scheme, and also give effect to the reduction of capital carried out by Yogeshwar Healthcare by reducing its investment value in its books of accounts on a proportionate basis.

(b) Scheme of amalgamation between our Company and Hari Om Healthcare Private Limited ("Hari Om Healthcare")

By way of an agreement dated March 28, 2014, executed among Sanjay Desai, Shilpa Desai, Hari Om Healthcare and our Company ("**Hari Om Agreement**"), our Company agreed to purchase 100% of Hari Om Healthcare's equity share capital ("**Sale Shares**") from Sanjay Desai and Shilpa Desai. This apart, as per the Hari Om Agreement, it was agreed that Shilpa Desai will transfer the land admeasuring 5,447.50 sq. ft., situated at Block 5, Dr Roshan Singh Bhandari Marg, Indore – 452 001, Madhya Pradesh, India, along with the hospital building and unused material lying thereon ("**Indore Property**"), to our Company. In consideration of the Sale Shares and the Indore Property, our Company has advanced an amount of ₹730.60 million to Sanjay Desai and Shilpa Desai.

Subsequently, by way of a resolution dated December 22, 2014, our Board approved the scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956, involving an amalgamation between Hari Om Healthcare and our Company ("**HOHPL Scheme**"). Since our Company and Hari Om Healthcare were both involved in similar lines of business, and *inter alia*, intended to achieve economies of scale, efficiency, and optimization of logistics and distribution network, greater integration and greater financial strength of our Company, the HOHPL Scheme contemplated that the entire undertaking of Hari Om Healthcare be transferred to our Company. Such transfer of undertaking *inter alia*, included the transfer of all properties, rights, obligations, liabilities, and assets of Hari Om Healthcare to our Company with effect from the appointed date. The petition for approval of the HOHPL Scheme was filed in the High Court of Gujarat, and an order of approval was pronounced on April 30, 2015. Upon the HOHPL Scheme becoming effective, ₹50 million, being the authorized share capital of Hari Om Healthcare, stood transferred to the authorised share capital of our Company, increasing it to ₹942.50 million.

The appointed date for the amalgamation as identified in the HOHPL Scheme was April 1, 2014.

Since Hari Om Healthcare was a wholly-owned subsidiary of our Company, the equity shares held by our Company in Hari Om Healthcare stood cancelled and extinguished on the HOHPL Scheme becoming effective. The value of the assets and liabilities of Hari Om Healthcare were accounted by our Company in compliance with the 'Purchase Method' prescribed under 'Accounting Standard 14 – Accounting for Amalgamations', prescribed pursuant to the Companies (Accounting Standard) Rules, 2006, as amended.

(c) Scheme of amalgamation between our Company, Shalby Surat Hospitals Private Limited ("Shalby Surat"), and Kusha Healthcare Limited ("Kusha Healthcare")

By way of a share purchase agreement dated March 23, 2012, executed among our Company, Kusha Healthcare, Ketan Shah, Shilpa Shah, and Ketan N Shah HUF, our Company purchased 600,000 equity shares of Kusha Healthcare, representing 60% of Kusha Healthcare's then existing equity share capital for a consideration of ₹88 million. Subsequently, by way of a shareholders' agreement dated September 10, 2012 ("**Kusha Shareholders' Agreement**"), 15% of Kusha Healthcare's then existing equity share capital, held by Ketan Shah, Shilpa Shah, Bobby Patel, Dimple Patel, and Lifeline Charitable Trust was purchased by our Company for a consideration of ₹27 million. By way of an amendment agreement dated April 16, 2016, which was executed among the parties to the Kusha Shareholders' Agreement, our Company purchased the remainder 25% of Kusha Healthcare's equity shares from Kusha Healthcare's then existing equity shareholders for a consideration of ₹38.83 million.

Thereafter, by way of a resolution dated March 26, 2016, our Board approved the scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956, involving a merger of Shalby Surat and Kusha Healthcare with our Company ("**SSHPL Scheme**"). Since our Company, Shalby Surat and Kusha Healthcare had perfect synergies of businesses, with an intention to improve operational efficiency, scale up business and achieve greater focus, the SSHPL Scheme contemplated that the entire undertaking of Shalby Surat and Kusha Healthcare be transferred to our Company. Such transfer of undertaking of Shalby Surat and Kusha Healthcare *inter alia*, included the transfer of their respective properties, rights, obligations, debts, liabilities, duties, and assets. The petition for approval of the SSHPL Scheme was filed in the High Court of Gujarat, and an order of approval was pronounced on August 5, 2016. Upon the SSHPL Scheme becoming effective, ₹10 million, and ₹60 million, being the authorized share capital of Shalby Surat and Kusha Healthcare respectively, stood transferred to the authorised share capital of our Company, increasing it to ₹1,012.50 million. The appointed date for the merger as identified in the SSHPL Scheme was April 1, 2015.

Since Shalby Surat and Kusha Healthcare were wholly-owned subsidiaries of our Company, the equity shares held by our Company in Shalby Surat and Kusha Healthcare stood cancelled and extinguished on the SSHPL Scheme becoming effective. For the purposes of accounting, the value of the assets and liabilities of Shalby Surat and Kusha Healthcare in the books of our Company were treated at either fair value or book value as determined by the Board of Directors of our Company, as of the appointed date. The value of the assets and liabilities of Shalby Surat and Kusha Healthcare were accounted for by our

Company in compliance with the 'Purchase Method' prescribed under 'Accounting Standard 14 – Accounting for Amalgamations', prescribed pursuant to the Companies (Accounting Standard) Rules, 2006, as amended.

(d) Scheme of arrangement between our Company and Kamesh Hospital

By way of a resolution dated January 5, 2016, our Board approved the scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956, involving the demerger and transfer of the hospital division of Kamesh Hospital ("**KBHR Demerger Scheme**"). The petition for approval of the KBHR Demerger Scheme was filed in the High Court of Gujarat, as well as the High Court of Punjab and Haryana. While the High Court of Gujarat approved the KBHR Demerger Scheme by way of an order dated September 30, 2016, in light of the merger related provisions being notified under the provisions of the Companies Act, 2013, the KBHR Demerger Scheme was transferred from the High Court of Punjab and Haryana to the NCLT, Chandigarh Bench. The NCLT, Chandigarh Bench approved the KBHR Demerger Scheme by way of an order dated July 13, 2017. In terms of the orders passed by the High Court of Gujarat and the NCLT, Chandigarh Bench, all properties, rights, obligations, debts, liabilities, duties, and assets, of the hospital division of Kamesh Hospital ("**KBHR Demerged Undertaking**") were transferred to our Company. The appointed date for the demerger, as identified in the KBHR Demerger Scheme, was September 7, 2015.

In consideration of the demerger, our Company is required to make a payment of ₹371.37 million, against the transfer of the KBHR Demerged Undertaking to such equity shareholders of Kamesh Hospital, whose names appeared in Kamesh Hospital's register of members on the effective date identified in the KBHR Demerger Scheme. Upon the KBHR Demerger Scheme becoming effective and with effect from the appointed date as indicated above, our Company will be required to record the assets and liabilities of the KBHR Demerged Undertaking at such book values as were appearing in the books of Kamesh Hospital, without taking into account any revaluations. Additionally, the difference between the value of assets and liabilities attributable to the KBHR Demerged Undertaking will be required to be appropriated against a reduction of equity capital of Kamesh Hospital.

GUARANTEES

Our Promoter, Dr Vikram Shah has issued the following personal guarantees to guarantee the repayment of secured credit facilities availed by our Company. The said guarantees shall remain in force until our Company is fully discharged by its lenders of all its liabilities outstanding under its credit facilities. For further details, including the principal terms of the credit facilities, see "*Financial Indebtedness*" on page 385. For implications in case of default, see "*Risk Factors – Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business. Further, we may require additional funding to finance our operations, for which financing may not be available on terms acceptable to us or at all*" on page 28.

Sr. No.	Details of documentation	Amount secured by guarantee(1) (₹ in million)	Name of lender	Borrower
1.	Personal guarantee dated October 9, 2014	Capped at the total aggregate value of the land owned by Dr Vikram Shah which has been mortgaged as a part of the security for the facility.	HDFC Bank Limited	Company
2.	Personal guarantee dated December 17, 2014	Capped at 50% of the total aggregate value of the value of the land provided as security for the facility.	HDFC Bank Limited	Company
3.	Letter of continuing guarantee dated January 20, 2016	482.00	HDFC Bank Limited	Company

(1) *The guarantee has been issued to secure borrowings made by the Company. For details, see "Financial Indebtedness" on page* 385.

Zodiac has not issued corporate guarantees for the due repayment of secured credit facilities availed by our Company and our Subsidiaries.

OUR MANAGEMENT

BOARD OF DIRECTORS

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 12 Directors. As on the date of this Red Herring Prospectus, our Board comprises of six Directors. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (Years)	Other directorships / partnerships / trusteeships / Hindu undivided families
1.	**Dr Vikram Shah** ***Designation***: Chairman and Managing Director ***Address***: 6, Rupam Society, Near Memnagar Fire Station Vijay Cross Roads, Navrangpura Ahmedabad – 380 009 Gujarat, India ***Occupation***: Service ***Nationality***: Indian ***Term***: For a period of five years, commencing on March 27, 2015 ***DIN***: 00011653	54	***Other Directorships*** ***Indian Companies*** ▪ Shalby International Limited ***Foreign Companies*** NIL ***Partnerships*** ▪ SVIF Surgimed LLP; and ▪ Shalby Orthopaedic Hospital and Research Centre. ***Trusteeships*** ▪ Indrajit Chimanlal Shah Charitable Trust; ▪ Friends of Shalby Foundation; ▪ Orthopaedic Research Foundation; and ▪ Shah Family Trust. ***Hindu Undivided Families*** ▪ Shah Indrajit Chimanlal HUF; and ▪ Shah Vikram Indrajit HUF.
2.	**Dr Darshini Shah** ***Designation***: Non-Executive, Non-Independent Director ***Address***: 6, Rupam Society, Near Memnagar Fire Station Vijay Cross Roads, Navrangpura Ahmedabad – 380 009 Gujarat, India ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of five years, commencing on December 20, 2016 ***DIN***: 00013903	52	***Other Directorships*** ***Indian Companies*** ▪ Shalby Infrastructure Private Limited; ▪ Slaney Healthcare Private Limited; ▪ Sigma Wellness Private Limited; ▪ Uranus Medical Devices Limited; ▪ Mahalaxmi Life Science Private Limited; and ▪ Zodiac Mediquip Limited. ***Foreign Companies*** NIL ***Partnerships*** ▪ SVIF Surgimed LLP; and ▪ Shalby Orthopaedic Hospital and Research Centre. ***Trusteeships*** ▪ Indrajit Chimanlal Shah Charitable Trust; ▪ Friends of Shalby Foundation; ▪ Orthopaedic Research Foundation; and ▪ Shah Family Trust. ***Hindu Undivided Families*** ▪ Shah Vikram Indrajit HUF
3.	**Shyamal Joshi** ***Designation***: Non-Executive, Non-Independent Director ***Address***:	68	***Other Directorships*** ***Indian Companies*** ▪ Adani Wilmar Limited; ▪ CSPGCL AEL Parsa Collieries Limited; ▪ Nila Infrastructures Limited; and

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (Years)	Other directorships / partnerships / trusteeships / Hindu undivided families
	40, Prerana Tirth - 1, B / H Someshwar - II, Satellite Ahmedabad – 380 015 Gujarat, India ***Occupation***: Professional ***Nationality***: Indian ***Term***: For a period of five years, commencing on September 30, 2015 ***DIN****:* 00005766		▪ Vrundavan Shalby Hospitals Limited. ***Foreign Companies*** ▪ Shalby (Kenya) Limited ***Partnerships*** NIL ***Trusteeships*** ▪ Adani Foundation ***Hindu Undivided Families*** ▪ Shyamal Joshi HUF
4.	**Umesh Menon** ***Designation***: Non-Executive, Independent Director ***Address***: B-9, New Adhyashakti Tenaments B / H Falgun Society, Satellite Road Jodhpur Village Ahmedabad – 380 015 Gujarat, India ***Occupation***: Business ***Nationality***: Indian ***Term***: For a period of five years, commencing on December 20, 2016 ***DIN***: 00086971	46	***Other Directorships*** ***Indian Companies*** ▪ Varis Management Services Private Limited; and ▪ Escalate Consultancy Private Limited ***Foreign Companies*** NIL ***Partnerships*** NIL ***Trusteeships*** NIL ***Hindu Undivided Families*** NIL
5.	**Tej Malhotra** ***Designation***: Non-Executive, Independent Director ***Address***: B-101, Ashavari Towers B / H Karnavati Bungalows Near Ramdev Chokdi Near S.G. Highway, Satellite Ahmedabad – 380015 Gujarat, India ***Occupation***: Service ***Nationality***: Indian ***Term***: For a period of five years, commencing on February 23, 2017 ***DIN***: 00122419	67	***Other Directorships*** ***Indian Companies*** NIL ***Foreign Companies*** NIL ***Partnerships*** NIL ***Trusteeships*** NIL ***Hindu Undivided Families*** NIL
6.	**Ashok Bhatia** ***Designation***: Non-executive Independent Director[(1)] ***Address***: 16 Pushp Bunglows, 5AB Ashok Vatika Bopal Ambali Road Ahmedabad – 380 058 Gujarat, India ***Occupation***: Self-employed ***Nationality***: Indian	63	***Other Directorships*** ***Indian Companies*** ▪ Onnext Healthcare Private Limited. ***Foreign Companies*** NIL ***Partnerships*** ▪ Onnext Advisors LLP ***Trusteeships***

Sr. No.	Name, designation, address, occupation, nationality, term and DIN	Age (Years)	Other directorships / partnerships / trusteeships / Hindu undivided families
	Term: For a period of five years, commencing on October 23, 2017 ***DIN***: 02090239		NIL ***Hindu Undivided Families*** ▪ Ashok Bhatia HUF

(1) Ashok Bhatia has been appointed as an Additional Non-Executive Independent Director on the Board pursuant to circular resolution dated October 23, 2017, passed by our Board, and is expected to be regularised in the forthcoming General Meeting of our Company.

Relationship between our Directors

Except for Dr Darshini Shah, who is Dr Vikram Shah's spouse, none of our directors are related to each other.

Brief biographies of Directors

Dr Vikram Shah, aged 54 years, is the Chairman and Managing Director of our Company. He holds a bachelors' degree in medicine and surgery, and a masters' degree in orthopaedic surgery, both from B. J. Medical College. He has been associated with our Company since its incorporation and has over 25 years of experience in the medical industry. He has been conferred with various awards including the "*Hercules Award for Innovation of Zero Technology in Knee Surgery*" instituted by the Gujarat Innovation Society in 2014, and the "*Pathbreaking Services in the Field of Joint Replacement and Orthopaedic Surgery Award*" instituted by Rotary International in 2009.

Dr Darshini Shah, aged 52 years, is a Non-Executive, Non-independent Director of our Company. She holds a bachelors' degree in dental surgery from the Government Dental College, Ahmedabad. She has been associated with our Company since its incorporation and has over 21 years of experience in the medical industry. In 1999, she founded the dental surgery department at Vijay Shalby and currently heads the department of dentistry of our Company. She has been conferred with various awards, including the "*Stree Shakti Award*" instituted by the Jai Hind Group in 2011, and the "*Outstanding Business Performance Award – Garima 2011*" in the professional category, instituted by the Business Women Committee of the Gujarat Chamber of Commerce and Industry. She has also been recognised with the title of 'Diplomate' of The International Congress of Oral Implantologists (ICOI), USA.

Shyamal Joshi aged 68 years, is a Non-Executive, Non-independent Director of our Company. He holds a bachelors' degree in commerce from Gujarat University. He is also a member of the Institute of Chartered Accountants of India. He has been associated with our Company since 2010, and has experience in various areas including corporate strategy and fund raising. Currently, he also holds the position of director in various companies including Adani Wilmar Limited.

Umesh Menon aged 46 years, is a Non-Executive, Independent Director of our Company. He holds a bachelors' degree in commerce from Gujarat University, a masters' degree in commerce from Gujarat University, and a masters' degree in business administration with a specialization in finance from B. K. School of Business Management. He is also a Fellow Cost Accountant, enrolled with the Institute of Cost and Works Accountants of India. He has experience in the areas of finance and cost accounting. Apart from being an Independent Director of our Company, he is also on the board of directors of Varis Management Services Private Limited and Escalate Consultancy Private Limited.

Tej Malhotra aged 67 years, is a Non-Executive, Independent Director of our Company. He holds a bachelors' degree in mechanical engineering from Sambalpur University, Odisha. He has 45 years of experience. He was, in the past, associated with GHCL Limited as a Senior Executive Director, Idea Soda Ash and Calcium Chloride Company, Saudi Arabia, as a Technical Director, and Hindustan Copper Limited as Executive Engineer (Mechanical). He is the recipient of the "*Bhartiya Udyog Ratan*" award, instituted by the Indian Economic Development and Research Association, the "*Bhartiya Gaurav*" award, instituted by the World Economic Progress Society, and "*Darbari Seth Award 2009*" by the Alkali Manufacturers of India for best managed soda-ash plant. Apart from being an Independent Director of our Company, he is also the working president of RSPL Limited, for the purposes of setting up a mega project of soda-ash in Dwarka (Gujarat).

Ashok Bhatia aged 63 years, is a Non-Executive, Independent Director of our Company. He holds a bachelors' degree in science from Punjab University, and a masters' degree in business administration, with a specialization in marketing management from the Adam Smith University of America, United States of America. He has more than 37 years of professional experience. In the past, he has been associated with Indo-Pharma Pharmaceutical Works Limited and Cadila Healthcare Limited. He has been appointed as an Additional Non-Executive Independent Director on the Board pursuant to circular resolution dated October 23, 2017, passed by our Board, and is expected to be regularised in the forthcoming General Meeting of our Company.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Red

Herring Prospectus, whose shares have been, or were suspended from being traded on BSE or NSE.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Director

Dr Vikram Shah

Dr Vikram Shah was appointed as the Managing Director of our Company, pursuant to the Board resolution dated March 27, 2015 and the Shareholders' resolution dated July 14, 2015, with effect from March 27, 2015, for a period of five years. Dr Vikram Shah does not draw any remuneration in his capacity as Managing Director of our Company. However, Dr Vikram Shah and our Company entered into a consultancy agreement dated February 5, 2014, amended by way of a supplementary agreement dated January 28, 2016 (together, the "**Consultancy Agreement**"). In accordance with the terms of the Consultancy Agreement, Dr Vikram Shah is entitled to draw professional fee from our Company in the following manner:

<table>
<tr><th colspan="4">Units within Ahmedabad</th><th rowspan="3">Units outside Ahmedabad or zero medicine cases in all units including Ahmedabad</th></tr>
<tr><th colspan="2">Arthroplasty surgery</th><th colspan="2">Other than arthroplasty surgeries</th></tr>
<tr><th>Outpatients</th><th>Inpatients</th><th>Inpatients</th><th>Research fee</th></tr>
<tr><td rowspan="2">80% of fees collected from outpatients.</td><td>Surgery: 20% of professional fees collected from inpatients (less discounts, if any).</td><td>Surgery: 20% of the professional fees.</td><td rowspan="2">20% of the clinical trial fees collected by our Company towards clinical trials conducted where Dr Vikram Shah is the principal investigator (less concessions, if any).</td><td rowspan="2">10% of the professional fees collected from inpatients (less discounts, if any).

The above payment shall be paid on a discharged patient basis.</td></tr>
<tr><td>Ward Fees: 20% of the ward fees collected from inpatients.</td><td>Ward Fees: 20% of the ward fees collected.</td></tr>
</table>

Payment or benefit to Directors of our Company

Our Directors were not paid any sitting fees or other remuneration during Financial Year 2017. However, pursuant to the terms of the Consultancy Agreement, Dr Vikram Shah was paid gross professional fees of ₹42.91 million in Financial Year 2017. Further, pursuant to the terms of a consultancy agreement dated February 5, 2014 executed between Dr Darshini Shah and our Company, Dr Darshini Shah was paid gross professional fees of ₹19.59 million in Financial Year 2017.

By way of a resolution passed by our Board on June 28, 2017, our Company has agreed to pay our Non-Executive Non-Promoter Directors a sitting fee of ₹50,000 for each meeting of the Board, and ₹25,000 for each meeting of committees of the Board, attended by such Non-Executive Non-Promoter Directors.

Arrangement or understanding with major Shareholders, customers, suppliers or others

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.

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage shareholding (%)
Dr Vikram Shah(1)	8,735,493	9.85
Dr Darshini Shah(1)	3,012,500	3.40
Umesh Menon	2,000	*Negligible*
Shyamal Joshi	250	*Negligible*

(1) 43,327,132 Equity Shares constituting 48.87% of our Company's pre-Offer paid-up capital are held by the Shah Family Trust, acting through its trustees Dr Vikram Shah and Dr Darshini Shah.

Shareholding of Directors in our Subsidiaries and Group Entities

Our Directors hold shares, beneficially on behalf of our Company in our Subsidiaries, Shalby International, VSHL, and Yogeshwar Healthcare. Further, our Directors also hold shares in Uranus Medical Devices Limited, one of our Group Entities. Details of such holding of shares by our Directors in Shalby International, VSHL, and Yogeshwar Healthcare, our Subsidiaries, and Uranus Medical Devices Limited, our Group Entity, is provided below:

Shareholding of Directors in our Subsidiaries

Shalby International

Name of Director	Number of equity shares	Percentage shareholding (%)
Dr Vikram Shah (beneficially, in favour of our Company)	100	0.20
Dr Darshini Shah (beneficially, in favour of our Company)	100	0.20
TOTAL	200	0.40

VSHL

Name of Director	Number of equity shares	Percentage shareholding (%)
Dr Vikram Shah (beneficially, in favour of our Company)	1	*Negligible*
Dr Darshini Shah (beneficially, in favour of our Company)	1	*Negligible*
Shyamal Joshi (beneficially, in favour of our Company)	1	*Negligible*
TOTAL	3	*Negligible*

Yogeshwar Healthcare

Name of Director	Number of equity shares	Percentage shareholding (%)
Shyamal Joshi	2	*Negligible*
TOTAL	2	*Negligible*

Shareholding of Directors in our Group Entities

Uranus Medical Devices Limited

Name of Director	Number of equity shares	Percentage shareholding (%)
Dr Darshini Shah	229,900	*99.93*
Dr Vikram Shah	10	*Negligible*
TOTAL	229,910	*99.93*

Apart from the above, as of the date of filing this Red Herring Prospectus, our Directors do not hold shares any shares in our Subsidiaries and Group Entities.

Appointment of relatives of our Directors to any office or place of profit

Apart from Dr Darshini Shah, who is a Non-Executive, Non-Independent Director, as well as a consultant doctor of our Company, and Shanay Shah, who is Director – International Business of our Company, none of the relative of our Directors currently hold any office, or place of profit in our Company.

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Dr Vikram Shah has executed lease agreements with our Company for leasing certain premises to our Company. For details see, "*Our Promoters and Promoter Group*" on page 204. In addition, Directors may also be interested to the extent of Equity Shares held by them, and to the extent of any dividend paid to them.

(i) Interest in property

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Red Herring

Prospectus, or proposed to be acquired by our Company, or in any transaction for acquisition of land, construction of buildings and supply of machinery.

(ii) Business interest

Except as stated in "*Related Party Transactions*" on page 215, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business or our Company. Further, for a summary of the consultancy agreements executed by our Company with Dr Vikram Shah and Dr Darshini Shah, respectively, see "*Our Promoters and Promoter Group – Interests of Promoters*" on page 206.

(iii) Payment of benefits (non-salary related)

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within the two years preceding the date of filing of the Draft Red Herring Prospectus and during the period between the date of filing of the Draft Red Herring Prospectus and the date of this Red Herring Prospectus, or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

(iv) Loans to Directors

No loans have been availed by the Directors from our Company. None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

(v) Bonus or profit sharing plan for the Directors

None of the Directors are party to any bonus or profit sharing plan of our Company other than the bonus given to Dr Vikram Shah on account of him being an employee of our Company.

(vi) Service contracts with Directors

Further, except in respect of statutory benefits upon termination of their employment in our Company or on retirement, no officer of our Company, including our Executive Director and the Key Management Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

(vii) Interest in promotion of our Company

Except for Dr Vikram Shah and Dr Darshini Shah, who are the Promoters of our Company and shareholders and promoters of Zodiac, our Directors have no interests in the promotion of our Company as at the date of this Red Herring Prospectus.

Changes in the Board in the last three years

Name	Date of appointment / change / cessation	Reason
Dr Vikram Shah	March 27, 2015	Appointment as Managing Director of our Company
Shyamal Joshi	September 30, 2015	Appointment as Non-Executive, Non-Independent Director of our Company
Dr Darshini Shah	December 20, 2016	Appointment as Non-Executive, Non-Independent Director of our Company
Kiritbhai Shah	December 20, 2016	Cessation due to resignation as Director of our Company
Nimish Vasa	December 20, 2016	Cessation due to resignation as Director of our Company
Umesh Menon	December 20, 2016	Appointment as Non-Executive, Independent Director of our Company
Dr Dheeraj Sharma	December 20, 2016	Appointment as Non-Executive, Independent Director of our Company
Tej Malhotra	February 23, 2017	Appointment as Non-Executive, Independent Director of our Company
Dr Dheeraj Sharma	October 13, 2017	Cessation due to resignation as Non-Executive, Independent Director of our Company.
Ashok Bhatia	October 23, 2017	Appointment as Non-Executive, Independent Director of our Company(1)

(1) Ashok Bhatia has been appointed as an Additional Non-Executive Independent Director pursuant to circular resolution dated October 23, 2017, passed by our Board, and is expected to be regularised in the forthcoming General Meeting of our Company.

Borrowing powers of Board

Pursuant to our Articles of Association, subject to applicable laws, and pursuant to the resolution of the Shareholders passed at the EGM held on September 8, 2014, our Board has been authorised to borrow sums of money on such terms and conditions, with or without security, as the Board may think fit, which together with the monies borrowed by our Company (apart from the temporary loans obtained, or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid-up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of monies so borrowed by our Board, shall not at any time exceed the amount of ₹5,000 million.

CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. 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 and formulation of policies, each as required under law, including the Listing Regulations.

Our Board has been constituted in compliance with the Companies Act, 2013, the Listing Regulations and in accordance with best practices in corporate governance. The Board functions either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors periodic reports on the performance of the Company.

Currently, our Board has six Directors comprising one Executive Director, two Non-Executive, Non-independent Directors, and three Non-Executive, Independent Directors. Our Board also includes a woman Director. Further, of the three non-independent Directors, two are liable to retire by rotation.

Committees of the Board

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

(i) Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are:

1. Umesh Menon, *Chairman*;
2. Ashok Bhatia;
3. Shyamal Joshi; and
4. Tej Malhotra.

The Audit and Risk Management Committee was first constituted by a meeting of the Board held on February 28, 2008, and was last reconstituted by a circular resolution dated October 23, 2017. The scope and function of the Audit and Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, and its terms of reference are as follows:

(a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee;

(c) Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;

(d) Approving payments to the statutory auditors for any other services rendered by statutory auditors;

(e) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    (i) Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;

    (ii) Changes, if any, in accounting policies and practices and reasons for the same;

    (iii) Major accounting entries involving estimates based on the exercise of judgment by management;

    (iv) Significant adjustments made in the financial statements arising out of audit findings;

(v) Compliance with listing and other legal requirements relating to financial statements;

(vi) Disclosure of any related party transactions; and

(vii) Qualifications and modified opinions in the draft audit report.

(f) Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(g) Scrutiny of inter-corporate loans and investments;

(h) Valuation of undertakings or assets of the Company, wherever it is necessary;

(i) Evaluation of internal financial controls and risk management systems;

(j) Approving any subsequent modification of transactions of the Company with related parties;

(k) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the Monitoring Agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(l) Approving or subsequently modifying transactions of the Company with related parties;

(m) Evaluating undertakings or assets of the Company, wherever necessary;

(n) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

(o) Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

(p) 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;

(q) Discussion with internal auditors on any significant findings and follow up thereon;

(r) 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;

(s) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(t) 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;

(u) Approving the appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(v) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

(w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and mother applicable laws; and

(x) Formulating, reviewing and make recommendations to the Board to amend the Audit and Risk Management Committee charter from time to time.

The powers of the Audit and Risk Management Committee will include the following:

(a) To investigate activity within its terms of reference;

(b) To seek information from any employees;

(c) To obtain outside legal or other professional advice; and

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Risk Management Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and result of operations;

(b) Statement of significant related party transactions (as defined by the Audit and Risk Management Committee), submitted by management;

(c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor; and

(f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of the Monitoring Agency, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit and Risk Management Committee shall have authority to investigate into any matter in relation to the items as set out above or referred to it by the Board and for this purpose shall have the power to obtain professional advice from external sources and have full access to information contained in the records of the Company.

(ii) Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Umesh Menon, *Chairman*;

2. Ashok Bhatia; and

3. Shyamal Joshi.

The Nomination and Remuneration Committee was first constituted by a meeting of the Board of Directors held on June 30, 2014, and was last reconstituted by a circular resolution dated October 23, 2017. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

(b) Formulation of the criteria for evaluation of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining 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;

(g) Determining the compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) 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;

(j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

  (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or

  (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;

(k) 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; and

(l) Performing such other activities as may be delegated by the Board of Directors and / or are statutorily prescribed under any law to be attended to by such committee.

(iii) Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Shyamal Joshi, *Chairman;*

2. Umesh Menon; and

3. Dr Vikram Shah.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on December 20, 2016. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

(a) Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer of shares;

(b) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Issue of duplicate certificates and new certificates on split / consolidation / renewal;

(d) Non-receipt of declared dividends, balance sheets of the Company, annual report or any other documents or information to be sent by the Company to its shareholders; and

(e) Carrying out any other function as prescribed under the Listing Regulations, Companies Act, 2013 and the rules, and regulations made thereunder, each as amended or other applicable law.

(iv) Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Umesh Menon, *Chairman;*

2. Darshini Shah; and

3. Shyamal Joshi.

The Corporate Social Responsibility Committee was first constituted by our Board of Directors at their meeting held on June 30, 2014, and was last reconstituted by a meeting of the Board held on December 20, 2016. The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

(a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

(b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

(d) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;

(e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and

(g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.

(v) IPO Committee

The members of the IPO Committee are:

1. Dr Vikram Shah, *Chairman;*

2. Dr Darshini Shah; and

3. Shyamal Joshi.

The IPO Committee was constituted by our Board of Directors on December 20, 2016. The terms of reference of the IPO Committee of our Company are as follows:

(a) Making applications where necessary, to the RBI and any other governmental or statutory authorities as may be required in connection with the Offer 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;

(b) Finalizing, settling, approving, adopting and filing in consultation with the BRLMs where applicable, the DRHP, the RHP the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, addenda or corrigenda thereto, and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations / corrections / modifications as may be required by SEBI, the RoC or any other relevant governmental and statutory authorities or in accordance with Applicable Laws;

(c) Deciding in consultation with the BRLMs on the size, timing, pricing and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;

(d) Appointing and entering into and terminating 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, registrars, legal advisors, auditors, and any other agencies or persons or intermediaries to the Offer and to negotiate, finalise and amend the terms of their appointment, including but not limited to the execution of the mandate letter with the BRLMs and negotiation, finalization, execution and, if required, amendment of the offer agreement with the BRLMs;

(e) Negotiate, finalise and settle and to execute and deliver or arrange the delivery of the DRHP, the RHP, the Prospectus, offer agreement, syndicate agreement, underwriting agreement, share escrow agreement, cash escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the Offer;

(f) Approving suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(g) Approving any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the IPO Committee or as may be required under the SEBI Listing Regulations or any other Applicable Laws;

(h) Seeking, if required, the consent of the lenders of the Company and its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;

(i) Opening and operating bank accounts in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents / deeds as may be necessary in this regard;

(j) Opening and operating bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorize one or more officers of the Company to execute all documents / deeds as may be necessary in this regard;

(k) Authorize and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;

(l) Issue receipts / allotment letters / confirmation of allotment notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorize one or more officers of the Company to sign all or any of the aforestated documents;

(m) Authorizing and approving notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;

(n) Doing all such acts, deeds, matters and things and execute all such other documents, etc., as may be deemed necessary or desirable for such purpose, including without limitation, to finalise the basis of allocation and to allot the shares to the successful allottees as permissible in law, issue of allotment letters / confirmation of allotment notes, share certificates in accordance with the relevant rules;

(o) Taking all actions as may be necessary and authorized in connection with the Offer for Sale and to approve and take on record the transfer of Equity Shares in the Offer for Sale;

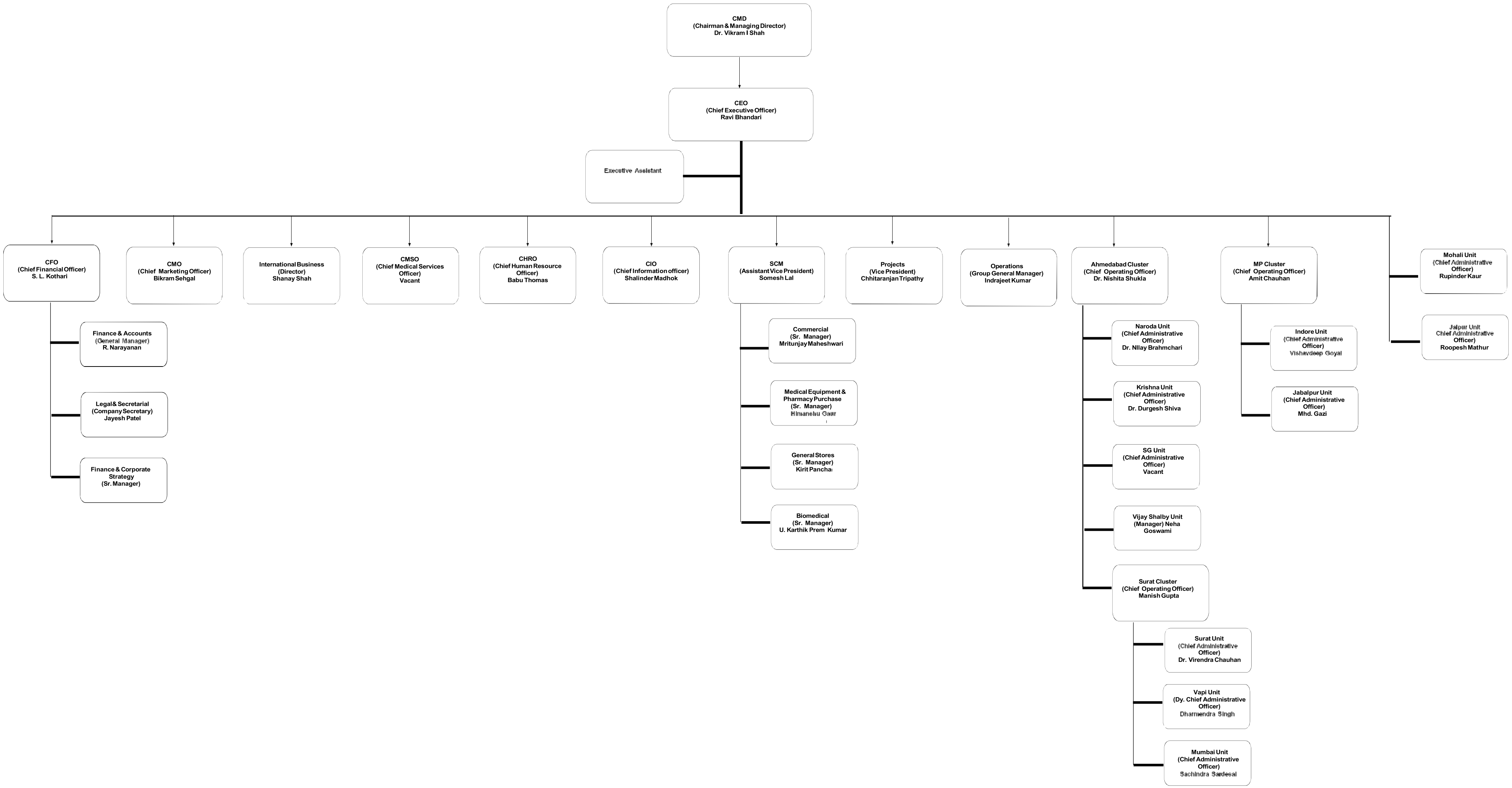
(p) Doing all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and / or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforementioned documents;

(q) Making applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing including without limitation, entering into listing agreements and affixing the common seal of the Company where necessary;

(r) Settling all questions, difficulties or doubts that may arise in regard to the Offer, including 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 and permissible under Applicable Laws to the officials of the Company; and

(s) Negotiating, finalizing, settling, executing and delivering any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

MANAGEMENT ORGANISATION CHART



KEY MANAGEMENT PERSONNEL

The details of the Key Management Personnel of our Company as follows:

Dr Vikram Shah is the Chairman and Managing Director of our Company. For details see, "*Our Management – Brief Biographies of Directors*" on page 189.

Ravi Bhandari is the Chief Executive Officer of our Company. He joined our Company on August 8, 2012. He holds a bachelors' degree in civil engineering from Saurashtra University. Prior to joining our Company, he was associated with Indus Towers Limited as its Chief Executive Officer (Gujarat circle). He has an experience of over 25 years in various industries, including, petrochemicals and refinery, telecom, and healthcare. He oversees the overall operations, management, and strategic planning of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹7.22 million.

Shantilal Kothari is the Chief Financial Officer of our Company. He was appointed by the Board, at its meeting held on July 5, 2016. He holds a bachelors' degree in science from Manikya Lal Verma Government College, Bhilwara. He is a certified chartered accountant and a qualified company secretary, and is a member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with Kewal Kiran Clothing Limited as its Chief Financial Officer. He has an experience of 22 years in the areas of finance and accounts. He is involved in the resource raising, internal financial controls, technical accounting, taxation, and strategic decisions of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹4.90 million.

Shanay Shah is designated Director (International Business) of our Company. He joined our Company on October 5, 2013. He holds a bachelors' degree in science with honours in accounting and finance from University of Warwick, United Kingdom, and a masters' degree in international health management from Imperial College, United Kingdom. He has cleared all levels of the US Chartered Financial Analyst (CFA) Programme. He has an experience of three years in the healthcare industry. He is involved in overseeing the international business and financial operations of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹3.79 million.

Jayesh Patel is the Company Secretary and Compliance Officer of our Company. He joined our Company on July 1, 2010. He holds a bachelors' degree in commerce from Saurashtra University, and a bachelors' degree in law from the Gujarat University. He is a certified company secretary and is a member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with Plastene India Limited as a Company Secretary. He has an experience of over 15 years in the area of corporate law. He is involved in the legal, corporate compliance, and secretarial matters of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹1.33 million.

Kunwar Bikram Sehgal is the Chief Marketing Officer – Corporate Development of our Company. He joined our Company on January 9, 2017. He holds a bachelors' degree in science, and a masters' degree in business administration, both from the Guru Nanak Dev University, Amritsar. Prior to joining our Company, he was associated with Exeter Medical Centre for Bone and Joint Health, as its Director (Strategy – Abu Dhabi). He has an experience of 32 years in the marketing, branding, management and clinical industries. He heads the marketing function of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹1.06 million.

Shalinder Madhok is the Chief Information Officer of our Company. He joined our Company on March 14, 2016. He holds a bachelors' degree in commerce from Maharshi Dayanand University, Rohtak. He also holds a diploma in computer programming from the International Computer Institute. Prior to joining our Company, he was associated with Alstom Bharat Forge Power Private Limited, as the Head of Information Technology. He has an experience of 26 years in the sector of information technology. He heads the information technology department of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹2.72 million.

Nishita Shukla is the Chief Operating Officer (Ahmedabad Cluster) of our Company. She joined our Company on April 6, 2007. She holds a bachelors' degree in homeopathic medicine and surgery from Sardar Patel University, and a post graduate diploma in 'Healthcare Management' from Krishna Heart Institute – Ahmedabad Management Association Centre. She has an experience of over 10 years in the healthcare management industry. She is involved in overseeing the clinical operations and administration of the Ahmedabad Cluster. The gross remuneration paid to her during Fiscal 2017 was ₹3.03 million.

Amit Chauhan is the Chief Operating Officer (Madhya Pradesh Cluster) of our Company. He joined our Company on January 9, 2014. He holds a bachelors' degree in technology (electronics and communication) from Kurukshetra University. Prior to joining our Company, he was associated with Indus Towers Limited as a Deputy General Manager in technology function. He has an experience of 13 years in the project implementation and healthcare industries. He is involved in overseeing the clinical operations and administration of the Madhya Pradesh Cluster. The gross remuneration paid to him during Fiscal 2017 was ₹2.38 million.

Babu Thomas is the Chief Human Resources Officer of our Company. He joined our Company on May 1, 2017. He holds a bachelors' degree in arts from Kerala University. He also holds a masters' degree in arts from the Mahatma Gandhi University, and a masters' degree in human resource management from the Pondicherry University. Prior to joining our Company, he was associated with GVK EMRI as the Regional Head – Human Resources for nine years. He has an experience of 26 years in human resource management. He heads the human resource function of our Company, and is responsible for human resource strategy, manpower planning, talent acquisition, human resources operations, and training and development. No remuneration was paid to him during Fiscal 2017 as he joined our Company in Fiscal 2018.

Chittaranjan Tripathy is the Vice President (Projects) of our Company. He joined our Company on September 14, 2016. He holds a bachelors' degree in electrical engineering from Sambalpur University, Odisha. Prior to joining our Company, he was associated with AECOM India Private Limited as the Associate Director (Building Engineering Business). He heads the project function of our Company. The gross remuneration paid to him during Fiscal 2017 was ₹1.81 million.

Indrajeet Kumar is the Group General Manager (Operations) of our Company. He joined our Company on August 8, 2016. He holds a diploma in hotel management catering and applied nutrition examination from the Society of Management Science, Durgapur, and a post graduate diploma in hospital and health care management from the Symbiosis Centre of Health Care, Pune. Prior to joining our Company, he was associated with Apollo Sindoori Hotels Limited as Deputy General Manager – Operations. The gross remuneration paid to him during Fiscal 2017 was ₹1.45 million.

Roopesh Mathur is the Chief Administrative Officer (Shalby Jaipur) of our Company. He joined our Company on October 23, 2017. He holds a bachelors' degree in pharmacy from the University of Rajasthan, Jaipur, and a masters' degree in marketing management from the Vardhaman Mahaveer Open University, Kota. Prior to joining our Company, he was associated with Fortis Escorts Hospital, Jaipur, as Unit Head – Sales and Marketing. He was not paid any remuneration in Fiscal 2017.

Rupinder Kaur is the Chief Administrative Officer (Shalby Mohali) of our Company. She joined our Company on October 23, 2017. She holds a bachelors' degree in arts from the Punjab University, and a post graduate diploma in management from the Institute of Management Education, Ghaziabad. Prior to joining our Company, she was associated with Fortis Hospital, Mohali, as Assistant General Manager – Fortis Med Center. She was not paid any remuneration in Fiscal 2017.

Somesh Lal is the Associate Vice President (Supply Chain Management) of our Company. He joined our Company on October 5, 2017. He holds a bachelors' degree in electronics and communications engineering from Gulbarga University, Gulbarga, and a masters' degree in business administration from the Indira Gandhi National Open University, New Delhi. Prior to joining our Company, he was associated with AMRI Hospital, Kolkata as Assistant Vice President – SCM & Logistics. He has over 22 years of experience. He was not paid any remuneration in Fiscal 2017.

Except for Dr Vikram Shah and Shanay Shah, none of our other Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

(a) Shareholding of Key Management Personnel

Set out below are details of the Equity Shares held by the Key Management Personnel in our Company:

Sr. No.	Name	Number of Equity Shares	Pre-Offer (%)	Post Offer (%)
1.	Dr Vikram Shah	8,735,493	9.85	[●]
2.	Shanay Shah	137,525	0.16	[●]
3.	Ravi Bhandari	25,000	0.03	[●]
4.	Nishita Shukla	25,000	0.03	[●]
5.	Shantilal Kothari	6,000	0.01	[●]
6.	Jayesh Patel	6,000	0.01	[●]
7.	Amit Chauhan	5.000	0.01	[●]
8.	Kunwar Bikram Sehgal	5,000	0.01	[●]
9.	Babu Thomas	3,000	*Negligible*	[●]
10.	Indrajeet Kumar	1,500	*Negligible*	[●]
11.	Shalinder Madhok	1,000	*Negligible*	[●]

(b) Arrangements and understanding with major Shareholders

None of our Key Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

(c) Bonus or profit sharing plans

None of the Key Management Personnel are party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

(d) Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

(e) Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Shanay Shah	Chief Financial Officer	March 27, 2015	Appointment as Chief Financial Officer of our Company
Pramesh Shah	Vice President (Projects)	September 11, 2015	Appointment as Vice President (Projects) of our Company
Vedant Shukla	Associate Vice – President (Human Resources and Administration)	November 14, 2015	Appointment as Associate Vice – President (Human Resources and Administration) of our Company
Shalinder Madhok	Chief Information Officer	March 14, 2016	Appointment as Chief Information Officer of our Company
Nishita Shukla	Chief Operating Officer (Ahmedabad Cluster)	April 20, 2016	Appointment as Chief Operating Officer (Ahmedabad Cluster) of our Company
Amit Chauhan	Chief Operating Officer (Madhya Pradesh Cluster)	April 20, 2016	Appointment as Chief Operating Officer (Madhya Pradesh Cluster) of our Company
Shanay Shah	Chief Financial Officer	July 5, 2016	Resignation as Chief Financial Officer of our Company
Shantilal Kothari	Chief Financial Officer	July 5, 2016	Appointment as Chief Financial Officer of our Company
Indrajeet Kumar	Group General Manager (Operations)	August 8, 2016	Appointment as Group General Manager (Operations) of our Company
Pramesh Shah	Vice President (Projects)	August 14, 2016	Resignation as Vice President (Projects of our Company)
Chittaranjan Tripathy	Vice President (Projects)	September 14, 2016	Appointment as Vice President (Projects) of our Company
Kunwar Bikram Sehgal	Chief Marketing Officer	January 9, 2017	Appointment as Chief Marketing Officer of our Company
Vedant Shukla	Associate Vice – President (Human Resources and Administration)	March 31, 2017	Resignation as Associate Vice – President (Human Resources and Administration)
Babu Thomas	Chief Human Resource Officer	May 1, 2017	Appointment as Chief Human Resource Officer of our Company
Somesh Lal	Associate Vice President (Supply Chain Management)	October 5, 2017	Appointment as Associate Vice President (Supply Chain Management of our Company)
Roopesh Mathur	Chief Administrative Officer (Shalby Jaipur)	October 23, 2017	Appointment as Chief Administrative Officer (Shalby Jaipur) of our Company
Rupinder Kaur	Chief Administrative Officer (Shalby Mohali)	October 23, 2017	Appointment as Chief Administrative Officer (Shalby Mohali) of our Company

(f) Payment or Benefit to officers of our Company

Except for the professional fees paid to Dr Vikram Shah in accordance with the terms of the Consultancy Agreement, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years. For further information see, "*Our Management - Terms of appointment of Executive Director*" on page 190.

EMPLOYEE STOCK OPTION

The Company does not have any employee stock option plan in existence as on the date of this Red Herring Prospectus.

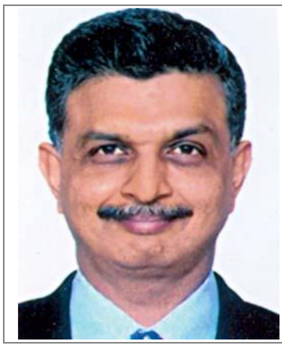
OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Dr Vikram Shah, Dr Darshini Shah, Shanay Shah, Shah Family Trust, and Zodiac. As on the date of this Red Herring Prospectus, the Promoters, together hold 86,758,098 Equity Shares, representing 97.86% of the pre-Offer issued, subscribed, and paid-up capital of our Company. The abovementioned shareholding includes 43,327,132 Equity Shares, constituting 48.87% of our Company's pre-Offer paid-up capital, which is held by the Shah Family Trust, acting through its trustees Dr Vikram Shah and Dr Darshini Shah.

For details, please see the section titled "*Capital Structure – Shareholding of our Promoters, Promoter Group and Directors of Zodiac*" on page 95.

INDIVIDUAL PROMOTERS

Dr Vikram Shah

	Dr Vikram Shah, aged 54 years, is the Chairman and Managing Director of our Company. He is a resident Indian national. For further details, see "*Our Management – Board of Directors*" on page 187. Other than his involvement in our Subsidiaries and Group Entities, he is not involved in any other ventures. The voter identification number of Dr Vikram Shah is LPZ9192410 and his driving license number is GJ0120010808019.

Dr Darshini Shah

	Dr Darshini Shah, aged 52 years, is the Non-Executive, Non-independent Director of our Company. She is a resident Indian national. For further details, see "*Our Management – Board of Directors*" on page 187. Other than her involvement in our Subsidiaries and Group Entities, she is not involved in any other ventures. The voter identification number of Dr Darshini Shah is LPZ9192428 and her driving license number is GJ0120010808096.

Shanay Shah

	Shanay Shah, aged 26 years, is designated Director (International Business) of our Company. He is a resident Indian national, residing at 6, Rupam Society, Near Memnagar Fire Station, Vijay Cross Roads, Navrangpura, Ahmedabad – 380 009. Other than his involvement in our Subsidiaries and Group Entities, he is not involved in any other ventures. For further details, see "*Our Management – Key Management Personnel*" on page 200. The driving license number of Shanay Shah is GJ01-2009-0264524. He does not have a voter identification number.

Our Company confirms that the permanent account number, bank account numbers, and passport number of Dr Vikram Shah, Dr Darshini Shah and Shanay Shah have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with the Stock Exchanges.

OTHER PROMOTERS

Zodiac Mediquip Limited

(a) Corporate information

Zodiac was originally incorporated as Zodiac Mediquip Private Limited on September 8, 1999 at Ahmedabad, Gujarat, India, as a private limited company under the Companies Act, 1956, as a private company limited by shares. Subsequently, Zodiac was converted to a public limited company and a fresh certificate of incorporation consequent upon change of name on conversion to a public limited company was issued by the RoC on May 3, 2006, in the name of Zodiac Mediquip Limited. As on date of this Red Herring Prospectus, Zodiac holds 31,545,448 Equity Shares, representing 35.58% of the total paid-up capital of our Company. The registered office of Zodiac is situated at #605, Venus Atlantis, Near Reliance Petrol Pump, 100 Feet Road, Prahlad Nagar, Satellite, Ahmedabad – 380 015, Gujarat, India. The principal business of Zodiac is to carry on business as manufacturers, distributors, dealers, suppliers, stockiest, agents, merchants of medical equipment, medical tools, implants, surgical and disposables. The shareholders of Zodiac as on the date of filing of this Red Herring Prospectus are as follows:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage (%)
1.	Shah Family Trust(1)	97,300	91.06
2.	Shanay Shah	9,110	8.53
3.	Dr Vikram Shah	100	*Negligible*
4.	Dr Darshini Shah	100	*Negligible*
5.	Kairav Shah	10	*Negligible*
6.	Veenaben Shah	10	*Negligible*
7.	Jagdish Shah	10	*Negligible*
8.	Viral Shah	10	*Negligible*
9.	Shah Vikram Indrajit HUF	100	*Negligible*
10.	Shah Indrajit Chimanlal HUF	100	*Negligible*
TOTAL		**106,850**	**100.00**

(1) 97,300 equity shares constituting 91.06% of the paid-up capital of Zodiac are held by the Shah Family Trust, acting through its trustees Dr Vikram Shah and Dr Darshini Shah. Pursuant to a gift deed dated April 25, 2017, Dr Vikram Shah transferred 92,800 equity shares constituting 86.85% of the paid-up share capital of Zodiac, held by him in Zodiac, to the Shah Family Trust. Further, pursuant to a gift deed dated April 25, 2017, Dr Darshini Shah transferred 4,500 equity shares constituting 4.21% of the paid-up share capital of Zodiac, held by her in Zodiac, to the Shah Family Trust.

(b) Board of directors of Zodiac

The board of directors of Zodiac comprises of:

1. Kairav Shah;
2. Dr Darshini Shah; and
3. Shanay Shah

(c) Promoters of Zodiac

Dr Vikram Shah, Dr Darshini Shah, Shanay Shah, Shah Vikram Indrajit HUF and Shah Indrajit Chimanlal HUF are the promoters of Zodiac.

(d) Change in control of Zodiac

There has been no change in control of Zodiac in the last three years.

Our Company confirms that the permanent account number, bank account numbers, company registration number, and the address of the RoC where Zodiac's registered office is situated, have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Shah Family Trust

(a) Corporate information

Shah Family Trust was constituted pursuant to a trust deed dated March 17, 2017. As on the date of this Red Herring Prospectus, the Shah Family Trust (acting through its trustees, Dr Vikram Shah and Dr Darshini Shah) holds 43,327,132 Equity Shares, representing 48.87% of the total paid-up capital of our Company. The principal office of the Shah Family Trust is Plot #615/2, Near B D Patel Farm, Mohammadpura Village, Karnavati Club Approach Road, S G Highway, Ahmedabad – 380 015, Gujarat, India. The overall objective of the Shah Family Trust is to maintain harmony, peace, and goodwill among Dr Vikram Shah, Dr Darshini Shah, Shanay Shah, and the children of Shanay Shah ("**Shah Family**"), and determine rights and obligations, and settle wealth of the Shah Family.

(b) Settlor of the Shah Family Trust

The settlor of the Shah Family Trust is Madhukantaben Shah.

(c) Trustees of the Shah Family Trust

Dr Vikram Shah and Dr Darshini Shah are the trustees of the Shah Family Trust.

Our Company confirms that the permanent account number and the bank account numbers of the Shah Family Trust shall be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with the Stock Exchanges.

INTERESTS OF PROMOTERS

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. Except for the following, our Promoters are not interested in any property acquired, or proposed to be acquired by the Company within two years of the date of the Draft Red Herring Prospectus and in the period between the date of the Draft Red Herring Prospectus and this Red Herring Prospectus, in the construction of any building by the Company, and / or in the supply of any machinery to the Company:

1. Pursuant to the Consultancy Agreement, Dr Vikram Shah has been designated as Head – Department of Orthopaedics of our Company. For details in respect of the remuneration drawn by Dr Vikram Shah in Fiscal 2016 in his capacity as the head of our Company's orthopaedics department, see "*Our Management – Terms of appointment of Executive Director*" on page 190.

2. Pursuant to a consultancy agreement dated February 5, 2014, Dr Darshini Shah has been designated as Head – Department of Dentistry of our Company. In accordance with the terms of the abovementioned agreement, Dr Darshini Shah is entitled to draw professional fee from our Company in the following manner:

OPD based payment	
SG Shalby	70% of total dental income
Krishna Shalby and Vijay Shalby	30% of total dental income

3. Pursuant to an appointment letter dated October 5, 2013, Shanay Shah has been designated as Director (International Business) of our Company. For details regarding the remuneration drawn by Shanay Shah in his capacity as Director (International Business) of our Company, see "*Our Management – Key Management Personnel*" on page 200.

4. Pursuant to lease agreement dated March 8, 2017, Dr Vikram Shah has leased a portion of the premises measuring 3,354.32 sq. m., at Survey #976, Village Vejalpur, T.P Scheme #6, Final Plot #118, Muje Changishur, Opposite Karnawati Club, Ahmedabad, to our Company for a period of 10 years with effect from March 1, 2017 to February 28, 2027, at a lease rental of ₹0.5 million per month. Our hospital, SG Shalby, is located in the abovementioned premises.

5. Pursuant to a lease deed dated May 16, 2017, Dr Vikram Shah and Uday Bhatt have leased the premises measuring 6,879 sq. m., at Survey #679, Naroda Village, Asarwa Taluk, Ahmedabad – 382 330, Gujarat, India, to our Company for a period of 30 years with effect from the date on which the building use permission is granted by concerned authorities, for use of the building constructed on the land on which Shalby Naroda is located. The total consideration payable by our Company to both Dr Vikram Shah and Uday Bhatt for use of the land on which Shalby Naroda is located is inclusive of (a) a guaranteed minimum monthly rental of ₹0.1 million, and (b) a revenue sharing of 2.5% of the gross revenue received and / or generated by Shalby Naroda, and booked on the credit side of profit and loss accounts, in the books of accounts of our Company, payable by our Company to both Dr Vikram Shah and Uday Bhatt.

6. Pursuant to lease agreement dated March 8, 2017, Shalby Orthopaedic Hospital and Research Centre, a partnership firm in which Dr Vikram Shah is a partner, has leased a portion of the premises measuring 402 sq. m., at Survey #81-1-2, Plot Bearing #175 T.P. Scheme #19 Final Plot #175, Sub Plot #6, Rupam Society, Near Vijay Cross Road, Navrangpura, Ahmedabad, to our Company for a period of 10 years with effect from March 1, 2017 to February 28, 2027, at a lease rental of ₹50,000 per month. Our hospital, Vijay Shalby, is located in the abovementioned premises.

For details see, "*Related Party Transactions*" on page 215.

Dr Vikram Shah and Shanay Shah are also directors on the board of our Subsidiary, Shalby International Limited, and may be deemed to be interested to the extent of the payments made by our Company, if any, to Shalby International Limited. Additionally, Shanay Shah is also a director on the board of our Subsidiary, Yogeshwar Healthcare, and may be deemed to be interested to the extent of the payments made by our Company, if any, to Yogeshwar Healthcare. For details regarding payments made by our Company to our Subsidiaries, see "*Related Party Transactions*" on page 215.

Our Promoters are not interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus with SEBI and during the period between the date of filing of the Draft Red Herring Prospectus and the date of this Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Except as disclosed above, and under "*Related Party Transactions*" on page 215, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them. For further details of related party transactions, as per Accounting Standard 18, see "*Related Party Transactions*" on page 215.

Other than our Subsidiaries and Group Entities, our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Dr Vikram Shah, Dr Darshini Shah and Shanay Shah are not related to any sundry debtors of our Company, and none of the sundry debtors are a related party to Zodiac.

Our Promoters are not interested as members of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

PAYMENT OR BENEFITS TO PROMOTERS OR PROMOTER GROUP

Except as stated above, and otherwise as disclosed in the sections "*Related Party Transactions*" on page 215 and "*Our Management*" on page 187, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of the Draft Red Herring Prospectus and during the period between the date of filing of the Draft Red Herring Prospectus and the date of this Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

COMMON PURSUITS

Other than as disclosed below, none of our Promoters have any interest in any venture that is involved in activities similar to those conducted by our Company.

Zodiac does not provide services which are similar to the services provided by our Company.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict of interest as and when they arise.

COMPANIES WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS

Our Promoters have not disassociated themselves from any company during the last three years preceding the date of filing of the Draft Red Herring Prospectus with SEBI and for the period between the date of filing of the Draft Red Herring Prospectus and the date of this Red Herring Prospectus.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our Promoters are the original promoters of our Company and there have been no change in the management or control of our Company.

GUARANTEES

Except as stated in "*History and Certain Corporate Matters*" on page 177, our Promoters have not given any guarantee to a third party as of the date of this Red Herring Prospectus.

OTHER CONFIRMATIONS

Our Promoters and the relatives of our Individual Promoters or related parties, as the case may be, 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 or any other government authority. Further, there are no violations of securities laws committed by our Promoters and members of the Promoter Group in the past, and no proceedings for violation of securities laws are pending against them.

Dr Vikram Shah, Dr Darshini Shah, Shanay Shah and Zodiac, the natural persons behind Zodiac and the Shah Family Trust, and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI, or any other regulatory or governmental authority.

Our Promoters are not, and have not been in the past, promoter, directors or persons in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as disclosed in "*Outstanding Litigation and Material Developments*" on page 387, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoters.

Except as disclosed in "*Our Promoters and Promoter Group – Interests of Promoters*" on page 206, our Promoters are not interested in any entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time.

Except as disclosed in "*Related Party Transactions*" on page 215, there have been no sales or purchases between our Company and Promoter Group where such sale or purchase exceeded in value in the aggregate of 10% of the total sales or purchase of our Company.

PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

(a) Natural persons who are part of the Promoter Group

Name of the Promoter	Name of the relative	Relationship with the Promoter
Dr Vikram Shah	Dr Darshini Shah	Spouse
	Sharmista Shah	Mother
	Shanay Shah	Son
	Kiritbhai Shah	Father-in-law
	Veenaben Shah	Mother-in-law
	Kairav Shah	Brother-in-law
Dr Darshini Shah	Dr Vikram Shah	Spouse
	Veenaben Shah	Mother
	Kiritbhai Shah	Father
	Kairav Shah	Brother
	Shanay Shah	Son
	Sharmista Shah	Mother-in-law
Shanay Shah	Dr Vikram Shah	Father
	Dr Darshini Shah	Mother

(b) Bodies corporates forming part of the Promoter Group

Companies

1. Slaney Healthcare Private Limited;
2. Shalby Infrastructure Private Limited;
3. Sigma Wellness Private Limited;
4. Eris Infrastructure Private Limited;
5. Mahalaxmi Life Science Private Limited; and
6. Uranus Medical Devices Limited.

Partnerships

1. SVIF Surgimed LLP;
2. Shalby Orthopaedic Hospital and Research Centre; and
3. K K Polymers.

Proprietorships

1. K K Chemicals; and
2. K K Corporation.

Trusts

1. Orthopaedic Research Foundation;
2. Indrajit Chimanlal Shah Charitable Trust; and
3. Friends of Shalby Foundation.

Hindu Undivided Family

1. Shah Indrajit Chimanlal HUF;
2. Shah Vikram Indrajit HUF;
3. Kairav Shah HUF; and
4. Kirit Chimanlal Shah HUF.

OUR GROUP ENTITIES

*As per the SEBI ICDR Regulations, for the purpose of identification of 'group entities', our Company has considered such entities covered under the applicable accounting standard, i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India ("**AS 18**") as per the Restated Consolidated Financial Statements, and other entities considered material by our Board. Pursuant to a resolution of our Board dated September 28, 2017, for the purpose of disclosure in this Red Herring Prospectus and Prospectus, apart from entities covered under AS 18 in terms of the Restated Consolidated Financial Statements (with the exception of our Subsidiaries, the Shah Family Trust, and Zodiac), an entity shall be considered material and disclosed as a Group Entity of our Company if (i) the entity is a member of the Promoter Group and our Company has entered into one or more transactions with such entity in any of the last five financial years and relevant interim period (in respect of which, financial statements are included in this Red Herring Prospectus or Prospectus, as applicable), cumulatively exceeding 10.00% of the total consolidated revenue of our Company for the relevant financial year / the interim period during which the transaction(s) was / were undertaken; and / or (ii) entities which, subsequent to the date of the last audited consolidated financial statements of our Company, would require disclosure in the consolidated financial statements of our Company for subsequent periods as entities covered under AS 18 in addition to those entities that are already covered under AS 18 in the Restated Consolidated Financial Statements.*

For avoidance of doubt, it is clarified that Zodiac, the Shah Family Trust, and the Subsidiaries of our Company, have not been considered as Group Entities for the purpose of disclosure in this Red Herring Prospectus.

Unless otherwise specified, all information in this section is as of the date of this Red Herring Prospectus.

The details of our Group Entities are provided below:

DETAILS OF OUR GROUP ENTITIES

(a) Uranus Medical Devices Limited ("Uranus")

Corporate Information

Uranus was originally incorporated as Uranus Medical Devices Private Limited on January 2, 2006 at Ahmedabad, Gujarat, India, as a private limited company limited by shares. Subsequently, Uranus was converted to a public limited company and a fresh certificate of incorporation consequent upon conversion to a public limited company was issued by the RoC on April 18, 2006, in the name of Uranus Medical Devices Limited. It has its registered office at 605, Venus Atlantis, Near Reliance Petrol Pump, 100 Feet Road, Prahladnagar, Satellite, Ahmedabad - 380015. Uranus is engaged in the business of trading of pharmaceuticals, surgical and disposables.

Interest of our Promoter

The shareholding of our Promoters in Uranus is set out in the table below:

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Dr Darshini Shah	229,900	99.93
2.	Dr Vikram Shah	10	*Negligible*
3.	Shanay Shah	10	*Negligible*
TOTAL		**229,920**	**99.93**

Financial Information

The following information has been derived from the audited financial statements of Uranus for the last three Financial Years:

(₹ in *million, except per share data)*

Particulars	For the Financial Year		
	2017	**2016**	**2015**
Equity capital	2.30	2.30	2.30
Revenue from operations	32.70	70.76	93.11
Profit / Loss after tax	10.50	14.23	15.40
Reserves (excluding revaluation reserves) and Surplus	117.08	106.58	92.35
Basic earnings per share	45.65	61.85	66.96
Diluted earnings per share	45.65	61.85	66.96
Net Asset Value per share	518.93	473.29	411.43

(b) Slaney Healthcare Private Limited ("Slaney")

Corporate Information

Slaney was originally incorporated as Alfa Clinical and Therapeutic Research Private Limited on January 16, 2008 at Ahmedabad, Gujarat, India, as a private limited company limited by shares. Subsequently, Slaney changed its name to Slaney Healthcare Private Limited, and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on August 10, 2010. It has its registered office at #605, Venus Atlantis, near Reliance Petrol Pump, 100 Feet Road, Prahladnagar, Satellite, Ahmedabad - 380015. Slaney is engaged in the business of trading of pharmaceuticals and surgical products.

Interest of our Promoter

Sr. No.	Name of the shareholder	No. of equity shares	Percentage of shareholding (%)
1.	Zodiac	9,990	99.99
2.	Shanay Shah (beneficially on behalf of Zodiac)	10	*Negligible*
TOTAL		**10,000**	**100.00**

Financial Information

The following information has been derived from the audited financial statements of Slaney for the last three Financial Years:

(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	**2016**	**2015**
Equity capital	0.1	0.1	0.1
Revenue from operations	106.21	104.48	88.86
Profit / Loss after tax	(0.92)	0.84	2.90
Reserves (excluding revaluation reserves) and Surplus	6.80	7.72	6.88
Basic earnings per share	(91.56)	83.56	289.79
Diluted earnings per share	(91.56)	83.56	289.79
Net Asset Value per share	690.26	781.83	698.27

(c) Shalby Orthopaedic Hospital and Research Centre ("Shalby Research Centre")

Corporate Information

Shalby Research Centre, a partnership firm was set up pursuant to the partnership deed dated May 4, 1993. The object of Shalby Research Centre is to provide instruments for the treatment of orthopaedic diseases and fractures.

Interest of our Promoter

Dr Vikram Shah, Dr Darshini Shah, and Shanay Shah are partners of Shalby Research Centre.

Financial Information

The following information has been derived from the financial details of Shalby Research Centre for the last three Financial Years:

(₹ in million)

Particulars(1)	For the Financial Year		
	2017	**2016**	**2015**
Corpus fund	3.84	2.98	2.40
Revenue from operations	NIL	NIL	NIL
Surplus / deficit transferred to corpus	0.86	0.57	0.57
Reserves(2) (excluding revaluation reserves) and surplus	NIL	NIL	NIL
Earnings per share	NA	NA	NA
Diluted earnings per share	NA	NA	NA
Net asset value per share	NA	NA	NA

(1)*These figures have been derived from the unaudited financial statements of Shalby Research Centre*.
(2)Reserves being considered as a part of the corpus fund above.

(d) Friends of Shalby Foundation ("Friends of Shalby")

Corporate Information

Friends of Shalby, a charitable trust was set up pursuant to the trust deed dated June 23, 2007. The object of Friends of Shalby is to promote social, economic and educational improvement of the society.

Interest of our Promoter

Our Promoter, Dr Vikram Shah is the settlor of Friends of Shalby.

Financial Information

The following information has been derived from the audited financial statements of Friends of Shalby for the last three Financial Years:

(₹ in million)

Particulars	For the Financial Year		
	2017	2016	2015
Corpus fund	2.72	4.07	3.87
Revenue from operations	0.21	0.21	0.23
Surplus / deficit transferred to corpus	(1.32)	(1.33)	0.21
Reserves (excluding revaluation reserves) and surplus	1.40	2.72	4.07
Earnings per share	NA	NA	NA
Diluted earnings per share	NA	NA	NA
Net asset value per share	NA	NA	NA

(e) Griffin Mediquip LLP ("Griffin")

Corporate Information

Griffin, a limited liability partnership was incorporated on July 23, 2012 under the Limited Liability Partnership Act, 2008. Griffin was incorporated to engage in the business of supply of medicines, medical equipment, surgical disposables, and medical consumables.

Interest of our Promoter

None of our Promoters are a partner of Griffin. The partners of Griffin are our Company and Yogeshwar Healthcare.

Financial Information

The following information has been derived from the audited financial statements of Griffin for the last three Financial Years:

(₹ in million, except per share data)

Particulars	For the Financial Year		
	2017	2016	2015
Partners' capital	0.5	0.35	0.51
Revenue from operations	325.41	NIL	NIL
Profit / Loss after tax	4.80	(0.007)	0.02
Reserves (excluding revaluation reserves) and Surplus	NIL	NIL	NIL
Earnings per share	NA	NA	NA
Diluted earnings per share	NA	NA	NA
Net Asset Value per share	NA	NA	NA

NATURE AND EXTENT OF INTEREST OF GROUP ENTITIES

(a) In the promotion of our Company

None of our Group Entities have any interest in the promotion, or other interests in our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing this Red Herring Prospectus with SEBI

None of our Group Entities are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the date of the Draft Red Herring Prospectus and in the period between the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

(c) In transactions for acquisition of land, construction of building and supply of equipment

None of our Group Entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

COMMON PURSUITS AMONG THE GROUP ENTITIES WITH OUR COMPANY

There are no common pursuits between any of our Group Entities and our Company.

BUSINESS TRANSACTIONS WITHIN THE GROUP ENTITIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

For more information, see "*Related Party Transactions*" on page 215.

SIGNIFICANT SALE / PURCHASE BETWEEN GROUP ENTITIES AND OUR COMPANY

Except as disclosed below, none of our Group Entities are involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company:

(₹ in million}

Name of the Group Entity	Nature of the transaction	Transaction period	Amount
Griffin Mediquip LLP	Purchase of medicines, materials and consumables	Fiscal 2017	325.04
Griffin Mediquip LLP	Purchase of medicines, materials and consumables	Three months period ended June 30, 2017	203.34

BUSINESS INTEREST OF GROUP ENTITIES

None of our Group Entities have any business interest in our Company.

DEFUNCT GROUP ENTITIES

None of our Group Entities remain defunct, and no application has been made to the RoC for striking off the name of any of our Group Entities during the five years preceding the date of filing of this Red Herring Prospectus with SEBI. None of our Group Entities fall under the definition of sick companies under SICA and none of them are under winding up. Further, none of our Group Entities have a negative net-worth.

LOSS MAKING GROUP ENTITIES

None of our Group Entities are loss making.

LITIGATION

There is no litigation pending, or threatened against any of our Group Entities.

CONFIRMATIONS

(a) None of the securities of our Group Entities are listed on any stock exchange, and none of our Group Entities have made any public or rights issue of securities in the preceding three years.

(b) None of the Group Entities have been debarred from accessing the capital market for any reasons by SEBI, or any other regulatory authorities.

(c) None of the Group Entities have been identified as wilful defaulters by any bank, financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

(d) Our Company has sanctioned an inter-corporate loan of ₹20 million to Uranus Medical Devices Limited pursuant to an inter-corporate loan agreement dated April 1, 2013, executed between our Company and Uranus Medical Devices Limited. As on March 31, 2017, this loan has been repaid. Barring the abovementioned loan, none of the other Group Entities have outstanding unsecured loans, which may be recalled by the lenders at any time.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures'* issued by the Institute of Chartered Accountants in India and as reported in the Restated Financial Statements, see "*Financial Statements*" on page 217.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013. The dividend, if any, will depend on a number of factors, including but not limited to, the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of, or may enter into, to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 385. Our Company may also pay interim dividends from time to time.

Since incorporation, our Company has not declared any interim or final dividend on the Equity Shares *inter alia*, on account of deployment of our Company's profits towards growth strategies.

Dividends Paid on Preference Shares

The dividends declared by our Company on the Preference Shares in each of the Financial Years 2013, 2014, 2015, 2016, 2017, and the three months period ended June 30, 2017, as per our Restated Financial Statements are given below.

Particulars	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017[1]	Three months period ended June 30, 2017
Face value of Preference Shares (per share in ₹)	10	10	10	10	10	-
Dividend on Preference Shares (₹)	159,783	215,050	215,050	259,514	192,831	-
Dividend on each Preference Share (₹)	0.4	0.5	0.5	0.5	0.4	-
Dividend distribution tax (₹)	27,155	36,548	42,997	52,832	39,258	-
Dividend rate for Preference Shares (%)	5	5	5	5	5	-

[1] *All outstanding Preference Shares were redeemed on December 20, 2016 and currently, there are no outstanding Preference Shares as on the date of this Red Herring Prospectus.*

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "*Risk Factors – Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure*" on page 39.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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To,
The Board of Directors
Shalby Limited
Opp. Karnavati Club
S G Road
Ahmedabad – 380 015
Gujarat, India
(The "**Company**")

Auditor's Report on Restated Consolidated Financial Information in connection with the initial Public offering of Shalby Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement vide our engagement letter dated 26/12/2016.

2. The accompanying restated consolidated financial Information, expressed in Indian Rupees, in millions of Shalby Limited (hereinafter referred to as the "Company") and its subsidiaries (hereinafter together referred to as the "Group"), comprising the consolidated financial information in paragraph A below and other Consolidated Financial Information as detailed in paragraph B below, (hereinafter referred to as **"Restated Consolidated Financial Information"**), has been prepared by the management of the Company in accordance with the requirements of Section 26 of the Companies Act, 2013, (hereinafter referred to as the "Act") read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the **"Rules"**) and item (IX) of Part A of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date issued by SEBI on August 26, 2009 read along with SEBI circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31,2016 (the **"SEBI Regulations"**) issued by the Securities and Exchange Board of India (the **"SEBI"**) in connection with the Proposed Initial Public offering of Equity Shares of the Company (the "Issue") and has been approved by the board of directors on September 28, 2017 and initialled by us for Identification Purpose Only. For the purposes of our examination, we have placed reliance on the audited consolidated financial statements of the Group for quarter ended June 30, 2017 and the financial years ended March 31, 2017 and 2016 (expressed in Indian Rupees, in million), on which we have expressed unqualified audit opinions vide our reports dated September 28, 2017, June 28, 2017 and September 05, 2016 respectively, and the financial years ended March 31, 2015 and 2014 and audited special purpose consolidated financial statements of the Group for the financial year ended March 31 2013 (all expressed in Indian Rupees, in million), on which we have expressed qualified audit opinions on matter mentioned under Part f and g of Annexure 4; "Consolidated Summary of Material Adjustment" vide our reports dated August 18, 2015 and August 05, 2014 and December 20, 2016 respectively.

Managements' Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, which is to be included in the Red Herring Prospectus (**"RHP"**) and Prospectus, is the responsibility of the management of the Company and has been approved by the Board of Directors at its meeting held on September 28, 2017, for the purpose of filing by the Company with SEBI, Registrar of Companies, Gujarat and the concerned stock exchanges in connection with the proposed issue of Equity Shares of the Company. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing under section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 of Act read with applicable provisions within Rule 4 to Rule 6 of the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Consolidated Financial Information as per audited financial statements:

5. We have examined the following summarized consolidated financial statements of the Company contained in Restated Consolidated Financial Information of the Group:

(a) The "Consolidated Summary Statement of Assets and Liabilities, as restated" as at June 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure 1**);

(b) The "Consolidated Summary Statement of Profit and Loss, as restated" for the quarter ended June 30, 2017 and the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure 2**); and

(c) The "Consolidated Summary Statement of Cash Flows, as restated" for the quarter ended June 30, 2017 and the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure 3**).

6. The Restated Consolidated Financial Information, expressed in Indian Rupees, in millions, has been derived from the audited consolidated financial statements of the Group read with Paragraphs 7 and 8 below, as at and for the quarter ended June 30, 2017 and for the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 (all expressed in Indian Rupees, in million).

7. The audit of the financial information of two subsidiaries included in the Restated Consolidated Financial Information of the Group, was conducted by other auditors and whose financial statements reflect the total assets, total revenue and net cash flow as mentioned hereunder.

[₹ in Million]

Particulars	**30th June, 2017**	**31st March 2017**	**31st March, 2016**	**31st March, 2015**	**31st March, 2014** (Refer note below)	**31st March, 2013** (Refer note below)
Total Assets	31.96	30.38	25.37	17.13	21.39	22.46
Total Revenue	0.95	10.39	2.08	7.68	32.08	29.87
Net Cash Flow	(0.01)	0.26	0.01	(1.43)	1.17	(0.62)

Note: The amounts of total assets, total revenue and net cash flows are inclusive of net adjustment of significant accounting transactions of one of the subsidiary companies i.e. Yogeshwar Healthcare Ltd. due to different reporting period.

Accordingly, our opinion on examination of the Consolidated Financial Information and Other Consolidated Financial Information of the Group, in so as it relates to the amounts included in these Restated Consolidated Financial Information relating to these Subsidiaries, is based solely on the audit reports furnished to us by other auditors, after making necessary adjustments.

8. The Restated Consolidated Financial Information should be read in conjunction with the basis of preparation and significant accounting policies enclosed as **Annexure 5 (as described in paragraph 10 below)**.

9. We have not audited any consolidated financial statements of the Group as of any date or for any year subsequent to June 30, 2017. Accordingly, we do not express any opinion on the consolidated financial position, consolidated results or consolidated cash flows of the Group as of any date or for any year subsequent to June 30, 2017.

B. Other Financial Information:

10. At the Company's request, we have also examined the following Other Consolidated Financial Information relating to the Group as at and for the quarter ended June 30, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the RHP and Prospectus, prepared by the management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

Annexures	
Annexure 4	Consolidated Summary Statement of Material Adjustment
Annexure 5	Summary of Significant Accounting Policies and Notes to Accounts
Annexure 6	Consolidated Summary Statement of Share Capital, as restated
Annexure 7	Consolidated Summary Statement of Reserves and Surplus, as restated
Annexure 8	Consolidated Summary Statement of Share Application Money pending for Allotment, as restated
Annexure 9	Consolidated Summary Statement of Deferred Government subsidy, as restated
Annexure 10	Consolidated Summary Statement of Long Term Borrowings, as restated
Annexure 11	Consolidated Summary Statement of Other Non Current Liabilities, as restated
Annexure 12	Consolidated Summary Statement of Long Term Provisions, as restated
Annexure 13	Consolidated Summary Statement of Short Term Borrowings, as restated
Annexure 14	Consolidated Summary Statement of Trade Payables, as restated
Annexure 15	Consolidated Summary Statement of Other Current Liabilities, as restated
Annexure 16	Consolidated Summary Statement of Short Term Provisions, as restated
Annexure 17	Consolidated Summary Statement of Fixed Assets, as restated
Annexure 18	Consolidated Summary Statement of Non Current Investments, as restated
Annexure 19	Consolidated Summary Statement of Long Term Loans and Advances, as restated
Annexure 20	Consolidated Summary Statement of Other Non Current Assets, as restated
Annexure 21	Consolidated Summary Statement of Current Investments, as restated
Annexure 22	Consolidated Summary Statement of Inventories, as restated
Annexure 23	Consolidated Summary Statement of Trade Receivables, as restated
Annexure 24	Consolidated Summary Statement of Cash and Bank Balances, as restated
Annexure 25	Consolidated Summary Statement of Short Term Loans and Advances, as restated
Annexure 26	Consolidated Summary Statement of Other Current Assets, as restated
Annexure 27	Consolidated Summary Statement of Revenue From Operations, as restated
Annexure 28	Consolidated Summary Statement of Other Income, as restated
Annexure 29	Consolidated Summary Statement of Operative Expenses, as restated
Annexure 30	Consolidated Summary Statement of Employee Benefit Expenses, as restated
Annexure 31	Consolidated Summary Statement of Finance Costs, as restated
Annexure 32	Consolidated Summary Statement of Administrative and Other Expenses, as restated
Annexure 33	Statement of Capitalisation, as restated
Annexure 34	Consolidated Summary Statement of Accounting Ratios
Annexure 35	Consolidated Summary Statement of Related Parties, as restated
Annexure 36	Consolidated Summary Statement of Rates and Amounts of Dividend, as restated

11. We have no responsibility to update our report for the event and circumstances occurring after the date of the report.

Opinion

12. In our opinion:

(i) the Restated Consolidated Financial Information of the Group, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and SEBI Regulations;

(ii) adjustments to reflect the changes in accounting policies of the Group as disclosed in **Annexure 4** and **Annexure 5** to this report have been made with retrospective effect and has been adjusted in opening balance of surplus in Statement of Profit and Loss for the financial year 2012-13;

(iii) the material prior period items as explained in **Annexure 4** to this report, relating to previous years have been adjusted in the year to which they relate;

(iv) adjustments for the material amounts and material regrouping as explained in **Annexure 4** to this report has been incorporated in the Restated Consolidated Financial Information of the Group as attached to this report;

(v) there are no qualifications in the auditors' reports, which require any adjustments except in respect of one of the subsidiary companies which are more fully described in Part f of **Annexure 4** to this report and the qualifications which do not require any adjustment are more fully described in Part g of Annexure 4 to the this report and;

(vi) There are no extra-ordinary items which need to be disclosed separately.

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the consolidated financial statements of the Group and/or by other auditors.

Emphasis of matters

14. We invite reference to below mentioned notes in respect of subsidiary companies.

i. Note 11(a)(i) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to disposal of Company Petition No. 18 /2015 by the National Company Law Tribunal (NCLT), Mumbai pursuant to consent terms filed before NCLT.

ii. Note 11(a)(ii) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to disposal with regard to Board of Directors consented to suspend the business operations and inspite of one of the subsidiary company's net worth having been eroded on account of net accumulated loss of ₹ 31.21 million the financial statements have been prepared on going concern assumption in view of matter set forth in note 11(a)(i).

iii. Note 11(b)(i) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to Company Petition No. 18 /2015 which is pending at the National Company Law Tribunal, Mumbai and issues covered therein are subjudice.

iv. Note 11(b)(ii) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to approval of the financial statements for financial year 2014-15, 2015-16 and 2016-17 with majority of directors acted in favour of approval of these statements whereas one of the directors of company, who is the petitioner to Company Petition No. 18 /2015 dissented for the said business.

v. Note 11(c)(i) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to Board of Directors vide circular resolution deemed to be passed on 9th December 2016, consented to suspend the business operations, to surrender licences, to close the pharmacy with immediate effect and to apply for cancellation of power supply. In spite of above referred resolution and net worth having been eroded on account of net accumulated loss of ₹ 33.05 million as at 31st March 2017, company has prepared its financial statements on "Going Concern" assumption in view of matter set forth in note 11(b)(i) Part B of **Annexure 5** of Restated Consolidated Financial Statements.

vi. Note 11(c)(ii) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to discrepancy of outstanding balances due to one of the directors, non reconciliation thereof and write back of provision for non compete professional fees.

vii. Note 11(d)(i) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to write off the outstanding amount of ₹ 9.33 million which included the balances in the name of one of the directors, his relatives and associate.

viii. Note 11(d)(ii) of Part B of **Annexure 5** of Restated Consolidated Financial Information with regard to discontinuance of principal business of one of the subsidiary companies.

We have not qualified our opinion in the above referred to matters.

Restriction on Use

15. Our report is intended solely for use of the management for inclusion in the offer document to be filed by the Company with SEBI, Registrar of Companies, Gujarat and the concerned stock exchanges in connection with the proposed issue of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

SHALBY LIMITED

Consolidated Financial Information, as restated

ANNEXURE - 1 : Consolidated Summary Statement of Assets and Liabilities, as restated

[₹ in Million]

Particulars	Annx. No.	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
EQUITY AND LIABILITIES							
Shareholders' fund							
Share capital	6	886.55	874.09	878.88	353.72	353.72	353.72
Reserves and surplus	7	2,002.45	1,782.94	1,171.36	1,330.54	1,054.98	665.58
		2,889.00	2,657.03	2,050.24	1,684.26	1,408.70	1,019.30
Minority interest		0.58	0.58	3.69	23.34	25.31	38.03
Share application money pending allotment	8	0.00	2.73	0.00	0.00	0.00	0.00
Deferred Government subsidy	9	92.98	94.39	0.00	0.00	0.00	0.00
Non-current liabilities							
Long-term borrowings	10	2,519.16	2,854.04	2,010.72	737.34	228.30	4.20
Deferred tax liabilities (Net)		230.64	228.32	20.83	111.65	26.90	0.00
Other non current liabilities	11	25.35	20.67	27.69	47.46	70.51	94.09
Long-term provisions	12	11.88	15.18	8.97	5.58	4.11	3.31
		2,787.03	3,118.21	2,068.21	902.03	329.82	101.60
Current liabilities							
Short-term borrowings	13	590.15	260.67	93.18	75.20	77.46	26.57
Trade payables	14	444.66	389.76	467.84	614.18	204.95	204.60
Other current liabilities	15	965.50	650.91	354.29	213.86	120.95	130.06
Short-term provisions	16	7.16	7.47	1.69	0.54	1.11	0.80
		2,007.47	1,308.81	917.00	903.78	404.47	362.03
TOTAL		**7,777.06**	**7,181.75**	**5,039.14**	**3,513.41**	**2,168.30**	**1,520.96**
ASSETS							
Non-current assets							
Fixed assets							
Tangible assets	17	3,429.83	3,200.51	3,177.83	1,585.62	1,200.51	1,077.87
Intangible assets		1.44	1.66	3.63	3.40	5.87	4.79
Capital work-in-progress		2,504.41	2,214.40	821.87	907.10	50.99	21.09
Intangible assets under development		2.27	2.27	0.06	0.06	0.06	0.06
		5,937.95	5,418.84	4,003.39	2,496.18	1,257.43	1,103.81
Goodwill on consolidation (Net)		11.34	11.34	11.34	161.67	96.49	83.49
Non-current investments	18	1.10	1.10	1.10	1.10	1.13	1.13
Deferred tax assets (Net)		0.00	0.00	0.00	0.00	0.00	1.99
Long-term loans and advances	19	899.09	870.91	379.90	224.97	175.92	58.00
Other non-current assets	20	8.76	2.99	1.83	3.30	5.67	2.38
		908.95	875.00	382.83	229.37	182.72	63.50
Current Assets							
Current investments	21	0.00	0.00	0.00	0.00	0.88	1.00
Inventories	22	152.02	76.47	74.88	58.24	64.70	61.09
Trade receivables	23	384.00	379.60	314.29	215.47	149.94	115.63
Cash and bank balances	24	134.60	158.70	160.71	309.97	118.54	54.91
Short-term loans and advances	25	96.53	123.76	62.24	12.90	274.72	19.09
Other current assets	26	151.67	138.04	29.46	29.61	22.88	18.44
		918.82	876.57	641.58	626.19	631.66	270.16
TOTAL		**7,777.06**	**7,181.75**	**5,039.14**	**3,513.41**	**2,168.30**	**1,520.96**

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5) are an integral part of this statement.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM I. SHAH
Chairman & Managing Director
DIN: 00011653

SHYAMAL S. JOSHI
Director
DIN: 00005766

RAVI BHANDARI
Chief Executive Officer

S L KOTHARI
Chief Financial Officer

JAYESH R. PATEL
Company Secretary

Place : Ahmedabad
Date : September 28, 2017

ANNEXURE - 2 : Consolidated Summary Statement of Profits and Losses, as restated

[₹ in Million]

Particulars	Annx. No.	For the quarter ended 30th June, 2017	For the year ended 31st March 2017	2016	2015	2014	2013
REVENUE							
Revenue from operations	**27**	892.28	3,253.87	2,904.06	2,754.17	2,588.85	2,251.25
Other income	**28**	13.71	74.75	21.50	22.09	27.91	47.03
Total Revenue		905.99	3,328.62	2,925.56	2,776.26	2,616.76	2,298.28
EXPENSES							
Purchases of traded goods		17.30	58.31	43.95	43.68	39.61	46.03
Operative expenses	**29**	459.50	1,823.48	1,783.74	1,670.64	1,559.36	1,406.11
Change in inventories		(3.54)	(4.75)	0.62	0.83	0.59	(1.35)
Employee benefits expenses	**30**	90.93	392.56	289.21	198.43	169.49	153.20
Finance costs	**31**	40.68	97.94	103.85	54.23	22.78	3.49
Depreciation and amortization (Net)		44.49	168.00	113.33	212.37	110.13	271.85
Administrative and other expenses	**32**	70.64	260.63	231.62	165.74	193.36	231.97
Total Expenses		720.00	2,796.17	2,566.32	2,345.92	2,095.32	2,111.30
Profit before Tax		185.99	532.45	359.24	430.34	521.44	186.98
Tax expenses							
Current tax		38.95	119.22	84.00	100.00	115.00	45.39
Tax in respect of earlier year		0.00	0.00	0.00	0.00	0.08	0.00
MAT credit entitlement		0.00	(410.00)	0.00	0.00	0.00	0.00
Deferred tax		2.29	207.49	(87.95)	84.82	28.89	(8.50)
		41.24	(83.29)	(3.95)	184.82	143.97	36.89
Profit for the year after Tax(before Share of Profit / (Loss) of Minority Interest)		144.75	615.74	363.19	245.52	377.47	150.09
Add: Share in (Profit) / Loss of Minority Interest		(0.84)	9.89	12.64	11.81	12.80	20.95
Profit for the year ended, as restated		143.91	625.63	375.83	257.33	390.27	171.04
Earning per Equity Share							
Basic and diluted		1.63	7.16	4.30	7.36	11.16	4.90
Basic and diluted(Adjusted for bonus issue)		1.63	7.16	4.30	2.94	4.47	1.96

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5) are an integral part of this statement

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM I. SHAH
Chairman & Managing Director
DIN: 00011653

SHYAMAL S. JOSHI
Director
DIN: 00005766

RAVI BHANDARI
Chief Executive Officer

S L KOTHARI
Chief Financial Officer

JAYESH R. PATEL
Company Secretary

Place : Ahmedabad
Date : September 28, 2017

ANNEXURE - 3 : Consolidated Summary Statement of Cash Flows, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March 2017	2016	2015	2014	2013
[A] Cash flow from operating activities						
Profit/(Loss) for the year before taxation and exceptional items	185.99	532.45	359.24	430.34	521.44	186.98
Adjustments for:						
Depreciation and amortization (Net)	44.49	168.00	113.33	212.37	110.13	271.85
Bad Debt Written Off	0.00	0.00	0.30	8.90	0.00	10.12
Project Expenses written off	0.00	0.00	0.00	0.00	6.54	0.00
Provision for bad and doubtful debts	0.00	8.29	0.00	0.45	9.33	18.68
Provision for impairment loss	0.00	0.00	0.53	0.00	0.00	0.00
(Profit) / Loss on sale / discard of Fixed Assets(Net)	0.00	(2.16)	0.46	8.06	3.05	0.31
Gain on sale of investment	0.00	0.00	(0.75)	(2.87)	(0.06)	0.00
Deferred capital subsidy	(1.41)	(5.61)	0.00	0.00	0.00	0.00
Interest subsidy	(1.50)	(10.88)	0.00	0.00	0.00	0.00
Dividend income	(1.01)	(0.19)	(1.90)	(3.35)	(9.41)	(6.81)
Interest income	(3.84)	(19.88)	(8.52)	(4.43)	(6.11)	(13.46)
Interest expenses	41.42	99.56	65.15	37.80	20.09	3.01
Operating profit before working capital changes	264.14	769.58	527.84	687.27	655.00	470.68
Changes in working capital :						
Adjustments for (increase) / decrease in operating assets :						
Long-term loans and advances	(37.55)	(93.99)	(140.50)	(34.69)	(102.06)	(3.85)
Other non-current assets	(5.77)	(1.16)	1.37	2.65	(3.29)	1.22
Inventories	(75.55)	(1.59)	(16.64)	6.46	(3.61)	(15.76)
Trade receivables	(4.39)	(73.60)	(99.12)	(74.88)	(43.64)	(33.10)
Short-term loans and advances	32.24	(31.29)	(50.27)	261.82	(255.63)	(7.33)
Other current assets	(9.02)	3.38	(34.99)	21.26	(33.50)	346.90
Adjustments for increase / (decrease) in operating liabilities :						
Other non current liabilities	4.68	(7.02)	(19.77)	(23.05)	(23.58)	94.09
Trade payables	54.91	(78.08)	(146.34)	409.23	0.35	104.37
Other current liabilities	306.48	299.50	120.90	89.88	(9.36)	87.26
Provisions	(3.61)	12.25	4.50	0.89	1.06	1.02
Cash generated from operations	526.56	797.98	146.98	1,346.84	181.74	1,045.50
Direct taxes Refund/(paid)	(29.58)	(106.24)	(101.30)	(114.42)	(130.93)	(91.80)
Net cash from operating activities [A]	496.98	691.74	45.68	1,232.42	50.81	953.70
[B] Cash flow from investing activities						
(Purchase) / Sale of fixed assets	(563.59)	(1,581.30)	(991.37)	(634.34)	(273.35)	(106.85)
(Purchase) / Sale of investments	0.00	0.00	0.75	3.75	0.18	(1.26)
Dividend received	1.01	0.19	1.90	3.35	9.41	6.81
Interest received	0.73	18.81	8.50	3.97	3.36	13.20
Net cash used in investing activities [B]	(561.85)	(1,562.30)	(980.22)	(623.27)	(260.40)	(88.10)
[C] Cash flow from financing activities						
Issue / (Redemption) of Share capital	12.46	0.54	1.03	0.00	0.00	2.62
Share Premium on Issue / (Redemption) of Share capita	74.76	(12.36)	4.43	0.00	0.00	3.78
Share application money received	(2.73)	2.73	0.00	0.00	0.00	0.00
Merger and Consolidation Adjustment	0.00	0.00	(494.84)	(872.13)	(13.00)	(904.34)
Changes in Minority Interest	0.00	0.00	(7.01)	10.46	(0.54)	8.04
Procurement/(Repayment) of long / short term borrowings	(5.40)	1,010.81	1,291.36	506.78	274.99	30.46
Dividend paid	0.00	(0.50)	(0.26)	(0.25)	(0.19)	(0.01)
Interest paid	(33.31)	(102.44)	(45.62)	(34.77)	(19.85)	(2.97)
Net cash flow from financial activities [C]	45.78	898.78	749.09	(389.91)	241.41	(862.42)
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	(19.09)	28.22	(185.45)	219.24	31.82	3.18
Cash and cash equivalents opening	117.37	89.15	274.60	55.36	23.54	20.36
Cash and cash equivalents closing	98.28	117.37	89.15	274.60	55.36	23.54

Explanatory Notes to Cash Flow Statement

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as issued by the Institute of Chartered Accountants of India.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM I. SHAH
Chairman & Managing Director
DIN: 00011653

SHYAMAL S. JOSHI
Director
DIN: 00005766

RAVI BHANDARI
Chief Executive Officer

S L KOTHARI
Chief Financial Officer

JAYESH R. PATEL
Company Secretary

Place : Ahmedabad
Date : September 28, 2017

Consolidated Financial Information, as restated

ANNEXURE - 4 : Consolidated Summary Statement of Material Adjustment

(a) The summary of Results of Net Adjustments/ Rectifications made in the Audited Accounts of the respective year and its impact on Profit and Loss account given below :

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Profit/ (Loss) for the year ended (before Share of Profit / (Loss) of Minority Interest) as per audited Consolidated Financial Statements	81.67	664.04	264.27	349.16	383.28	161.15
Net Adjustment of significant accounting transaction of one of the Subsidiary companies due to different reporting Period	0.00	0.00	0.00	0.00	0.62	(0.62)
Changes in Restated Financials :						
Prior Period Adjustments	1.41	1.97	0.44	0.15	(8.60)	(1.32)
Revenue from operations	0.00	1.11	0.00	0.00	0.00	0.66
Other income	0.00	(0.73)	(1.05)	0.00	0.02	0.00
Purchase of traded goods	0.00	0.00	0.00	0.00	0.00	(0.07)
Operative expenses	0.00	0.00	(0.98)	(0.26)	(0.01)	(0.09)
Employee benefits expenses	0.00	0.00	0.00	0.00	(0.02)	0.00
Administrative and Other Expenses	0.00	(0.72)	(0.95)	(0.18)	(0.12)	(0.26)
Depreciation and amortisation (Net)	0.00	0.00	(0.06)	0.00	0.00	8.36
MAT Credit Adjustment	(110.00)	110.00	0.00	0.00	0.00	0.00
Deferred Tax Adjustment	171.63	(159.93)	101.52	(113.22)	0.00	0.00
Adjustment Due to Change in Accounting Policy	0.00	0.00	0.00	0.00	0.00	(5.55)
Provision for Doubtful Bad and Debts (Refer Note (f) below)	0.00	0.00	0.00	0.00	0.00	(12.17)
Excess Provisions no longer required (Refer Note (f) below)	0.00	0.00	0.00	0.54	2.30	0.00
Bad Debt Written off (Refer Note (f) below)	0.00	0.00	0.00	9.33	0.00	0.00
Profit/ (Loss) for the year ended (before Share of Profit / (Loss) of Minority Interest) as per restated Consolidated Financial Statements	**144.71**	**615.74**	**363.19**	**245.52**	**377.47**	**150.09**

(b) Prior period items accounted for the respective years as stated above have been given effect in respective years to which they pertain and corresponding effects have been given in Trade payables, Other current liabilities, Capital work- in-progress and Trade receivables.

(c) The significant regrouping adjustments made to the audited Consolidated financial statements for the respective years are given below :

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(i) Advance from Patients/ Corporates						
Other current liabilities	0.00	0.00	(21.08)	(35.52)	(14.26)	(10.27)
Trade receivables	0.00	0.00	(21.08)	(35.52)	(14.26)	(10.27)
(ii) Fixed assets						
Gross Block						
Freehold Land	0.00	0.00	(153.31)	(153.31)	(153.31)	0.00
Leasehold Land	0.00	0.00	153.31	153.31	153.31	0.00
Plant and Machinery	0.00	0.00	7.54	0.00	39.62	39.62
Medical Equipments and Surgical Instruments	0.00	0.00	0.00	0.00	25.50	25.50
Buildings	0.00	0.00	(7.54)	0.00	0.00	0.00
Air Conditioner	0.00	0.00	0.00	0.00	(39.62)	(39.62)
Bio Medical	0.00	0.00	0.00	0.00	(25.50)	(25.50)

..Continued…

ANNEXURE - 4 : Consolidated Summary Statement of Material Adjustment *…Continued..*

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Accumulated Depreciation Fund						
Plant and Machinery	0.00	0.00	(1.72)	0.02	25.66	23.22
Medical Equipments and Surgical Instruments	0.00	0.00	1.74	0.00	0.00	8.48
Buildings	0.00	0.00	(0.02)	(0.02)	0.00	0.00
Air Conditioner	0.00	0.00	0.00	0.00	(25.66)	(23.22)
Bio Medical	0.00	0.00	0.00	0.00	0.00	(8.48)
(iii) Advance against acquisition of Shares						
Long-term loans and advances	56.15	0.00	7.26	0.00	96.50	0.00
Short-term loans and advances	(56.15)	0.00	(7.26)	0.00	(96.50)	0.00
(iv) Short Term Loans and Advances						
Loans to subsidiary and others	(56.15)	0.00	7.26	0.00	96.50	0.00
Advance against purchase of shares/project	56.15	0.00	(7.26)	0.00	(96.50)	0.00
(v) Sponsorship and Event Orthotrend						
Other Income	0.00	(15.90)	(10.10)	(6.84)	(13.17)	(0.82)
Other Operating Revenue	0.00	15.90	10.10	6.84	13.17	0.82

(d) Consequent to the adjustments referred in (a) above and other adjustments / rectifications / reclassifications made in audited accounts of the respective years, the share of minority interest has been restated with corresponding effects in share premium account, Surplus in Statement of Profit and Loss and Goodwill on Consolidation(Net). The summary results of such adjustments is given below :

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Balance as per Audited Financial Statements						
Share of Minority Interest	0.00	0.00	0.36	0.61	0.78	9.55
Security Premium	0.00	0.00	75.10	81.58	81.58	81.58
Goodwill on consolidation (Net)	10.41	10.41	51.71	154.72	140.19	127.19
Surplus in Statement of Profit and Loss	1,918.15	1,836.48	1,154.69	1,378.39	1,051.64	660.36
Changes in Restated financials						
Share of Minority Interest	0.00	0.00	3.33	22.73	24.53	28.48
Security Premium	0.00	0.00	(75.10)	(35.12)	(75.10)	(75.10)
Goodwill on consolidation (Net)	0.93	0.93	(40.37)	6.95	(43.70)	(43.70)
Surplus in Statement of Profit and Loss	0.97	(62.11)	16.67	(94.31)	(3.14)	(1.26)
Balances as per Restated Financials						
Share of Minority Interest	0.00	0.00	3.69	23.34	25.31	38.03
Security Premium	0.00	0.00	0.00	46.46	6.48	6.48
Goodwill on consolidation (Net)	11.34	11.34	11.34	161.67	96.49	83.49
Surplus in Statement of Profit and Loss	1,919.12	1,774.37	1,171.36	1,284.08	1,048.50	659.10

(e) During the year ended 31st March, 2013, Kusha Healthcare Limited, a subsidiary company changed its method of depreciation on fixed assets from Written Down Value (WDV) method to Straight Line Method (SLM). Consequent to this change depreciation has been recalculated in accordance with the new method from the date of asset coming into use and resulting surplus / deficit arising from retrospective computation of depreciation in accordance with new method has been adjusted to the respective period in these restated financial statements.

..Continued…

(f) Summary of Adjustment Items

Audit reservations / qualifications, which requires any corrective adjustment in Consolidated Financial Information :

For the year ending 31st March, 2013

In respect of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), during the financial year ended 31st March, 2013, such subsidiary company has made certain payments to some of its directors without any contractual obligation on the part of such subsidiary company which tantamount to payments in nature of loans and advances. The advances so made along with the debit balances amounting to ₹ 12.17 million which stand receivable from directors, firm / company / trust in which its directors are interested would not be recovered and has become doubtful recovery especially in view of no recovery during the financial year ended 31st March, 2013. However appropriate provision has not been made for doubtful advances thus group's profit for the said financial year was overstated and short term loans and advances were overstated by ₹ 12.17 million.

For the year ending 31st March, 2014

The loans and advances includes advances amounting to ₹ 9.87 million made by subsidiary company i.e. Vrundavan Shalby Hospitals Limited to relative of director, firm / company / trust in which director / relatives of directors are interested which could not be fully recovered and has become doubtful recovery. Such subsidiary company has not made appropriate provision for such doubtful advances which has resulted into over statement of group's profit by ₹ 9.87 million and short term loans and advances were overstated by ₹ 9.87 million.

In respect of the above said qualifications appearing in financial year ended 31st March, 2013 and 2014, provision of ₹ 12.17 millions has been made in restated consolidated financial statements and respective adjustment has been given in "Short Term Loans and Advances ". Further during the financial year ended 31st March 2014 and 2015, ₹ 2.30 million and ₹ 0.54 million has been recovered respectively and accordingly provision so made has been reversed in respective financial years. The balance bad debt / advances of ₹ 9.33 million written off during financial year ended 31st March, 2015 has been adjusted against the balance amount of provision so made.

(g) Summary of Non Adjustment Items

Audit reservations / qualifications, which do not require any corrective adjustment in Consolidated Financial Information :

For the year ending 31st March, 2013

In respect of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), during the financial year ended 31st March, 2013, such subsidiary company has made certain payments to some of its directors without any contractual obligation on the part of such subsidiary company which tantamount to payments in nature of loans and advances. Such subsidiary company should have obtained the requisite approvals from the appropriate authorities prior to advances made. Such subsidiary company, however, has not obtained such approval which is not in compliance with the provisions of Section 295 of the Companies Act, 1956.

For the year ending 31st March, 2015 :

(i) In case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), it has been reported that such subsidiary company has carried the balances including adverse and stagnant balances of trade payables, trade receivables, loans and advances and borrowings from director as disclosed in the standalone financial statements of such subsidiary company. The same are subject to reconciliation and confirmation by respective parties. The management of such subsidiary company has informed that such subsidiary company has sent letters to all the vendors for balance confirmation. Accordingly, the impact of such non-reconciliation and non-adjustments, if any, on the consolidated profit for the year is not ascertained.

Continued…

ANNEXURE - 4 : Consolidated Summary Statement of Material Adjustment *…Continued..*

(ii) Observations in respect of proper records showing particulars of fixed assets, physical verification of assets and inventories and adequacy of internal controls as stated hereunder may have consequential effect on the consolidated financial statements for the year.

(a) The respective entities have maintained proper records showing full particulars including quantitative details and situation of its fixed assets, except in case of two subsidiary companies namely Vrundavan Shalby Hospitals Limited and Kusha Healthcare Limited (such subsidiary companies) such records have not been maintained. The fixed assets have been physically verified by the management of the respective entities during the year at reasonable intervals and no material discrepancies were noticed on such verification, except in case of such subsidiary companies the documents substantiating physical verification of fixed assets were not made available for verification. In the absence of proper records with regard to fixed assets and documents substantiating physical verification of fixed assets, the opinion with regard to discrepancies if any could not be given in case of such subsidiary companies.

(b) In our opinion and the opinion of the other auditors, physical verification of inventory has been conducted by the management of the respective entities at reasonable intervals, except in case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), the relevant documents substantiating physical verification of inventory were not made available. In our opinion and the opinion of the other auditors, according to the information and explanations given to us and to other auditors, the procedures of physical verification of inventory followed by the management of the respective entities are reasonable and adequate in relation to the size of the company and the nature of its business, except in case of such subsidiary company, opinion with regard to adequacy of the procedures of physical verification of inventory in relation to size of the such subsidiary company and nature of its business could not be given. On the basis of examination of records of inventory by us and other auditors, in our opinion and the opinion of the other auditors, the respective entities are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material. However opinion with regard to discrepancies if any on physical verification could not be given in the absence of physical verification of inventory by such subsidiary company.

(c) According to information and explanation given to us and other auditors; there is adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets, inventory and with regard to the sale of goods and services, except in case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), the internal control system with regard to inventory, fixed assets and with regard to sale of goods and services shows weaknesses which needs to be strengthened so as to commensurate with the size of the such subsidiary company and nature of its business. The internal control system with regard to expenditures on account of professional fees to paid to doctors and recording of the revenue from patients needs improvement in case of such subsidiary company. During the course of our audit and other auditor's audit, no major weakness in such internal control system has been observed, except in case of such subsidiary company there is continuing failure to correct major weaknesses in the internal control system.

Annexure-`5' : Summary of Significant Accounting Policies and Notes to Accounts

A. Summary of Significant Accounting Policies

(a) Corporate Information

Shalby Limited (the Parent Company, Holding Company) is engaged in setting up and operating multi/super specialty hospitals and renders medical diagnostic and healthcare allied services. The parent company has its registered and corporate office at "Opp. Karnavati Club, S. G. Road, Ahmedabad - 380 015. The parent company operates through various units:

(i) Shalby Hospital, Ahmedabad
(ii) Vijay Shalby Hospital, Ahmedabad
(iii) Krishna Shalby Hospital, Bopal, Ahmedabad
(iv) Shalby Hospital, Indore
(v) Shalby Hospital (In Association with SMJ Trust), Jabalpur
(vi) Shalby Hospital, Mohali
(vii) Shalby Hospital, Vapi
(viii) Shalby Hospital, Jaipur
(ix) Shalby Hospital, (In Assocation with Zynova Hospital), Mumbai
(x) Shalby Clinic, Nairobi, Kenya

As at 30th June, 2017, the parent company has following subsidiary companies / LLP :

Sr. No.	Name of Subsidiary Company / LLP	Location	% of Holding	Nature of Business
(i)	Shalby Kenya Limited	Kenya	100	Running Multispecialty Hospitals
(ii)	Shalby International Limited	Ahmedabad	100	Investing Activities
(iii)	Vrundaban Shalby Hospitals Limited	Goa	55	Running Multispecialty Hospitals
(iv)	Yogeshwar Healthcare Limited	Ahmedabad	94.68	Running Multispecialty Hospitals
(v)	Griffin Mediquip LLP	Ahmedabad	95	Trading of Pharmacy Medicare Items

(b) Basis of preparation of Restated Consolidated Summary Statements and financial information

The Restated Consolidated Summary Statement of assets and liabilities of the Company as at 30th June, 2017 and 31st March, 2017, 2016, 2015, 2014 and 2013 and the related Restated Consolidated Summary Statement of profits and loss and Restated Consolidated Summary Statement of Cash Flows for the quarter ended 30th June, 2017 and each of the financial years ended on 31st March 2017, 2016, 2015, 2014 and 2013 [herein collectively referred to as 'Restated Consolidated summary statements'] have been extracted by the management from the audited consolidated financial statements of the Company for the quarter ended 30th June, 2017 and each of the financial years ended on 31st March, 2017, 2016, 2015, 2014 and audited special purpose consolidated financial statements for the financial year ended 31st March, 2013.

The summary of consolidated financial statements as restated ("Restated Consolidated Summary Statements") of the Parent company and its subsidiaries (together "the Group") have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Companies Act, 2013 / Companies Act, 1956, as applicable. The restated consolidated summary statements have been prepared on a going concern and accrual basis. The accounting policies adopted in preparation of restated consolidated summary statements are consistent with those followed in the quarter ended 30th June, 2017 and financial years ended on 31st March, 2016, 2015, 2014 and 2013 except for change in accounting policy for depreciation as more fully described in Note (e) to Annexure – 4.

These Restated Consolidated Summary Statements have been prepared to comply in all material aspects with the requirements of Section 26 of the Companies Act, 2013, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

Appropriate adjustments have been made to the Restated Consolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited consolidated financials of the Company for the quarter ended 30th June, 2017. Accordingly, the previous years' figures have been reworked, regrouped and reclassified wherever necessary, to confirm to current year presentation.

(c) Principles of consolidation

The Consolidated Financial Statements relate to Shalby Limited and its subsidiaries. The Consolidated Financial Statements have been prepared on the following basis:

(i) The financial statements of subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the parent company. Necessary adjustments have been made for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements, in the event, the reporting date of financial statement of subsidiary company is not identical. These have been consolidated based on latest available financial statements

(ii) The financial statements of the company and its subsidiary companies have been combined on a Line-by-Line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and resulting in unrealised profit or losses unless cost cannot be recovered.

(iii) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and have been presented to the extent possible in the same manner as the company's separate financial statements.

(iv) The difference between the cost of investment in the subsidiaries, and the Company's share of net assets at the time of acquisition of share in the subsidiaries is recognized in the consolidated financial statement as Goodwill or Capital Reserve as the case may be and disclosed on net basis. Goodwill so arising is not amortised. However the same is tested for impairment at each Balance Sheet date.

(v) Financial Statements of foreign subsidiary company which is considered as integral operation are translated as if the transactions of foreign subsidiaries have been those of company itself.

(vi) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries of:

(i) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

(ii) The minority share of movements in equity since the date parent-subsidiary relationship came into existence.

(iii) Minority interest's share of Net Profit/(Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

(vii) Following subsidiary entities have been considered in the preparations of the consolidated financial statement.

Sl. No.	Name of the entity	% of ownership held by the Company as at 30-June-17	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
(i)	Shalby Kenya Limited	100.00	100.00	100.00	100.00	100.00	100.00
(ii)	Shalby International Limited	100.00	100.00	100.00	100.00	100.00	100.00
(iii)	Vrundavan Shalby Hospitals Limited	55.00	55.00	55.00	55.00	55.00	55.00
(iv)	Yogeshwar Healthcare Limited	94.68	94.68	94.68	94.68	94.68	94.68
(v)	Kusha Healthcare Limited	--	--	--	82.27	67.50	60.00
(vi)	Griffin Mediquip LLP	95.00	95.00	95.00	70.00	70.00	70.00

All the above mentioned entities are based in India except '(i)' which is based in Kenya.

Ownership in all the above entities is held by the company.

(viii) The figures pertaining to subsidiary companies / LLP have been reclassified and regrouped wherever necessary to bring them in line with parent company's financial statements.

(d) Use of estimates

The preparation of consolidated summary statements and financial information in conformity with Indian GAAP requires the Management to make certain estimates and assumptions. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(e) Fixed Assets

(i) Tangible and Intangible Assets

Tangible Fixed Assets are stated at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost comprises of purchase price and any other cost attributable of bringing the asset to its working condition for its intended use.

Intangible assets are recognized at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment loss, if any

(ii) Capital Work In Progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and interest attributable.

(iii) Impairment of Assets

An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

The company has adopted the policy of carrying out impairment test once every three financial years.

(f) Borrowing Costs

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to the period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to the revenue.

(g) Depreciation and Amortization

Depreciation on Tangible Fixed Assets, up to financial year ended 31st March, 2014, was provided on 'Straight Line Method'' at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from 1st April, 2014, depreciation / amortization is provided on the Straight Line Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013 read with the relevant notification issued by the Department of Company affairs.

The management has re-estimated useful lives of below mentioned asset and on the basis of same, depreciation in respect of such asset is provided prospectively from 01st April, 2016 over the balance useful lives. The management estimates revised useful life for such assets as under:

Hospital Building (*)	:	30 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which management expects to use this assets. Hence the useful life for this asset is different from useful life as prescribed under Part C of schedule II to the Companies Act 2013.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

Computer Software	:	Over a period of three years

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

Goodwill on merger / amalgamation is charged to statement of profit and loss in the year in which the same is generated.

Overseas subsidiary company i.e. Shalby Kenya Limited is calculated Depreciation using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following rates.

Office Equipment	:	12.50%
Furniture and Fittings	:	12.50%
Computer	:	30.00%

On account of adoption of useful lives as specified in Part C of Schedule II to the Companies Act, 2013, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in financial year 2014-2015 and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on 31st March, 2014 and 2013.

(h) Investment

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the Management.

(i) Inventories

(i) The inventories of all medicines, Medicare items traded and dealt with by the Company are valued at cost or net realizable value whichever is lower. Cost is after adjusting Value Added Tax wherever applicable.

(ii) Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at yearend is valued at cost.

(j) Revenue Recognition

(i) Income from Healthcare Services is recognised based on completed service method. Income from Healthcare Services in respect of Indoor/ Outdoor patients as at Balance Sheet date is recognised on proportionate basis to the extent of services rendered.

(ii) Pharmacy Sales are recognised net of returns and discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales are adjusted for Value Added Tax wherever applicable.

(k) Transactions in Foreign Currency

(i) Initial Recognition

Transactions denominated in foreign currencies entered into by the Company are normally recorded at the exchange rates prevailing on the date of transaction or at monthly average exchange rate prevailing at the time of the transaction.

(ii) Measurement at the Balance Sheet date

Monetary items denominated in foreign currency at year end date are restated at exchange rate prevailing on that date.

(iii) Treatment of exchange differences

Any income or expense on account of exchange difference either on settlement or restatement of monetary items is recognised as income / expenses in the statement of profit and loss.

(l) Retirement Benefits

(i) Defined Contribution Plan

The Group has Defined Contribution Plan for its employees' retirement benefit comprising of provident fund and Employees Death Linked Insurance. The Group and eligible employees make monthly contributions to such schemes equal to specified percentage of the covered employees' salary.

The Group has no further obligations to the above referred plans beyond its monthly contributions.

(ii) Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in statement of Profit and Loss for the period in which they occur

- Gratuity

  The Parent Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

- Leave Encashment Benefit

  Leave encashment are accounted for based on actuarial valuation by the actuaries.

(m) Taxation

(i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

(iii) The Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

(n) Earnings Per Share

In determining the earnings per share, the Company considers the net profit (after tax and extraordinary items) attributable to equity shareholders and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above weighted average number of shares.

(o) Prior Period Items and Extra - Ordinary Items

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under "Prior Period" in consolidated financial statements. However, for the purpose of consolidated restated financial information, the same are adjusted in respective financial years to which it pertains. Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

(p) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

(q) Cash and Cash Equivalents (for the purpose of Cash Flow Statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balance (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(r) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non – cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

(s) Government Subsidies

(i) Subsidy available to the Group on capital account is credited to “Deferred Government Subsidy” and an amount equal to the depreciation on assets created / acquired out of such subsidy is transferred from “Deferred Government Subsidy” to Statement of Profit and Loss based on principles of deferred income stated in Accounting Standard 12 “Accounting for Government Grants” i.e. allocated to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets .

(ii) Subsidy on Revenue account i.e. Interest subsidy is carried to Statement of Profit and Loss and adjusted against the relevant Finance cost.

B. Notes to Accounts

1. Acquisitions of Subsidiaries

(a) Kusha Healthcare Limited

During the period ended 31st December 2016, the parent company acquired additional stake in Kusha Healthcare Limited (herein after referred to as "Kusha") raising its percentage of holding from 82.87% as at 31st March, 2016 to 100%. As a result Kusha, which was earlier a subsidiary company, became a wholly owned subsidiary company. Further reference is invited to note 2(a) to the notes to the accounts.

(b) Shalby Surat Hospitals Private Limited

During the financial year 2015-16, the parent company acquired 100% stake in Shalby Surat Hospitals Private Limited (herein after referred to as "Shalby Surat"). As a result Shalby Surat, became a wholly owned subsidiary company. Further reference is invited to note 2(a) to the notes to the accounts.

(c) Hariom Healthcare Private Limited

During the financial year 2014-15, the parent company acquired 100% stake in Hariom Healthcare Private Limited (herein after referred to as "Hariom"). As a result Hariom, became a wholly owned subsidiary company. Further reference is invited to note 2(b) to the notes to the accounts.

(d) Yogeshwar Healthcare Limited

During the financial year 2013-14, the parent company acquired 94.68% stake in Yogeshwar Healthcare Limited (herein after referred to as "YHL"). As a result YHL, became a subsidiary company. Further reference is invited to note 2(c) to the notes to the accounts.

Following are the details of parent company's share of equity in YHL as on the date of acquisition:

Particulars	**₹ In Million**
Equity Share Capital	7.35
Surplus in Statement of Profit and Loss	9.69
Net Worth	**17.04**
% of net worth attributable to parent company	94.68%
Parent Company's Share in Net Worth	16.14
Less : Cost of Investments	6.96
Capital Reserve	9.18

(e) Vrundavan Shalby Hospital Limited

During the financial year 2011-12, the parent company acquired 55.00% stake in Vrundavan Shalby Hospital Limited (herein after referred to as "VSHL"). As a result VSHL became a subsidiary company.

Following are the details of parent company's share of equity in VSHL as on the date of acquisition:

Particulars	₹ In Million
Equity Share Capital	18.00
Securities Premium	75.10
Surplus in Statement of Profit and Loss	24.14
Net Worth	**117.24**
% of net worth attributable to parent company	55.00%
Parent Company's Share in Net Worth	64.48
Less : Cost of Investments	85.00
Goodwill	20.52

(f) Shalby International Limited (Formerly known as Shalby Pune Limited)

During the financial year 2012-13, the parent company had promoted and subscribed to 100% Equity in Shalby International Limited, thus becoming a wholly owned subsidiary company.

(g) Shalby Kenya Limited

During the financial year 2011-12, the parent company had promoted and subscribed to 100% Equity in Shalby Kenya Limited, thus becoming a wholly owned subsidiary company.

(h) Griffin Mediquip LLP (Formerly known as Shalby Othopaedic LLP)

During the financial year 2012-13, the parent company had become partner in LLP sharing 70% of the profit / (loss) of the LLP. During the financial year 2015-16, upon reconstitution of the LLP the parent company raised its profit / (loss) sharing ratio to 95% with effect from 08th of February, 2016.

2. Merger

(a) Merger of Kusha Healthcare Limited and Shalby Surat Hospitals Private Limited, wholly owned subsidiaries of the parent company, pursuant to scheme of arrangement.

Subsequent to year end date of financial year 2015-2016, an application for sanctioning a scheme of arrangement in the nature of mergers under Section 391 to 394 of the Companies Act, 1956 had been filed with the Honorable High Court of Gujarat. The scheme provides for transfer of all assets and liabilities of Shalby Surat Hospitals Private Limited and Kusha Healthcare Limited (hereinafter referred to as "Transferor Companies"), a wholly owned subsidiary, to Shalby Limited (hereinafter referred to as "Transferee Company" or "Shalby") from 1st April, 2015 (appointed date). The application for scheme of arrangement had been approved on 5th August, 2016 by the Honorable High Court of Gujarat. The Scheme had become operative from 3rd September, 2016 upon filing of a certified copy of the order of the Honorable High Court with the Registrar of Companies with an appointed date of 1st April, 2015. Consequent upon scheme becoming effective and in accordance with the terms of the Scheme:

(i) The assets and liabilities of the Transferor Companies and their operating results had been incorporated in the Transferee Company's books with effect from 1st April, 2015 i.e. the appointed date.

(ii) The Transferor Companies had been dissolved without undergoing the process of winding up with effect from 3rd September, 2016.

(iii) Pursuant to the terms of the Scheme, with effect from the appointed date, the transferee company had given effect to the following accounting treatment in its books of account:

- The Transferee Company had recorded all the assets, except land and buildings, of the Transferor Companies that had been transferred and vested in Shalby at their respective Book values. Land and Buildings of Transferor Companies had been transferred and vested in Shalby at their fair values, restricted to value of consideration paid and payable in the form of investment by Shalby in equity of Transferor Companies, determined as per valuation reports provided by an independent valuer.

- The Transferee Company had recorded all the liabilities, except reserves and surplus other than statutory reserves, of the Transferor Companies that had been transferred and vested in Shalby at their book values as specified in the books of accounts of the transferor companies;

- The Transferor Companies being the wholly owned Subsidiaries of the Transferee Company, no Shares had been allotted on account of amalgamation. Further, pursuant to the scheme of amalgamation, Investment in the Transferor Companies in the books of Shalby stood cancelled;

- All inter-company balances including investments and unsecured loans had been squared off;

- The difference between the values of assets and the value of liabilities of the Transferor Companies recorded in the books of Transferee Company had been adjusted against the cost of investments in the Transferor Companies. Accordingly there is no goodwill / capital reserve generated upon mergers.

- The accounting for the aforesaid amalgamation in the nature of mergers was made under purchase method.

- As at 31st March, 2016 the Transferee Company had acquired 11,60,000 numbers of equity shares in Kusha Healthcare Ltd. (the Transferor Company) and thus holding 82.27% of total equity in the said transferor company. Subsequent to year end date it has further acquired the balance 2,50,000 number of equity shares in Transferor Company at ₹ 38.83 million and thereby the Transferor Company becoming the wholly owned subsidiary of the transferee company. The value of investment in such Transferor Company had also been considered as part of total consideration payable against the net assets taken over by the Transferee Company and accordingly the sum equivalent to the value of investment made subsequent to year end date has been provided for and disclosed under the head "Other Current Liabilities".

The accounting treatment prescribed in the Scheme of Arrangement is in line with the Accounting Standard 14, "Accounting for Amalgamation" as prescribed in the Indian GAAP.

(b) Merger of Hari Om Healthcare Private Limited, a wholly owned subsidiary of the parent company pursuant to scheme of arrangement.

In Financial Year 2014-2015, an application for sanctioning a scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 had been filed with the Honorable High Court of Gujarat. The scheme provided for transfer of all assets and liabilities of Hari Om Healthcare Private Limited (hereinafter referred to as "Transferor Company"), a wholly owned subsidiary, to Shalby Limited (hereinafter referred to as "Transferee Company" or "Shalby") from 1st April, 2014 (appointed date). The application for scheme of arrangement had been approved on 30th April, 2015 by the Honorable High Court of Gujarat. The Scheme had become operative from 18th May, 2015 upon filing of a certified copy of the order of the Honorable High Court with the Registrar of Companies with an appointed date of 1st April, 2014. Consequently in accordance with the terms of the Scheme:

(i) The assets and liabilities of the transferor companies and their operating results had been incorporated in the transferee company's books with effect from 1st April, 2014 i.e. the appointed date.

(ii) The transferor company had been dissolved without undergoing the process of winding up with effect from 18th May, 2015.

(iii) Pursuant to the terms of the Scheme, with effect from the appointed date, the transferee company had given effect to the following accounting treatment in its books of account:

- The transferee company had recorded all the assets of the transferor company that had been transferred and vested in Shalby at their respective Book values;
- The transferee company had recorded all the liabilities of the transferor company that had been transferred and vested in Shalby at their book values as specified in the books of accounts of the transferor company;
- The transferor company being the wholly owned subsidiary of the Transferee Company, no Shares had been allotted on account of amalgamation. Further, pursuant to the scheme of amalgamation, investment in the Transferor Company in the books of Shalby stood cancelled;
- All inter-company balances including investments and unsecured loans had been squared off;
- The difference between the book value of assets, the book value of liabilities as reduced by the cost of investments in Transferee Company had been debited to the Goodwill account.

Goodwill aroused out of scheme:

[₹ in Million]

Particulars	**As at 1st April, 2014**
Assets of the Transferor Company at Book Values	548.98
Less: Liabilities of the Transferor Company at Book Values	468.88
Cost of Investment in the Transferee Company	202.60
	671.48
Amount recognised as Goodwill pursuant to Merger	122.50

The accounting treatment prescribed in the Scheme of Arrangement was in line with the Accounting Standard 14, "Accounting for Amalgamation" as prescribed in the Indian GAAP and adhering to significant accounting policies adopted by the company goodwill generated pursuant to merger had been carried in statement of profit and loss in the year in which it was generated.

(c) Composite Scheme of Arrangement in the nature of Demerger and Restructure of Share Capital between the parent company and Yogeshwar Healthcare Limited

In Financial Year 2012-2013, the Company had initiated the Composite Scheme of Arrangement ("Composite Scheme") in the nature of De-merger and Restructure of Share Capital u/s. 391 to 394 read with section 100 to 103 of the Companies Act, 1956 between the Company and Yogeshwar Healthcare Limited. According to the said Composite Scheme, Ghuma Division of Yogeshwar Healthcare Limited (Demerged Company), along with all the assets and liabilities pertaining to Ghuma Division, shall be deemed to be transferred to and vested in the company with effect from the appointed date,1st April, 2012 at values appearing in the books of demerged company.

The Company had received judgment of the Honorable High Court of Gujarat along with certified copy of the order on 30th September, 2013 and filed certified copy of the said order sanctioning the Composite Scheme along with requisite form with the office of the Registrar of Companies, Gujarat on 1st October, 2013. Subsequent to year end date, upon the Composite Scheme becoming effective, Ghuma Division of Yogeshwar Healthcare Limited had been demerged from Yogeshwar Healthcare Limited so as to transfer to the company with effect from 1st April, 2012. Accordingly the Company had incorporated the assets and liabilities pertaining to Ghuma Division of Yogeshwar Healthcare Limited at the values appearing in the books of Demerged Company. The difference between values of assets and liabilities of Ghuma Division incorporated in the books was disclosed as "Goodwill Generated on Merger" under the head "Intangible Assets" in the consolidated financial statements and adhering to significant policy adopted the same was amortised and charged to statement of profit and loss in the year in which it was generated. The Company had also given effect of capital reduction carried out by Yogeshwar Healthcare Limited in the books by reducing its investment value on proportionate basis as envisaged in the scheme and the sum of ₹ 6.96 million had been disclosed as "Entitlement Rights in Equity" under the head "Investment" in the financial statement. Upon transfer of Ghuma Division pursuant to the sanctioned Composite Scheme, the Authorised Equity Share Capital of ₹ 392.50 million of demerged company had been transferred to the company and further, the Company was required to issue and allot 38,352 equity shares of ₹ 10/- each fully paid up at par, to all the members of the demerged company in the ratio specified in the said scheme, except to the company in respect of its own shareholding in Demerged Company. Accordingly the sum of ₹ 0.38 million had been disclosed as "Share capital pending Allotment" under the head "Share Capital" in the Consolidated financial statements.

(d) Merger pursuant to Composite Scheme of Arrangement

During the financial year 2015-2016, the Board of Directors of the company in the meeting held on 5th January, 2016 approved the composite scheme of arrangement in the nature of spin off and transfer of Hospital Division of Kamesh Bhargava Hospital & Research Center Private Limited (KBHR, the demerged undertaking of KBHR) to Shalby Limited in pursuance of draft scheme tabled at the meeting. The petitions for approval of such composite scheme were filed in the High Court of Gujarat as well as the High Court of Punjab and Haryana. While the High Court of Gujarat approved the scheme vide order dated 30th September, 2016, in light of the merger related provisions being notified under the provisions of the Companies Act, 2013, the scheme filed with Hon'ble High Court of Punjab and Haryana was transferred from the High Court of Punjab and Haryana to the National Company Law Tribunal (NCLT), Chandigarh Bench. NCLT Chandigarh Bench approved the said scheme vide order dated 13th July, 2017. The appointed date for the demerger, as identified in the scheme, is 7th September, 2015 whereas the effective date of the said scheme is 12th August, 2017 i.e. the date on which the order of NCLT have been filed with Registrar of Companies (ROC).

In terms of aforesaid orders all properties, rights, obligations, debts, liabilities, duties, and assets, of the hospital division of KBHR, the demerged undertaking shall be transferred to Shalby Limited. Since the scheme has become effective on 12th August, 2017, the company has not given any effect in the financial statements for the quarter ended on 30th June, 2017.

3. Employee Benefits

(a) Defined contribution plans - Provident fund and Employee Death Linked Insurance

The group makes contribution towards employees' provident fund and employees' death linked insurance. In accordance with the provisions of these schemes, the group is required to contribute a specified percentage of payroll costs.

[₹ in Million]

Particulars	**For the quarter ended 30th June, 2017**	**For the year**				
		2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Contribution to PF and EDLI	4.14	14.93	11.60	3.61	2.37	3.33

(b) Defined Benefit Plans - Gratuity

The following table sets out the funded and unfunded status of the gratuity:

[₹ in Million]

Particulars	**For the quarter ended 30th June, 2017**	**For the year**				
		2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Changes in the present value of obligation						
Present value of obligation (Opening)	12.00	9.20	6.89	5.63	4.51	3.48
Interest cost	0.20	0.61	0.52	0.48	0.50	0.29
Past service cost / Adjustments to Opening Fund	--	--	--	--	2.06	0.14
Current service cost	1.24	3.01	2.98	1.85	1.69	1.51
Curtailment Cost / (Gain)	--	--	--	--	--	--
Settlement Cost / (Gain)	--	--	--	--	--	--
Benefits Paid / Payable	(0.28)	(1.98)	(0.31)	(0.71)	(0.89)	(0.07)
Actuarial (Gain) / Loss (Including Balance written back)	(0.47)	1.11	(0.88)	(0.35)	(2.24)	(0.83)
Present value of obligation (Closing)	(12.69)	11.95	9.20	6.89	5.63	4.51
Changes in the fair value of plan assets						
Present value of plan assets (Opening)	6.16	7.16	7.01	6.88	3.36	3.15
Past service cost adjustments to opening fund	--	(0.48)	--	--	2.06	--
Expected return on plan assets	0.07	0.63	0.68	0.69	0.53	0.29

… Continued..

(b) Defined Benefit Plans – Gratuity… *Continued..*

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Employers Contributions	--	0.31	0.15	--	1.69	--
Actuarial Gain / (Loss)	(0.05)	(0.16)	(0.68)	(0.12)	(0.08)	--
Employees Contributions	--	--	--	--	--	--
Benefits paid	(0.23)	(0.99)	--	(0.44)	(0.67)	(0.08)
Expense deducted from the fund	--	(0.31)	--	--	--	--
Fair Value of Plan Assets (Closing)	5.95	6.16	7.16	7.01	6.88	3.37
Percentage of each category of plan assets to total fair value of plan assets at the year end						
Bank Deposits	--	--	--	--	--	--
Debt Instruments	--	--	--	--	--	--
Administered by Life Insurance Corporation of India	5.95	6.16	7.16	7.01	6.88	3.37
Others	--	--	--	--	--	--
Reconciliation of the present value of defined benefit obligation and the fair value of assets						
Present value of funded obligation as at the year end	12.69	11.95	8.21	5.44	3.76	2.58
Fair value of plan assets as at year end	5.95	6.16	7.16	7.01	6.88	3.36
Funded (Asset)/ Liability recognised in the balance sheet	6.74	5.79	1.05	(1.57)	(3.12)	(0.78)
Present value of unfunded obligation as at the year end	--	--	0.99	1.45	1.87	1.94
Unrecognised past service cost	--	--	--	--	--	--
Unrecognised Actuarial (Gains) / Losses	--	--	--	--	--	--
Unfunded net liability recognised in the balance sheet	--	--	0.99	1.45	1.87	1.94

… Continued..

(b) Defined Benefit Plans – Gratuity… *Continued..*

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Amount recognized in the balance sheet						
Present value funded obligation as at the year end	12.69	11.95	8.21	5.44	3.76	2.58
Fair value of plan assets as at year end	5.95	6.16	7.16	7.01	6.88	3.36
(Asset) / Liability recognized in the balance sheet	6.74	5.79	1.05	(1.57)	(3.12)	(0.78)
Present value Unfunded obligation as at the year end	--	--	0.99	1.45	1.87	1.94
Liability recognized in the balance sheet	--	--	0.99	1.45	1.87	1.94
Expenses recognized in statement of profit and loss						
Current service cost	1.24	3.01	2.98	1.85	1.69	1.51
Past service cost	--	--	--	--	--	0.14
Interest cost	0.20	0.61	0.52	0.48	0.50	0.29
Expected return on plan assets	(0.07)	(0.63)	(0.68)	(1.27)	(0.53)	(0.29)
Prior Year Change	--	0.33	--	--	--	--
Expense deducted from the fund	--	(0.31)	--	--	--	--
Curtailment Cost / (Credit)	--	--	--	--	--	--
Settlement Cost / (Credit)	--	--	--	--	--	--
Net Actuarial (Gain) / Loss	(0.42)	1.27	(0.20)	0.36	(2.16)	(0.83)
Employee's Contribution	--	--	--	--	--	--
Total expenses recognized in statement of profit and loss	**9.55**	**4.90**	**2.62**	**1.42**	**(0.50)**	**0.81**
Principal actuarial assumption (Rate of Discounting)						
Rate of discounting	6.95%	7.10%	7.80%	7.70%	9.10%	8.00%
Expected return on plan assets	6.95%	7.10%	7.80%	8.70%	9.00%	--
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%	6.00%	7.00%

(c) Defined Benefit Plans - Leave Encashment (Unfunded)

The following table sets out the status of the leave encashment unfunded plan:

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Changes in the present value of obligation						
Present value of obligation (Opening)	16.86	8.36	4.42	2.62	1.61	1.43
Interest cost	0.28	0.58	0.33	0.23	0.11	0.10
Past service cost / Adjustments to opening fund	--	--	0.36	--	0.19	--
Current service cost	1.64	7.74	3.42	1.32	1.28	1.19
Curtailment Cost / (Gain)	--	--	--	--	--	--
Settlement Cost / (Gain)	--	--	--	--	--	--
Benefits paid / payable	(0.67)	(1.56)	(0.88)	(0.64)	(0.46)	(0.59)
Actuarial (Gain) / Loss	(5.80)	1.74	0.71	0.48	(0.12)	(0.51)
Present value of obligation (Closing)	12.31	16.86	8.36	4.00	2.62	1.61
Amount recognized in the balance sheet						
Present value of obligation as at the year end	12.31	16.86	8.36	4.00	2.62	1.61
Fair value of plan assets as at the year end	--	--	--	--	--	--
(Asset) / Liability recognized in the balance sheet	12.31	16.86	8.36	4.00	2.62	1.61
Expenses recognized in statement of profit and loss						
Current service cost	1.64	7.74	3.42	1.32	1.28	1.19
Past service cost	--	--	0.36	--	0.19	--
Interest cost	0.28	0.58	0.33	0.23	0.11	0.10
Expected return on plan assets	--	--	--	--	--	--
Curtailment Cost / (Credit)	--	--	--	--	--	--
Settlement Cost / (Credit)	--	--	--	--	--	--
Net Actuarial (Gain) / Loss	(5.80)	2.00	0.71	0.48	(0.12)	(0.51)
Employee's Contribution	--	--	--	--	--	--
Total expenses recognized in Statement of profit and loss	**(3.88)**	**10.33**	**4.82**	**2.03**	**1.46**	**0.78**

(c) Defined Benefit Plans - Leave Encashment (Unfunded)

The following table sets out the status of the leave encashment unfunded plan:

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Principal actuarial assumption (Rate of Discounting)						
Rate of discounting	6.95%	7.10%	7.80%	7.70%	9.10%	8.20%
Expected return on plan assets	--	--	--	--	--	--
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

4. Expenses and Borrowing Cost capitalised as fixed assets / capital work in progress

Below mentioned expenditure are specifically attributable to the acquisition of a fixed asset or bringing it to its working condition, and hence capitalised as part of the cost of the fixed asset.

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Interest Cost	31.23	110.92	18.56	8.76	11.03	6.30
Administrative and other Expenses	67.60	138.39	148.55	31.96	26.10	4.45
Gross expenses	**98.83**	**249.31**	**167.11**	**40.72**	**37.13**	**10.75**
Less : Pre-Operative Revenue	--	--	--	0.07	0.06	--
TOTAL	**98.83**	**249.31**	**167.11**	**40.65**	**37.07**	**10.75**

5. Segment Information

The group's operations comprises of only one segment viz, setting up and operating multispecialty hospitals and renders medical diagnostic and healthcare related services. The group's operations are mainly in India and therefore, there are no secondary geographical segments.

6. Earnings per Share

(Number / ₹ in Million, except per share data)

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Net Profit/(Loss) for the year attributable to Equity Shareholders	143.87	687.37	376.59	257.07	390.02	170.85
Weighted Average number of equity shares	88.34	87.36	87.35	34.94	34.94	34.90
Weighted Average number of equity shares (Adjusted for Bonus Issue)	88.34	87.36	87.35	87.35	87.35	87.25
Nominal value per share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per Share (₹) :						
Basic and diluted	1.63	7.87	4.31	7.36	11.16	4.90
Basic and diluted (Adjusted for Bonus Issue)	1.63	7.87	4.31	2.94	4.47	1.96
Shares issued						
Date	24/04/2017	06/03/2017	26/03/2016	--	19/12/2013	--
Numbers	12,46,000	54,000	5,24,12,960	--	38,352	--
Date	--	--	--	--	--	--
Numbers	--	--	--	--	--	--

Note :

The Parent company had dilutive capital in the form of Cumulative Optionally Convertible Preference Shares. Since the Board of Directors had the option either to convert the preference shares or to redeem at predetermined premium into equity shares at fair value, which was not ascertainable, diluted potential equity shares for the said convertible preference shares were not quantified / considered for calculating diluted earnings per share. Further reference is invited to Note C(i) of Annexure 6 with regard to redemption of all the Preference Shares which had been issued by the company from time to time.

7. Consolidated Summary Statement of Deferred Tax Liabilities / (Assets), as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Tax effect of items constituting Deferred Tax Liabilities :						
- Difference of book depreciation and tax depreciation	515.45	558.16	489.40	117.22	28.67	24.46
Tax effect of items constituting Deferred Tax Assets :						
- Unabsorbed Business Losses and Deprecation	278.22	321.99	457.77	3.20	0.00	25.21
- Disallowance u/s. 43(b) under Income Tax Act, 1961	6.59	7.85	4.45	2.37	1.77	1.24
- Disallowance u/s. 40(a) (ia) under Income Tax Act, 1961	0.00	0.00	6.35	0.00	0.00	0.00
Net Deferred Tax Liability / (Asset)	**230.64**	**228.32**	**20.83**	**111.65**	**26.90**	**(1.99)**

8. Contingent Liabilities and Commitments

[₹ in Million]

Sr. No.	Particulars	As at 30th June, 2017	As at 31st March				
			2017	2016	2015	2014	2013
A.	**Contingent Liabilities not provided for in respect of**						
(i)	Claim against the company not acknowledged as debt	75.72	55.80	19.06	15.30	3.71	0.76
(ii)	Income Tax Demand for Assessment Years						
	2010-2011	24.61	24.61	24.61	24.61	24.61	24.61
	2011-2012	13.43	13.43	13.43	13.43	13.43	--
	2012-2013	2.06	2.06	2.06	2.06	2.06	--
	2014-2015	13.31	13.31	--	--	--	--
		53.41	53.41	40.10	40.10	40.10	24.61
(iii)	Letter of Credit	11.98	58.93	51.06	46.69	--	35.05
(iv)	Bank Guarantee	8.56	7.72	3.52	2.77	4.22	5.12
(v)	Sales Tax Demand including Interest and Penalty for Financial Years (Based on Expert Advice Received by Client)						
	2009-2010	5.42	5.42	5.42	5.42	--	--
	2010-2011	2.02	2.02	2.02	2.02	--	--
	2011-2012	2.91	2.91	1.82	1.82	--	--
	2012-2013	1.96	1.96	2.07	1.96	--	--
	2013-2014	7.46	5.20	2.94	--	--	--
(vi)	Tax Deducted at Sources Demand for Assessment Year (Inclusive of Interest) (Based on expert advice received by client)						
	2008-2009 to 2016 -2017	0.52	1.04	2.60	--	--	--
	2014-2015 (*Including Interest of ₹ 21.04 million)	29.97*	29.97*	41.30	41.30	--	--
(vii)	Export Obligation under EPCG Scheme	46.19	46.19	57.18	28.60	--	--
B.	**Capital Commitments**						
	Estimated amount of contract remaining to be executed on capital accounts (Net of Advances)	507.27	951.42	280.00	350.00	16.99	38.35

9. Changes in useful life of Fixed Assets

During the year ended 31st March, 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied useful life are as follows:

Asset	**Previous Useful Life**	**Revised Useful Life**
Freehold Land	--	--
Leasehold Land	30 Years	30 Years
Buildings(*)	61.35 Years	30 Years
Medical Equipments & Surgical Instruments	3 - 10 Years	13 - 15 Years
Plant and Machinery	1 - 10 Years	15 Years
Electric Installation	10 Years	10 Years
Air Conditioners	5 - 10 Years	15 Years
Office Equipments	1 - 10 Years	5 Years
Computers and Printers	1 - 3 Years	3 Years
Furnitures and Fixtures	5 - 10 Years	10 Years
Vehicles	3 - 5 Years	8 - 10 Years

Pursuant to the transition provision prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 1st April, 2014, and has adjusted an amount of ₹ 23.33 million against the opening surplus / (deficit) balance in the Consolidated Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the financial year 2014-2015 is lower by ₹ 2.69 million consequent to the change in useful life of assets.

(*) The management has re-estimated useful lives of below mentioned asset and on the basis of same, depreciation in respect of such asset is provided prospectively from 01st April, 2016 over the balance useful lives. The management estimates revised useful life for such assets as under:

Hospital Building (**) : 30 years

(**) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which management expects to use this assets. Hence the useful life for this asset is different from useful life as prescribed under Part C of schedule II to the Companies Act 2013. Had the depreciation been charged based on useful life prescribed in Part C of schedule II to the Companies Act 2013, the Depreciation would have been ₹ 16.87 million as against ₹ 40.56 million being the amount of deprecation charged based on re-estimated life.

10. The Parent company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases and the differences, if any, although non significant, are under reconciliation.

11. Other Notes

(a) For the quarter ended June 30, 2017

(i) Subsequent to Balance Sheet date i.e. June 30, 2017, in case of one of the subsidiary company i.e. VrundavanShalby Hospitals Limited ("such subsidiary company"), the proceeding u/s. 397-398 of the Companies Act, 1956, instituted by two shareholders of the company vide company petition no. 18/2015 (CA 14/2017) before Company Law Board and later upon order of Hon'ble High Court of Mumbai at Goa remanded back to Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, has been disposed off vide order dated 18th August, 2017 in pursuance of final settlement arrived at between the parties to the dispute post filing the consent terms dated 14th July, 2017 before the appropriate authorities.

Pursuant toaforesaid settlement and consent terms dated 14/07/2017 filed before NCLT, the two shareholders, i.e. Dr. DigambarNaik and Mrs. MangalaNaik, agreed to transfer their balance entire 45% shareholding in the such subsidiary company i.e. 40,500 shares owned by Dr. DigambarNaik and 40,500 shares owned by Mrs. MangalaNaik, in favour of Shalby Ltd., at agreed total consideration of ₹ 4,68,00,000 to be paid by Shalby Ltd.Such subsidiary company, by virtue of such settlement and upon transfer of aforesaid shares,shall become wholly owned subsidiary Company of Shalby Limited. Further by virtue of settlement, the aforesaid two shareholders i.e.Dr. DigambarNaik and Mrs. MangalaNaik have agreed to settle all their rights, claims, entitlement as shareholders, directors or in any other capacity at a consideration referred above as full and final settlement. In view of such full and final settlement the amount of outstanding unsecured loan alongwith interest payable thereon by such subsidiary company is no longer payable to Dr. DigambarNaik and accordingly the same has been transferred to Statement of Profit and Loss for the quarter ended under the head "Sundry balances written back".

(ii) The Board of Directors of one of the subsidiary companyi.e. VrundavanShalby Hospitals Limited, had vide resolution deemed to be passed on 9th December, 2016 consented to suspend the operations of both Hospital of such subsidiary company located at Mapusa and Panjim. However in view of Settlement arrived at between the shareholders as more particularly described in above paragraph,the management now intends to resume operations at both the Hospitals. The management has already initiated the requisite procedures in this regard and therefore the financial statements for the quarter ended 30th June 2017 has been prepared on going concern basis.

(b) For the financial years 2016-17, 2015-16 and 2014-15

(i) In the month of March, 2015 in case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited ("such subsidiary company"), a company petition No. 18/2015 u/s 397-398 read with Section 402-403 of the Companies Act, 1956 has been filed by two shareholders of such subsidiary company i.e. Dr. Digambar Surya Naik and Mrs. Mangala Digambar Naik against such subsidiary company and other shareholders of such subsidiary company before the Company Law Board, Mumbai Bench ('the CLB'). Vide Order dated 06th/10th April, 2015 passed by the CLB, the resolutions passed in the extra ordinary general meeting ('EOGM') held by such subsidiary company on 13th March, 2015 have been stayed. Resultantly, such subsidiary company is restrained from giving effect to the letter of offer of the Right Issue dated 03rd March, 2015 until the decision of the said company petition no. 18/2015. Subsequently, vide order dated 20th April, 2015 pursuant to Application No. 72/2015 in company Petition No. 18/2015, the CLB has permitted to hold fresh EOGM for consideration of right issue with condition that resolutions, if any, passed at the said EOGM shall be subject to approval of the CLB. Further, said company petition no. 18/2015 along with Company application No. 122 and 133/2015 have been disposed off by Company Law Board – New Delhi Bench (CLB) by order dated 25th/ 27th April, 2016 inter-alia directing the other shareholder of such Subsidiary Company i.e. Shalby Limited. to purchase / acquire 81,000 equity shares of the such subsidiary Company held by two shareholders, i.e. Dr. Digambar Surya Naik and Mrs. Mangala Digambar Naik with prescribed method of valuation of shares. Shalby Limited has challenged said order dated 25th/27th April, 2016 of

CLB before the Honorable High Court of Mumbai at Goa vide Company Appeal No. 1/2016. The Honorable High Court of Mumbai at Goa vide order dated 29th July, 2016 has stayed the order dated 25th/27th April, 2016 of CLB and further, said Honorable court has vide its order dated 22nd December, 2016 quashed and set aside the impugned order of Company Law Board dated 25th April, 2015 and remanded back to Company Law Board, Mumbai Bench (now NCLT) the said matter and directed to decide the said petition/ applications afresh after hearing parties in accordance with the law. Accordingly, the matter is subjudice at present.

(ii) Pursuant to the notice of the board meeting of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited ("such subsidiary company") held on 02nd June, 2015, one of the directors of the such subsidiary company, being the Petitioner of company Petition No. 18 /2015 has responded to said notice through his Advocate, raising several issues before the board which inter-alia the said company Petition are sub juduice. Though he has objected to convening of the said board meeting itself, while attending said meeting on 02nd June, 2015, he has expressed his dissent over the business of approval of financial statements for the financial year ended on 31st March, 2015 save and except the writing off effected through circular resolution. Accordingly, the Board of Directors of such subsidiary company have considered and approved said financial statements by majority in favour of approval of the said business.

Further, while attending the board meeting of one of subsidiary companies i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company") held on 25th August, 2016, one of the directors of such subsidiary company i.e. Dr. Digambar Surya Naik has voiced his objections towards reappointment of present auditors and approval of audited financial statements and expressed his concern towards discrepancies in the accounts, though not specified. Further vide e-mail dated 22nd August, 2016, Dr. Digambar Surya Naik has only send the amount outstanding according to his records without providing any reconciliation and or explanation / information regarding the discrepancy of the balances, if any, due to him and his relatives by the company. The same has hence not been considered in the present accounts.

The Board of directors in the Board meeting referred above, approved the audited financial statements for the financial year ended 31st March, 2016 and reappointment of auditors for the financial year 2016-17 by majority decision and dissent of one of the Directors i.e. Dr. Digambar Surya Naik.

Further, while attending the Board Meeting of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited ("such subsidiary company") held on 15th May, 2017 and also vide e-mail / hand delivery dated 12th May, 2017, Dr. Digambar Surya Naik, one of the directors of such subsidiary company has raised his objections towards adoption of Draft Balance Sheet for the Financial Year 2016-17 and expressed his concerns stating that Draft Balance Sheet is incomplete, incorrect and prepared on wrongly adopted figures.

The Board of Directors of such subsidiary company in the Board Meeting referred above, adopted and approved the financial statements for financial year ended on 31st March, 2017 by majority decision and with dissent of Dr. Digambar Surya Naik.

(c) For the financial year 2016-17

(i) The Board of Directors of the one of Subsidiary companies i.e. Vrundavan Shalby Hospitals Limited ("such subsidiary company") has vide circular resolution deemed to be passed on 9th December, 2016 consented to suspend the operations of both hospitals located at Mapusa and Panjim to surrender available licenses, bio medical authorisation and other licenses and approval of both hospitals, to close pharmacy with immediate effect and also to apply for cancellation of power connection. The personnel authorized to act upon are in the process of honouring the board resolution.

Reference is also invited to note 10(a)(i) above with the respect to legal proceedings pending final disposal. The Management of such Subsidiary company intends to resume operations if the event of verdict / award of such proceedings is favourable for infusing further funds so as to overcome the critical and financial constraints.

(ii) One of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited had received an email correspondence dated 22nd August, 2016 from Dr. Digambar Surya Naik has expressed his concern towards discrepancies in respect of outstanding balances due to him between books of account of such subsidiary company and as per his own records without providing any reconciliation and / or explanations and also stated that such subsidiary company has failed to pay dues on account of professional fees / salary and assets purchased by such subsidiary company from him.

Besides, above stated facts, the outstanding amount stated in email correspondence mentioned, also included fixed monthly professional fees payable to Dr. Digambar Surya Naik and his wife Dr. Mangla Deigambar Naik on account of Non-Compete Clause entered by such subsidiary company with them. On appeal by Dr. Digambar Surya Naik to the Company Law Board to absolve him and his wife to work exclusively for the such subsidiary company, the adjudicating Authority passed order in favour of the appellant vide its order dated 27th April, 2016.

In pursuance to such order, provision for non-compete professional fees for the period commencing from 1st January, 2015 to 31st March, 2016 is not warranted and accordingly the same has been written back.

(d) For the financial year 2014-15

(i) Pursuant to Circular Resolution dated 20th January, 2015 passed by Board of Directors of one of the subsidiary company i.e. Vrundavan Shalby Hospitals Limited ("such subsidiary company"), outstanding amount of ₹ 9.33 million which included the balances in the name of one of the directors the such subsidiary company i.e. Dr. Digambar Surya Naik and his relatives and associates had been written off in the books of account and the effect thereof has been given in the statement of Profit and Loss for the financial year.

(ii) One of the subsidiary companies of Parent Company i.e. Yogeshwar Healthcare Limited has closed it's principal operations since July, 2014, however such company has prepared it's accounts under going concern assumption basis since the management of such company, with financial and other support of the company, is looking for alternative business options. Meanwhile the company, has given it's assets comprising mainly of Cath Lab on lease to Parent Company.

ANNEXURE - 6 : Consolidated Summary Statement of Share capital, as restated

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(A) Authorised						
(a) Equity Shares of ₹ 10/- each						
No. of shares	111250000	111250000	99250000	92250000	87250000	87250000
Amount in Million (₹)	1,112.50	1,112.50	992.50	922.50	872.50	872.50
(b) 5% Convertible / Redeemable Preference Shares of ₹ 10/- each						
No. of shares	0	0	2000000	2000000	2000000	2000000
Amount in Million (₹)	0.00	0.00	20.00	20.00	20.00	20.00
	1,112.50	1,112.50	1,012.50	942.50	892.50	892.50
(B) Issued						
(a) Equity Shares of ₹ 10/- each						
Number of shares	88654932	87447932	87354932	34941972	34941972	34903620
Amount in Million (₹)	886.55	874.48	873.55	349.42	349.42	349.04
(b) 5% Convertible / Redeemable Preference Shares of ₹ 10/- each						
No. of shares	0	0	533100	430100	430100	430100
Amount in Million (₹)	0.00	0.00	5.33	4.30	4.30	4.30
	886.55	874.48	878.88	353.72	353.72	353.34
(C Subscribed and fully Paid-up						
(a) Equity Shares of ₹ 10/- each						
Number of shares	88654932	87408932	87354932	34941972	34941972	34903620
Amount in Million (₹)	886.55	874.09	873.55	349.42	349.42	349.04
(b) 5% Convertible / Redeemable Preference Shares of ₹ 10/- each **(Refer Note (i) below)**						
(i) No. of shares at premium of ₹ 10/-	0	0	10000	10000	10000	10000
Amount in Million (₹)	0.00	0.00	0.10	0.10	0.10	0.10
(ii) No. of shares at premium of ₹ 10/-	0	0	196000	196000	196000	196000
Amount in Million (₹)	0.00	0.00	1.96	1.96	1.96	1.96
(iii) No. of shares at premium of ₹ 15/-	0	0	140500	140500	140500	140500
Amount in Million (₹)	0.00	0.00	1.40	1.40	1.40	1.40
(iv) No. of shares at premium of ₹ 20/-	0	0	83600	83600	83600	83600
Amount in Million (₹)	0.00	0.00	0.84	0.84	0.84	0.84
(v) No. of shares at premium of ₹ 43/-	0	0	103000	0	0	0
Amount in Million (₹)	0.00	0.00	1.03	0.00	0.00	0.00
(c) Share capital pending Allotment						
(Refer Note (ii) Below)						
Amount in Million (₹)	0.00	0.00	0.00	0.00	0.00	0.38
	886.55	**874.09**	**878.88**	**353.72**	**353.72**	**353.72**

Note :

(i) Pursuant to resolution passed by board of directors in the meeting held on 20th December 2016, the company has reedemed all the above reedemable preference shares having aggregate face value of ₹ 5.33 million at a premium of ₹ 10.27 million out of accumulated profits.

(ii) Upon transfer of Ghuma Division of Yogeshwar Healthcare Limited,a demerged company, pursuant to the sanctioned Composite Scheme, the Authorised Equity Share Capital of ₹ 392.50 millions of demerged company has been transferred to the company and further, the Company is required to issue and allot 38,352 equity shares of ₹ 10/- each fully paid up at par, to all the members of the demerged company in the ratio specified in the said scheme, except to the company in respect of its own shareholding in Demerged Company. Accordingly the sum of ₹ 0.38 million has been disclosed as " Share Capital Pending Allotment " under the head “Share Capital” in the Consolidated financial statements. the Company had made allotment of such shares in financial year 2013-14.

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ANNEXURE - 6 : Consolidated Summary Statement of Share capital, as restated*...Continued*

(D) Aggregate number of Shares of ₹ 10/- each allotted as fully paid up

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(a) Equity Shares						
Issued for Cash	1246000	54000	0	0	0	0
cash						
Bonus Shares	0	0	52412960	0	0	0
Business Combination	0	0	0	0	38352	0
(b) 5% Convertible / Redeemable Preference Shares						
Issued for Cash	0	0	103000	0	0	224100

(E) Rights, Preferences and Restrictions

The Authorised Share Capital of the Company as at 31st March, 2017 consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

(F) Details of shareholders holding more than 5% shares in the company

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(a) Equity Shares						
Dr. Vikram I. Shah						
Number of shares	8735493	52062625	52062625	20825050	20825050	20825150
Percentage of holding(%)	9.85	59.56	59.60	59.60	59.60	59.66
Zodiac Mediquip Limited	31540248	31561048	31939348	12775739	12775739	12754120
Number of shares	35.58	36.11	36.56	36.56	36.56	36.54
Percentage of holding(%)						
Shah Family Trust [Through its trustees Dr. Vikram I. Shah and Dr. Darshini V. Shah]	43327132	0	0	0	0	0
Number of shares	48.87	0.00	0.00	0.00	0.00	0.00
Percentage of holding(%)						
(b) 5% Convertible / Redeemable Preference Shares						
Dr. Amish Kshatriya						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding(%)	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Shrirang Deodhar						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding(%)	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Ashish Sheth						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding(%)	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Dhiraj Marothi						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding(%)	0.00	0.00	7.50	9.30	9.30	9.30

..Continued…

ANNEXURE - 6 : Consolidated Summary Statement of Share capital, as restated*...Continued*

(F) Details of shareholders holding more than 5% shares in the company

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Dr. Kalpesh Shah						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding(%)	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Bharat Gajjar						
Number of shares	0	0	30000	30000	30000	30000
Percentage of holding(%)	0.00	0.00	5.63	6.98	6.98	6.98
Zodiac Mediquip Limited						
Number of shares	0	0	52500	0	0	0
Percentage of holding(%)	0.00	0.00	9.85	0.00	0.00	0.00

(G) Terms of cumulative convertible / redeemable preference shares (CCPS)

The company has issued cumulative convertible / redeemable preference shares as under:

(i) Tranche - 1

During the financial year ended 31st March, 2012, the company has issued 2,06,000 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 10/- per share.

(ii) Tranche - 2 and 3

During the financial year ended on 31st March, 2013, the company has issued 1,40,500 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 15/- per share and the Company has further issued 83,600 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 20/- per share.

(iii) Tranche - 4

During the financial year ended on 31st March, 2016, the company has issued 1,03,000 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 43/- per share on 21st May, 2015.

(iv) CCPS carry cumulative dividend @ 5% per annum. The company declares and pays dividends in Indian rupees. The dividend proposed for the year is subject to approval of the shareholders in the ensuing Annual General Meeting.

(v) Each holders of CCPS is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to CCPS.

(vi) The aforesaid preference shares issued are redeemable or convertible into equity shares at the option of the Board of Directors after the end of three years from the date of issue of such preference shares till the end of seventh year from the date of issue. This apart, if the Company entered primary market through an initial public offering ("IPO") before completion of three years from the date of issuance of the preference shares, the preference shares could either be converted into Equity Shares, or redeemed at the sole discretion of the Board. In the option of conversion one equity share shall be issued and allotted against one preference share. In the option of redemption, each preference shares shall be redeemed at its respective issue price i.e. at premium of ₹ 10, ₹ 15, ₹ 20 and ₹ 43 per share.

(vii) In the event of winding up of the company before conversion / redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.

(H) Reference is invited to Note C (i) above with regard to redemption of all the preference shares which had been issued by the company from time to time.

(I) In accordance with section 61(1) of the Companies Act, 2013 and in pursuance of special resolution passed at the meeting of members of the company held on 06th February, 2017 the authorised share capital of the company has been increased from ₹ 1,012.50 million to ₹ 1,112.50 million and further in accordance with section 13 of the companies Act, 2013, and special resolution passed by the members of the company in meeting held on 06th February, 2017, the authorised capital of the company of ₹ 1,112.50 million divided into 10,92,50,000 equity shares of ₹ 10/- each and 20,00,000 preference shares of ₹ 10/- each has been reclassified to ₹ 1,112.50 million divided into 11,12,50,000 equity shares of ₹ 10/- each. The new shares shall rank pari passu with the existing Equity Shares of the company in respect of dividend, voting right etc.

ANNEXURE - 7 : Consolidated Summary Statement of Reserves and surplus, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Security Premium						
Balance as per Previous Financial Statements	3.24	0.00	46.46	6.48	6.48	2.70
Add: Received during the peirod / year	74.76	3.24	4.43	39.98	0.00	3.78
Less: Utilised on issue of Bonus Shares [Refer Note (i) Below]	0.00	0.00	(10.91)	0.00	0.00	0.00
Add /(Less): Adjustment on amalgamation [Refer Note (ii) Below]	0.00	0.00	(39.98)	0.00	0.00	0.00
	78.00	3.24	0.00	46.46	6.48	6.48
Capital Redemption Reserve						
Balance as per Previous Financial Statements	5.33	0.00	0.00	0.00	0.00	0.00
Add: Addition during the period / year [Refer Note (iii) below]	0.00	5.33	0.00	0.00	0.00	0.00
	5.33	5.33	0.00	0.00	0.00	0.00
Surplus/(Deficit) in Statement of Profit and Loss						
Balance as per Previous Financial Statements	1,774.37	1,171.36	1,284.08	1,048.50	659.10	488.25
Add/(Less): Profit for the period / year	143.91	625.63	375.83	257.33	390.27	171.04
Add/(Less): Depreciation on transition to Schedule II to the Companies Act, 2013	0.00	0.00	0.00	(23.33)	0.00	0.00
Add/(Less): Adjustment on amalgamation (Refer Note (ii) Below)	0.00	0.00	24.98	0.00	0.00	0.00
Add/(Less): Adjustment on Consolidation	0.84	(6.79)	0.00	1.84	(0.62)	0.00
Balance available for appropriation	1,919.12	1,790.20	1,684.89	1,284.34	1,048.75	659.29
Less: Appropriations						
Dividend to Preference Shareholders	0.00	0.19	0.26	0.22	0.22	0.16
Dividend Distribution Tax	0.00	0.04	0.05	0.04	0.03	0.03
Issue of bonus shares [Refer Note (i) below]	0.00	0.00	513.22	0.00	0.00	0.00
Redemption of Preference shares	0.00	10.27	0.00	0.00	0.00	0.00
Transfer to Capital Redemption Reserve [Refer Note (iii) below]	0.00	5.33	0.00	0.00	0.00	0.00
	0.00	15.83	513.53	0.26	0.25	0.19
Net Surplus/(Deficit)	1,919.12	1,774.37	1,171.36	1,284.08	1,048.50	659.10
	2,002.45	**1,782.94**	**1,171.36**	**1,330.54**	**1,054.98**	**665.58**

Note :

(i) The Parent Company has vide resolution passed by Board of Directors in the meeting held on 26th March, 2016, allotted 5,24,12,960 equity shares as bonus shares in the ratio of 3:2 on 26th March, 2016.

(ii) During the financial year 2015-16, one of the subsidiary i.e. Kusha Healthcare Limited became wholly owned subsidiary company and pursuant to scheme of amalgamation approved by Honorable High Court of Gujarat, the same has been amalgamated into the parent company. Therefore, the share premium amounting to ₹ 39.98 million(post acquisition) recognised in the financial year 2014-15 has been reversed in the financial year 2015-16. Similarly the sum of ₹ 24.98 million being the amount of loss of Kusha Healthcare Limited absorbed by parent company during the financial years 2014-15, 2013-14 and 2012-13 (post acquisition) has also been adjusted in financial year 2015-16.

(iii) In terms of provisions contained in Section 55 of the Companies Act,2013, the Parent Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on 20th December 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve.

Consolidated Financial Information, as restated

ANNEXURE - 8 : Consolidated Summary Statement of Share application money pending allotment, as restatec

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Share Application money received	0.00	2.73	0.00	0.00	0.00	0.00
Less: Amount in excess of authorised share capital disclosed under the head "Other current liabilities"	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	**2.73**	**0.00**	**0.00**	**0.00**	**0.00**

In pursuance of the resolution passed by the Board of Directors, the company has issued further 39,000 Equity share which are offered for subscription to Equity and in response to the same, the existing and potential share holders have subscribed to Equity. The fresh equity shares shall carry the same rights as the existing ones.

Further, the other disclosures are as under:

1	Number of Shares Proposed to be Issued:	39 000
2	Amount of Premium:	60
3	Period before which shares shall be allotted:	60 days from the date of payment
4	The company has sufficient authorised share capital to cover the share capital amount on allottment of shares out of share application money	

ANNEXURE - 9 : Consolidated Summary Statement of Deferred government subsidy, as restatec

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Deferred Government Subsidy	94.39	100.00	0.00	0.00	0.00	0.00
Less: Deferred Income recognised in Statement of Profit and Loss	1.41	5.61	0.00	0.00	0.00	0.00
	92.98	**94.39**	**0.00**	**0.00**	**0.00**	**0.00**

The Parent Company, having established Super Speciliatiy Hospital at Indore and Jabalpur both in the State of Madhya Pradesh, becomes eligible for one time incentive towards development of Healthcare sector in terms of "The Healthcare Investment Policy 2012", Department of Public Health and Family Welfare, Government of Madhya Pradesh. The incentive is based on capital investment and therefore is recognised in the form of capital subsidy, limited to ₹ 50 million for each of the above referred two Hospitals, aggregating to ₹ 100 million during the financial year ended 31st March, 2017. The same, being available against the entire capital investment, has been recognised and classified in accordance with Significant Accounting Policy referred at note '(s)' of Part A of Annexure :'5' to the Restated Consolidated Financial Information.

ANNEXURE - 10 : Consolidated Summary Statement of Long-term borrowings, as restated

[₹ in Million]

Particulars		As at 31st March				
		2017	**2016**	**2015**	**2014**	**2013**
Secured (Refer Note Below)						
Term Loans from Banks (Refer Note Below)						
HDFC Bank Limited						
In Foreign Currency	124.94	131.19	417.51	490.07	0.00	0.00
In Indian Currency	603.16	630.62	497.43	188.57	225.25	0.00
Bank of Maharashtra	633.22	633.22	170.57	0.00	0.00	0.00
Exim Bank	483.23	483.23	170.57	0.00	0.00	0.00
Buyer's Credit						
In Foreign Currency						
HDFC Bank Limited	167.63	305.65	253.58	56.92	0.00	0.00
Exim Bank	203.34	166.31	0.00	0.00	0.00	0.00
Vehicle Loans						
From Banks						
HDFC Bank Limited	0.26	0.35	1.08	1.78	3.05	4.20
ICICI Bank Limited	0.75	0.95	0.48	0.00	0.00	0.00
Others						
Daimler Financial Services India Private Limited	2.63	3.02	0.00	0.00	0.00	0.00
	2,219.16	2,354.54	1,511.22	737.34	228.30	4.20
Unsecured (Refer Note Below)						
Barclays bank	0.00	0.00	499.50	0.00	0.00	0.00
From NBFC						
Barclays Investment and Loans (India) Limited	300.00	499.50	0.00	0.00	0.00	0.00
	2,519.16	**2,854.04**	**2,010.72**	**737.34**	**228.30**	**4.20**

Note :

(A) Currency Swap

Pursuant to agreements dated 21st August, 2014 and 12th March, 2015 executed between the Parent company and HDFC Bank Limited, the term loan availed by the company in Indian Currency, in respect of capex at S.G Highway, Bopal and Jabalpur units, have been converted into Foreign Currency Loans. During the financial year 2016-17, in pursuance of agreement dated 23rd March, 2017 executed between the Parent company and HDFC Bank Limited the Swap agreements executed on 21st August, 2014 and 12th March, 2015 in respect of S.G Highway and Bopal units have been unwinded and accordingly, the term loans in respect of S.G Highway and Bopal units, have been reconverted into indian currency.

(B) Purpose of Secured Loans

The above term loans have been availed by the Parent company for the purpose of reimbursement of Capex incurred by hospitals at S. G. Highway and Bopal and for the purpose of Capex at its hospital at Jabalpur, Jaipur, Naroda, Indore and Mohali.

..Continued…

Annexure-`10' : Consolidated Summary Statement of Long-term borrowings, as restated *...Continued..*

C. Principal Terms and Conditions of Long-term borrowings as at 30th June, 2017

(a) Secured

(i) Term loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	S.G. Highway	104.92	1 Year MCLR (8.15%) + 2.00% = 10.15% [w.e.f 15-Feb-2017]	Loans are repayable in 57 equal monthly installments commencing from January, 2015.	Prepayment charges: NIL-in case of prepayment out of internal accruals / loan from group company / sale of shares / infusion of new capital. In case of prepayment from borrowings from Bank/Financial institutions: 2% for first 2 years, 1% for period of 2 years after initial 2 years, Nil thereafter. Penalty: At 2% p.a. in addition to interest rates , for alloverdues / delays of any monies payable (principal as well as interest).	(i) Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive First charge on entire movable and immovable assets. Security for letter of credit (i) 100% by way of fixed deposit under lien with HDFC Bank or lien on approved debt mutual fund scheme.	SBICAP Trustee on behalf of HDFC Bank Limited
2	HDFC Bank Limited	Bopal	99.54	1 Year MCLR (8.15%) + 2.00% = 10.15% [w.e.f 15-Feb-2017]	Loans are repayable in 50 equal monthly installments commencing from August, 2014.	Prepayment charges: NIL-in case of prepayment out of internal accruals / loan from group company / sale of shares / infusion of new capital. In case of prepayment from borrowings from Bank/Financial institutions: 2% for first 2 years, 1% for period of 2 years after initial 2 years, Nil thereafter. Penalty: At 2% p.a. in addition to interest rates,for alloverdues / delays of any monies payable (principal as well as interest).	(i) Equitable Mortgage of existing Shalby hospital situated at Survey no976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad – 380005.	SBICAP Trustee on behalf of HDFC Bank Limited

… Continued..

Annexure-`10' : Consolidated Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(i) Term loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
3	HDFC Bank Limited	Jabalpur, S.G. Highway	235.75	1 Year MCLR (8.15%) + 1.80% = 9.95% [w.e.f 15-Feb-2017]	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / non compliance is cured to the Lender`s satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur.	SBICAP Trustee on behalf of HDFC Bank Limited

… Continued..

Annexure-`10' : Consolidated Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(i) Term loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
4	HDFC Bank Limited	Jaipur, Indore, Naroda	421.12	1 Year MCLR (8.15%) + 1.80% = 9.95% [w.e.f 15-Feb-2017]	Loans are repayable in 24 equal quarterly installments commencing from June, 2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the borrower choose to excercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-complianceis cured to the Lender's satisfaction.	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram I. Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company .	SBICAP Trustee on behalf of HDFC Bank Limited, Exim Bank and Bank of Maharashtra
5	Bank of Maharashtra		633.22	HDFC's Base Rate (9.25%) + 1.10% = 10.35% [w.e.f 23-Feb-2017]				
6	EXIM Bank		483.23	HDFC's Base Rate (9.25%) +1.25% = 10.50%				

… Continued..

Annexure-`10' : Consolidated Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(ii) Buyer's Credit

Sr. No.	Name of Lender	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	362.37[1]	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	The buyer's credit is for the tenor of 180 days and the company is eligible for rollover thereafter subject to a maximum tenor of upto 3 years from the date of first drawdown.	Not Applicable	Security as specified for Sr. No. 1,3, and 4	HDFC Bank Limited
2	EXIM Bank	203.34[2]	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	The buyer's credit is for the tenor of 180 days and the Company is eligible for rollover thereafter subject to a maximum tenor of upto 3 years from the date of first drawdown.	Not Applicable	Security as specified for Sr. No. 1,3, and 4	EXIM Bank

[1] HDFC:-The value in INR has been arrived at based on the exchange rate on 30th June, 2017. Accordingly, on 30th June, 2017, Outstanding USD were 42,00,322 and exchange rate was 1 USD equal to 64.7379 INR and Outstanding EURO were 12,22,213 and exchange rate was 1 EURO equal to 74.0019 INR.

[2] EXIM :- The value in INR has been arrived at based on the exchange rate on 30th June, 2017. Accordingly, on 30th June, 2017, Outstanding USD were 28,50,000 and exchange rate was 1 USD equal to 64.7379 INR and outstanding EURO were 2,54,612 and exchange rate was 1 EURO equal to 74.0019 INR.

(iii) Vehicle loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	Mahindra Bolero	0.41	9.75%	Loans are repayable in 36 equal monthly installments commencing from March, 2016.	The Company may, prepay the whole or any part of the outstanding of respective Loans (including interest, other dues, fees and charges herein) by giving a notice in writing to that effect. The Company would have to give minimum written notice of 30 days expressing his intention to prepay the loan amount, unless the same is waived in writing by the bank. The prepayment shall take effect only when the actual payment is received by the bank and interest and other charges would be leviable till the end of the month in which prepayment is actually effected. In such an event the Bank will levy prepayment charges as mentioned in the schedule or any rate which is applicable at that time as per Bank`s policy on the dues outstanding. Prepayment charges: No foreclosure allowed within 6 months from the date of availing car loan. 6% of principal outstanding for preclosures within 1 year from 7th EMI. 5% of principal Outstanding for preclosures within 13-24 months from 1st EMI. 3% of principal Outstanding for pre-closures post 24 months from 1st EMI.	The Company hypothecates to and charges in favor of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	HDFC Bank Limited
2	HDFC Bank Limited	Maruti Eeco	0.21	9.45%	Loans are repayable in 36 equal monthly installments commencing from March, 2016.			

… Continued..

Annexure-`10' : Consolidated Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(iii) Vehicle loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment of Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
4	ICICI Bank Limited	Force Ambulance	1.11	9.69%	Loans are repayable in 36 equal monthly installments commencing from February, 2016.	Prepayment charges: The lessor of the following two options plus applicable taxes: (a) 4% of the outstanding amount of the facility, or any other rate as stipulated by ICICI Bank from time to time. OR (b) The total interest amount outstanding as on the date of prepayment.	The Company hypothecates to and charges in favor of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	ICICI Bank Limited
5	ICICI Bank Limited	Force Ambulance	0.42	10.00%				
6	Daimler Financial Services India Private Limited	Mercedez Benz	4.12	8.76%	Loans are repayable in 36 equal monthly installments commencing from February, 2017.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

(b) Unsecured Loan

Sr. No.	Name of Lender	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment of Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Barclays Investment & Loans (India) Ltd.	300.00	8.50%	Loan is repayable within a maximum period of 2 years (reviewed annually) subject to lender's right to terminate the facility and demand repayment at any time, unless otherwise agreed by them.	A prepayment of 1% will be charged on any amount prepaid. Additionally, company agree that loan breakage costs and expenses, if applicable and as determined by lender, will be payable at the time and in respect of the amount prepaid. Penalty: 2% as per lending terms and finance.	Not Applicable	--

The borrowings from Barclays Bank amounting to ₹ 300.00 million had been availed against pledge of acceptable tax free Bonds held by director Dr. Vikram I. Shah, however the same was considered and classified as unsecured since the Company had not provided its own security. There were no re-schedulements or defaults of loan taken by the Company.

Consolidated Financial Information, as restated

ANNEXURE - 11 : Consolidated Summary Statement of Other non current liabilities, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Deferred Leasehold Land Premium	7.88	15.57	44.43	70.52	94.09	115.40
Less : Amount disclosed under the head "Other current liabilities"	7.88	15.57	28.86	26.09	23.58	21.31
	0.00	0.00	15.57	44.43	70.51	94.09
Security Deposits	0.07	0.07	0.00	0.00	0.00	0.00
Retention Money	25.28	20.60	12.12	3.03	0.00	0.00
	25.35	**20.67**	**27.69**	**47.46**	**70.51**	**94.09**

ANNEXURE - 12 : Consolidated Summary Statement of Long-term provisions, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Employee Benefits Obligations						
Gratuity (Net of Plan Assets)	6.74	5.79	1.05	0.00	0.00	0.00
Gratuity (Unfunded)	0.00	0.00	0.99	1.45	1.87	1.94
Privileged / Earned Leave (Unfunded)	12.30	16.86	8.36	4.45	3.14	2.01
Less: Amount disclosed under the head "Short-term provision"	7.16	7.47	1.43	0.32	0.90	0.64
	11.88	**15.18**	**8.97**	**5.58**	**4.11**	**3.31**

In order to ensure that short term obligation outstanding as at 30th June, 2017 on account of Gratuity payable to employees is fully funded, the Parent company has intention to contribute the sum of ₹ 5.38 million to plan asset accordingly, the said obligation has been considered and classified as 'Current liabilities'.

ANNEXURE - 13 : Consolidated Summary Statement of Short-term borrowings, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Secured						
Bank Overdraft						
In Indian Currency	107.70	79.72	4.27	0.00	0.00	0.00
In Foreign Currency	0.00	0.00	0.00	0.00	77.46	26.57
Unsecured						
Working Capital Demand Loan						
From HDFC Bank Limited	150.00	150.00	0.00	0.00	0.00	0.00
From Kotak Mahendra Bank Limited	300.00	0.00	0.00	0.00	0.00	0.00
Repayable on Demand						
From Director	0.00	0.00	0.00	70.00	0.00	0.00
Inter-corporate Deposits						
Zodiac Mediquip Limited	32.45	30.95	28.40	5.20	0.00	0.00
RDB Realty and Infrastructure Limited	0.00	0.00	60.51	0.00	0.00	0.00
	590.15	**260.67**	**93.18**	**75.20**	**77.46**	**26.57**

The above includes the following Outstanding Balances due to Promoter/ group Companies/related Parties as follows:

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Unsecured Loan Repayable on Demand						
From Key Management Personnel / Promoter						
Dr. Vikram I. Shah	0.00	0.00	0.00	70.00	0.00	0.00
From Associate Company						
Zodiac Mediquip Limited	32.46	30.95	28.40	0.00	0.00	0.00

Continued…

ANNEXURE - 13 : Consolidated Summary Statement of Short-term borrowings, as restated *..Continued...*

Principal Terms and Conditions of Short Term Borrowing as at 31st March, 2017

(a) Secured

Name of Lenders	₹ in Milliion Outstanding as at 30th June, 2017	Rate of Interest	Repayment Terms	Security
Kotak Mahindra Bank	68.14	10.00%	12 months	(i) Secured by first pari-passu hypothecation charge to be shared with HDFC Bank Limited on all existing and future current assets of Bopal Unit. (ii) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319, Green city, Ghuma, Bopal, Ahmedabad belonging to the company.
(i) Re-schedulement / Prepayment Terms - Not Applicable (ii) Penalty - Amount unpaid on due date shall attract interest at 2% per month compounded monthly.				

Yes Bank Limited	39.56	11.00%	Not Applicable	Exclusive Charge on all current assets and fixed assets of Mohali unit (both present and future). Unconditional and irrevocable personal guarantee of Mr. Akhil Bhargava and Ms. Manjari Bhargava to remain valid during the tenor of the credit facilities.
(i) Re-schedulement / Prepayment Terms and Related Penalty - Not Applicable				

(b) Unsecured

Name of Lenders	₹ in Milliion Outstanding as at 30th June, 2017	Rate of Interest	Repayment Terms	Security
HDFC Bank Limited	150.00	8.50%	6 months (Bullet repayment at the end of tenor)	Not Applicable
(i) Re-schedulement - Not Applicable (ii) Prepayment Terms - Nil prepayment charges after 3 months from the date of disbursement, if paid from IPO proceeds/Equity/Internal accruals. (iii) Penalty - 3% p.a. in addition to interest rates, for all overdues/delays of any monies payable (principal as well as interest).				

… Continued..

SHALBY LIMITED

Standalone Financial Information, as restated

ANNEXURE - 13 : Standalone Summary Statement of Short-term borrowings, as restated *… Continued..*

Name of Lenders	Amount in ₹ Million	Rate of Interest	Repayment Terms	Security
Kotak Mahendra Bank Limited	300.00	8.50%	12 months (Bullet repayment at the end of tenor)	N.A.

(i) Re-schedulement - Not Applicable

(ii) Prepayment Terms

Bank shall have an option to recall the outstanding facility amount at the end of 3 months / 6 months / 9 months from the date of firmst disbursement.

Any repayment pursuant to such recall shall not attract any prepayment charges. Bank shal give the recall notice to the Borrower minimum 30 days in advance before recall due date.

The Borrower shall have the option to prepay the facility in part or full by giving 30 days prior notice to the Bank without any repayment penalty at the end of 3 months / 6 months / 9 months from the date of first disbursement.

Any other pre-payment of the liabilities of the Borrower (other than those arising from exercising of call option by the bank and / or put option by the borrower), prior to completion of tenor of the facility, shall attract a penal charge of 2% on outstanding loan amount.

(iii) Penalty

Type	Deadline	Penalty amount(Ror the delayed period
Audited Annual Report	8 months from close of financial year	₹ 5000/- per month till the audited financials are submitted
Provisional unaudited financials	3 months from close of financial year	₹ 5000/- per month till the provisional financials are submitted
Overdue charges / Default / Penal Rate	All amounts unpaid on due date	Amount unpaid on due date shall attract interest at 2.00% p.m., compounded monthly

ANNEXURE - 14 : Consolidated Summary Statement of Trade payables, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
For Goods and Services	444.66	389.76	467.84	614.18	204.95	204.60
	444.66	**389.76**	**467.84**	**614.18**	**204.95**	**204.60**

Due to Micro, Small and Medium Enterprises

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
The principal amount remaining unpaid as at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Interest due on above principal and remaining unpaid as at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Amount of interest paid by the buyer in terms of Section 16 along with the amounts of the payments made to suppliers beyond the appointed day during	0.00	0.00	0.00	0.00	0.00	0.00

The Group companies have initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

ANNEXURE - 15 : Consolidated Summary Statement of Other current liabilities, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Current Maturities						
Long Term Debt	330.61	164.42	103.82	141.75	40.90	2.13
Leasehold Land Premium	7.88	15.57	28.86	26.09	23.58	21.31
Payable for Fixed Assets/ Projects	506.06	346.32	81.66	0.28	2.28	1.60
Interest Accrued But Not Due	28.61	20.50	23.38	3.85	0.82	0.58
Deposits	1.90	2.10	1.77	1.34	9.74	1.17
Book Overdraft	5.77	3.52	0.03	0.07	7.87	53.63
Retention Money	26.53	20.18	12.72	1.49	1.33	1.37
Advance from Patients/ Corporates	21.72	28.88	5.65	2.08	8.51	15.92
Consideration payable (Refer Note no. 2(a)(iii) of Part B of Annexure '5')	0.00	0.00	38.83	0.00	0.00	0.00
Other Payables						
Statutory Dues	21.62	31.06	25.22	21.03	16.86	15.71
Employees	14.40	13.47	27.20	8.59	1.55	0.00
Others	0.40	4.89	5.15	7.29	7.51	16.64
	965.50	**650.91**	**354.29**	**213.86**	**120.95**	**130.06**

The above includes the following Outstanding Balances Due to Promoter/ group Companies / related Parties as follows:

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Interest Accrued but Not Due						
From Key Management Personnel / Promoter						
Dr. Vikram I. Shah	0.00	0.00	0.00	0.07	0.00	0.00
From Associate Company						
Zodiac Mediquip Limited	6.22	5.13	1.64	0.30	0.27	0.00

Consolidated Financial Information, as restated

ANNEXURE - 16 : Consolidated Summary Statement of Short-term provisions, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Employee Benefits						
Gratuity (Funded)	5.38	4.99	0.00	0.00	0.00	0.00
Gratuity (Unfunded)	0.00	0.00	0.07	0.05	0.15	0.14
Privileged / Earned Leave	1.78	2.48	1.36	0.27	0.75	0.50
Others						
For Dividend	0.00	0.00	0.26	0.22	0.21	0.16
	7.16	**7.47**	**1.69**	**0.54**	**1.11**	**0.80**

ANNEXURE - 17 : Consolidated Summary Statement of Fixed assets, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
I. Gross Block						
Tangible assets						
Land (Refer Note Below)						
Freehold	157.22	157.22	157.22	59.93	59.93	58.64
Leasehold	780.00	780.00	779.66	482.01	404.13	250.82
Buildings (Refer Note Below)	1,371.98	1,290.71	1,279.65	534.25	390.75	390.17
Medical Equipments & Surgical Instruments	1,548.89	1,422.13	1,295.23	913.16	766.45	712.32
Plant and Machinery	321.67	291.65	289.29	190.00	137.77	118.40
Electric Installation	95.70	87.94	86.00	82.01	49.55	49.54
Air Conditioners	20.00	20.00	20.00	20.31	20.28	20.15
Office Equipments	79.87	71.19	67.79	62.98	55.35	59.86
Computers and Printers	72.59	66.92	59.20	48.35	36.78	34.68
Furnitures and Fixtures	170.13	160.57	153.02	92.50	74.58	76.93
Vehicles	81.97	74.74	58.28	40.61	36.78	35.57
Total :	4,700.02	4,423.07	4,245.34	2,526.11	2,032.35	1,807.08
Intangible assets						
Softwares	21.58	21.58	22.05	20.51	20.51	15.24
Goodwill(Generated on merger)	0.00	0.00	0.00	293.12	170.61	170.61
Total :	21.58	21.58	22.05	313.63	191.12	185.85
II. Accumulated Depreciation						
Tangible assets						
Land						
Leasehold	74.77	70.36	50.16	32.40	17.53	8.36
Buildings	172.90	161.58	118.49	102.34	93.99	84.89
Medical Equipments & Surgical Instruments	614.72	595.85	549.36	475.37	440.64	378.88
Plant and Machinery	113.56	110.44	99.28	98.97	79.26	65.21
Electric Installation	55.09	53.93	48.69	43.50	33.32	30.00
Air Conditioners	18.90	18.86	18.72	18.82	13.18	11.73
Office Equipments	54.02	52.47	44.63	44.50	32.34	35.24
Computers and Printers	51.13	48.25	39.37	35.02	34.63	30.71
Furnitures and Fixtures	83.90	81.45	72.85	67.10	64.94	65.63
Vehicles	31.20	29.37	25.96	22.47	22.01	18.56
Total :	1,270.19	1,222.56	1,067.51	940.49	831.84	729.21
Intangible assets						
Softwares	20.14	19.92	18.42	17.11	14.64	10.45
Goodwill(Generated on merger)	0.00	0.00	0.00	293.12	170.61	170.61
Total :	20.14	19.92	18.42	310.23	185.25	181.06
III. Net Block						
Tangible assets						
Land						
Freehold	157.22	157.22	157.22	59.93	59.93	58.64
Leasehold	705.23	709.64	729.50	449.61	386.60	242.46
Buildings	1,199.08	1,129.13	1,161.16	431.91	296.76	305.28
Medical Equipments & Surgical Instruments	934.17	826.28	745.87	437.79	325.81	333.44
Plant and Machinery	208.11	181.21	190.01	91.03	58.51	53.19
Electric Installation	40.61	34.01	37.31	38.51	16.23	19.54
Air Conditioners	1.10	1.14	1.28	1.49	7.10	8.42
Office Equipments	25.85	18.72	23.16	18.48	23.01	24.62
Computers and Printers	21.46	18.67	19.83	13.33	2.15	3.97
Furnitures and Fixtures	86.23	79.12	80.17	25.40	9.64	11.30
Vehicles	50.77	45.37	32.32	18.14	14.77	17.01
Total :	3,429.83	3,200.51	3,177.83	1,585.62	1,200.51	1,077.87

..Continued…

ANNEXURE - 17 : Consolidated Summary Statement of Fixed Assets, as restated*...Continued*

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
III. Net Block						
Intangible assets						
Softwares	1.44	1.66	3.63	3.40	5.87	4.79
Goodwill(Generated on merger)	0.00	0.00	0.00	0.00	0.00	0.00
Total :	**1.44**	**1.66**	**3.63**	**3.40**	**5.87**	**4.79**

Note :
The title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate amounting to ₹ 473.33 million acquired pursuant to schemes of amalgamation in the nature of merger which is pending for registration in the name of the Company. Further as per information and explanations given to us all the existing buildings of the Company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

ANNEXURE - 18 : Consolidated Summary Statement of Non-current investments, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Corporate Membership with Karnavati Club Limited	1.10	1.10	1.10	1.10	1.10	1.10
National Saving Certificates	0.00	0.00	0.00	0.00	0.03	0.03
	1.10	**1.10**	**1.10**	**1.10**	**1.13**	**1.13**

ANNEXURE - 19 : Consolidated Summary Statement of Long-term loans and advances, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Unsecured, considered good						
Advance Tax (Net of Provisions)	71.43	80.80	93.78	79.35	64.99	49.13
MAT Credit Entitlement	410.00	410.00	0.00	0.00	0.00	0.00
Advance against acquisition of Shares/Projects	386.02	320.49	266.41	70.00	96.50	0.00
Projects and Capital Goods	15.32	43.20	8.89	66.37	9.14	3.15
Security Deposits	16.32	16.42	10.79	9.25	5.29	5.72
Other	0.00	0.00	0.03	0.00	0.00	0.00
	899.09	**870.91**	**379.90**	**224.97**	**175.92**	**58.00**

Note : As at 30th June, 2017, there is no outstanding balance amount due from promoter / other related parties

ANNEXURE - 20 : Consolidated Summary Statement of Other non-current assets, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Employee Gratuity Plan Assets (Net of obligations)	0.00	0.00	0.00	1.57	3.12	0.78
Other Bank balances						
Fixed deposits						
With maturity for more than 12 months (Inclusive of Accrued Interest) [Refer Note Below]	8.76	2.99	1.83	1.73	2.55	1.60
	8.76	**2.99**	**1.83**	**3.30**	**5.67**	**2.38**

Note : The above fixed deposits with banks are held as margin money against bank guarantees.

Consolidated Financial Information, as restated

ANNEXURE - 21 : Consolidated Summary Statement of Current investments, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Quoted						
In Mutual Fund						
Reliance Liquid Fund [278 Units]	0.00	0.00	0.00	0.00	0.42	0.00
Pramerica Liquid Fund [460 Units]	0.00	0.00	0.00	0.00	0.46	0.00
Baroda Pioneer Banking and Financial Services [99,990 Units]	0.00	0.00	0.00	0.00	0.00	1.00
	0.00	**0.00**	**0.00**	**0.00**	**0.88**	**1.00**
Aggregate Market Value of Current Investment	**0.00**	**0.00**	**0.00**	**0.00**	**0.88**	**1.07**

ANNEXURE - 22 : Consolidated Summary Statement of Inventories, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Medicines and Medicare Items	16.96	33.78	24.14	11.57	12.51	10.45
Materials and Consumables	127.91	35.31	42.64	39.90	36.38	36.49
General Stores	7.15	7.38	8.10	6.77	15.81	14.15
	152.02	**76.47**	**74.88**	**58.24**	**64.70**	**61.09**

ANNEXURE - 23 : Consolidated Summary Statement of Trade receivables, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Debt outstanding for the period exceeding six						
Considered Good	109.32	176.31	94.12	28.00	32.48	28.37
Considered Doubtful	21.34	21.53	13.24	13.47	22.34	13.09
	130.66	197.84	107.36	41.47	54.82	41.46
Less : Provision for Bad and Doubtful debts	21.34	21.53	13.24	13.47	22.34	13.09
	109.32	176.31	94.12	28.00	32.48	28.37
Other debts	274.68	203.29	220.17	187.47	117.46	87.26
	384.00	**379.60**	**314.29**	**215.47**	**149.94**	**115.63**

Note : As at 30th June, 2017, there is no outstanding balance amount due from promoter / other related parties

ANNEXURE - 24 : Consolidated Summary Statement of Cash and bank balances, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Cash and Cash Equivalents						
Balances with Scheduled Banks						
Current Accounts	20.49	52.68	40.59	267.03	47.62	18.83
Fixed Deposits (with maturity for less than 3 months) [Refer Note Below]	48.01	48.74	39.15	0.00	0.00	0.00
Cash in hand	29.78	15.95	9.41	7.57	7.74	4.71
	98.28	117.37	89.15	274.60	55.36	23.54
Other Bank Balances						
Fixed deposits (with maturity for 3 to 12 months) [Refer Note Below]	36.32	41.33	71.56	35.37	63.18	31.37
	134.60	**158.70**	**160.71**	**309.97**	**118.54**	**54.91**

Note : The above fixed deposits with banks are held as margin money against bank guarantees.

ANNEXURE - 25 : Consolidated Summary Statement of Short-term loans and advances, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Loans to Companies / others						
Unsecured, considered good	0.00	51.35	36.39	0.00	260.30	0.00
Unsecured, considered Doubtful	0.00	0.00	0.00	0.00	9.87	12.17
	0.00	51.35	36.39	0.00	270.17	12.17
Less : Provision for Bad and Doubtful debts	0.00	0.00	0.00	0.00	9.87	12.17
	0.00	51.35	36.39	0.00	260.30	0.00
Unsecured, considered good						
Loans / Advances to Employees	1.12	1.73	2.24	0.58	0.31	0.21
Contractors and Suppliers	10.58	5.44	3.29	4.32	3.96	2.06
Balance with Revenue Authorities	26.36	26.46	11.64	0.00	0.00	0.00
Prepaid Expenses	11.91	6.11	3.39	1.91	3.27	3.52
Deposits	0.53	0.56	0.70	0.41	2.67	0.16
IPO Expenses Pending Adjustment	21.55	3.45	0.00	0.00	0.00	0.00
Other Recoverable						
Doctors	23.87	24.91	3.67	2.88	2.91	0.07
Others	0.61	3.75	0.92	2.80	1.30	13.07
	96.53	**123.76**	**62.24**	**12.90**	**274.72**	**19.09**

The above includes the following debts due from Promoter/ group Companies / related Parties as follows:

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Contractor and Suppliers includes advances to enterprise over which Relatives of Key Management Personnel exercise significant influence through						
Uranus Medical Devices Limited	0.00	0.00	0.04	0.04	0.16	0.00
Other Recoverable includes recoverable from enterprise over which Relatives of Key Management Personnel exercise significant influence through						
Slaney Healthcare Private Limited	0.00	0.12	0.00	0.00	0.00	0.00

ANNEXURE - 26 : Consolidated Summary Statement of Other Current Assets, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Interest Accrued						
On Loans to Companies / others	0.00	0.00	0.00	0.02	0.17	0.00
On Fixed Deposits	8.75	5.64	4.57	3.50	3.17	0.59
Capital and interest Subsidy Receivable	112.39	110.89	0.00	0.00	0.00	0.00
Unbilled Revenue	30.53	21.51	24.89	26.09	19.54	17.85
	151.67	**138.04**	**29.46**	**29.61**	**22.88**	**18.44**

The above includes the following debts due from Promoter/ group Companies / related Parties as follows:

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Interest accrued on Loans to Companies/others						
Enterprise over which Relatives of Key Management Personnel exercise significant influence through controlling interest						
Uranus Medical Devices Limited	0.00	0.00	0.00	0.02	0.02	0.00

SHALBY LIMITED

Consolidated Financial Information, as restated

ANNEXURE - 27 : Consolidated Summary Statement of Revenue from operations , as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Sale of Products	22.54	79.38	69.62	70.25	67.82	59.32
Sale of Services	867.73	3,151.27	2,817.05	2,671.26	2,501.24	2,186.39
Other Operating Revenue	2.01	23.22	17.39	12.66	19.79	5.54
	892.28	**3,253.87**	**2,904.06**	**2,754.17**	**2,588.85**	**2,251.25**

Breakup of Sales of Product

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Medicines and Medicare Items	22.54	79.38	69.62	70.25	67.82	59.32

Breakup of Sales of Services

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Income from Healthcare Services						
In Patient Discharge						
Domestic	746.21	2,697.73	2,443.10	2,246.91	2,138.92	1,871.45
Overseas	35.86	138.92	128.09	186.52	140.17	126.16
Out Patient Discharge	64.13	213.12	151.55	132.85	122.28	103.76
Dental Care Services	4.94	37.05	37.47	41.10	34.97	29.66
Diagnostic Services	13.14	52.25	53.71	59.52	59.43	50.12
Clinical Trials	3.45	12.20	3.13	4.36	5.47	5.24
	867.73	**3,151.27**	**2,817.05**	**2,671.26**	**2,501.24**	**2,186.39**

Breakup of Other Operating Revenue

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Allied Services (Ambulance, Visitor Passes, Dormitory etc.)	2.01	7.32	7.28	5.82	6.62	4.72
Sponsorship and Event Orthotrend (Net)	0.00	15.90	10.11	6.84	13.17	0.82
	2.01	23.22	17.39	12.66	19.79	5.54

ANNEXURE - 28 : Consolidated Summary Statement of Other income, as restated

[₹ in Million]

Particulars	Nature	For the quarter ended 30th June, 2017	For the year ended 31st March				
			2017	2016	2015	2014	2013
Other Income, as restated		13.71	74.75	21.50	22.09	27.91	47.03
Net Profit before tax, as restated		185.99	532.45	359.24	430.34	521.44	186.98
Percentage		7.37%	14.04%	5.98%	5.13%	5.35%	25.15%
Interest Income							
On Loans	Non- recurring	1.46	4.70	0.41	0.00	0.19	0.07
From Banks	Recurring	2.35	7.72	7.52	4.35	5.67	12.57
On IT Refunds	Non- recurring	0.00	7.16	0.37	0.00	0.20	0.51
Others	Non- recurring	0.03	0.30	0.22	0.08	0.05	0.31
		3.84	19.88	8.52	4.43	6.11	13.46
Rent	Recurring	0.62	2.59	2.20	1.77	1.52	1.83
Dividend	Non- recurring	1.01	0.19	1.90	3.35	9.41	6.81
Gain on Sale of Investments	Non- recurring	0.00	0.00	0.75	2.87	0.06	0.00
Profit on Sale of Assets (Net of loss on assets sold / written off)	Non- recurring	0.00	2.16	0.00	0.00	0.00	0.00
Training	Recurring	0.41	0.28	0.55	0.29	1.57	4.67
Deferred Capital Subsidy	Non- recurring	1.41	5.61	0.00	0.00	0.00	0.00
Gain / (Loss) on Unwinding of Swap Contract (Net)	Non- recurring	0.00	2.97	0.00	0.00	0.00	0.00
Foreign Exchange Fluctuation Gain(Net)	Recurring	0.00	27.87	0.00	2.71	2.13	1.77
Other Non Operating Income							
Sundry Balances Written Back (Net)	Non- recurring	5.76	6.76	3.01	1.26	3.99	15.29
Excess Provisions no longer required	Non- recurring	0.48	5.14	2.48	4.98	2.49	1.76
Miscellaneous	Non- recurring	0.18	1.30	2.09	0.43	0.63	1.44
		6.42	13.20	7.58	6.67	7.11	18.49
		13.71	**74.75**	**21.50**	**22.09**	**27.91**	**47.03**

Note

1 All the above income related to the group's other than the normal business activities.

2 The Classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activities of the Group determined by management.

SHALBY LIMITED

Consolidated Financial Information, as restated

ANNEXURE - 29 : Consolidated Summary Statement of Operative expenses, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Materials and Consumables	182.89	726.57	743.18	744.17	709.96	655.56
Diagnostic Expenses	14.41	51.97	54.08	49.61	42.09	39.84
Fees to Doctors and Consultants	184.52	780.33	758.49	685.68	643.27	566.28
Power, Fuel and Water Charges	23.07	75.87	67.94	53.50	42.22	37.18
Housekeeping and Catering	25.14	84.93	72.67	47.29	47.20	36.01
Attendants and Securities	23.50	85.48	69.47	58.72	51.10	49.03
Linen and Uniform	2.06	4.83	7.20	26.70	19.83	18.71
Other Operative Expenses	3.91	13.50	10.71	4.97	3.69	3.50
	459.50	**1,823.48**	**1,783.74**	**1,670.64**	**1,559.36**	**1,406.11**

ANNEXURE - 30 : Consolidated Summary Statement of Employee benefit expenses, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Salary, Wages and Bonus	86.04	374.48	273.19	191.57	166.17	148.78
Contribution to Provident and Other Funds	4.86	17.80	14.37	6.74	3.20	4.18
Staff Welfare and Training Expense	0.03	0.28	1.65	0.12	0.12	0.24
	90.93	**392.56**	**289.21**	**198.43**	**169.49**	**153.20**

ANNEXURE - 31 : Consolidated Summary Statement of Finance costs, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Interest						
To Banks	36.17	70.84	60.64	35.26	19.75	3.01
To NBFC	2.69	24.85	0.00	0.00	0.00	0.00
To Others	2.56	3.87	4.51	2.54	0.34	0.00
Less: Interest subsidy	1.50	10.88	0.00	0.00	0.00	0.00
	39.92	88.68	65.15	37.80	20.09	3.01
Other Borrowing Cost						
Other ancillary Cost	0.16	1.72	3.67	4.05	2.69	0.48
Adjustment to Interest Cost on foreign currency	0.60	7.54	35.03	12.38	0.00	0.00
	40.68	**97.94**	**103.85**	**54.23**	**22.78**	**3.49**

SHALBY LIMITED

Consolidated Financial Information, as restated

ANNEXURE - 32 : Consolidated Summary Statement of Administrative and other expenses, as restatec

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Rent, Rates and Taxes	5.70	23.86	19.84	20.13	25.68	22.87
Stationery and Printing	5.27	12.04	9.17	11.72	9.86	8.32
Insurance	1.59	3.27	2.41	1.47	1.70	2.99
Fees and Legal	6.28	22.31	27.83	17.52	15.13	18.03
Auditor's Remuneration	0.45	1.94	1.42	1.47	1.33	1.07
Travelling and Conveyance	13.21	55.93	39.41	19.30	15.56	12.46
Communication	2.71	9.22	6.85	3.56	3.48	3.57
Repairs and Maintenance						
Building	0.65	5.60	4.73	0.88	11.19	67.85
Others	13.44	53.39	56.24	45.60	54.28	38.73
Advertising and Publicity	11.55	45.71	41.20	17.72	25.35	18.18
Bank Charges	2.26	4.35	0.69	0.70	0.98	1.01
Loss on Sale / Discard of Assets(Net)	0.00	0.00	0.46	8.06	3.05	0.31
Foreign Exchange Fluctuation Loss(Net)	4.87	0.00	9.55	0.00	0.00	0.00
Project Expenses written off	0.00	0.00	0.00	0.00	6.54	0.00
Provision for impairment loss	0.00	0.00	0.53	0.00	0.00	0.00
Provision for bad and doubtful debts	0.00	8.29	0.00	0.45	9.33	18.68
Bad Debt Written Off (Net of Provision no longer required)	0.00	0.00	0.30	8.90	0.00	10.12
Other expenses	2.66	14.72	10.99	8.26	9.90	7.78
	70.64	**260.63**	**231.62**	**165.74**	**193.36**	**231.97**

Consolidated Financial Information, as restated

ANNEXURE - 33 : Statement of Capitalisation, as restated

[₹ in Million]

Particulars	As at 30th June, 2017 (Pre - Issue)
Long Term Debt	2,519.16
Short Term Debt	590.15
Current Maturities of Long term debts classified under "Other current liabilities"	330.61
Total Debts	**3,439.92**
Share Capital	886.55
Reserves and Surplus	2,002.45
Total Shareholder's Fund	**2,889.00**
Long Term Debt / Equity	0.87
Total Debt / Equity	1.19
In Ratio Format	
Long Term Debt / Equity	0.87 :1
Total Debt / Equity	1.19:1

Note :

(i) The Parent Company has vide resolution passed by Board of Directors in the meeting held on 26th March, 2016, allotted 5,24,12,960 equity shares as bonus shares in the ratio of 3:2 on 26th March, 2016.

(ii) The above has been computed on the basis of the Restated Consolidated Financial Information Annexure-1 and Annexure-2

(iii) Short term borrowings represent working capital loans and Short term loans.

(iv) The issure price and number of shares are being finalised and as such the post - capitalistion statement cannot be presented.

ANNEXURE - 34 : Consolidated Summary Statement of Accounting Ratios, as restated

[₹ in Million]

Particulars		For the quarter ended 30th June, 2017	For the year ended 31st March				
			2017	2016	2015	2014	2013
Net Profit After Tax attributable to Equity Shareholders (₹)	(A)	143.91	625.40	375.52	257.07	390.02	170.85
Number of Equity Shares	(B)	88.65	87.41	87.35	34.94	34.94	34.90
Number of 5% Convertible/ Redeemable Preference Shares	(C)	0.00	0.00	0.53	0.43	0.43	0.43
Weighted Average Number of Equity Shares	(D)	88.34	87.36	87.35	34.94	34.94	34.90
Weighted Average Number of Equity Shares(Adjusted for Bonus issue)	(E)	88.34	87.36	87.35	87.35	87.35	87.25
Net Worth (₹)	(F)	2,889.00	2,657.03	2,050.24	1,684.26	1,408.70	1,019.30
Ratios							
Earning per Share (₹) (Refer Note (a) and (b) below)							
Basic and Diluted	(A/D)	1.63	7.16	4.30	7.36	11.16	4.90
Basic and Diluted(Adjusted for Bonus issue)	A/E)	1.63	7.16	4.30	2.94	4.47	1.96
Return on Net Worth (%)	(A/F)	4.98%	23.54%	18.32%	15.26%	27.69%	16.72%
Net Asset Value per Share (₹) (Refer Note (c) (ii) below)		32.59	30.40	23.41	48.08	40.19	29.07
Net Asset Value per Share (₹) (Adjusted for Bonus issue) (Refer Note (c) (ii) below)		32.59	30.40	23.41	19.23	16.08	11.63

Note :

(a) The Parent Company has vide resolution passed by Board of Directors in the meeting held on 26th March, 2016, allotted 5,24,12,960 equity shares as bonus shares in the ratio of 3:2 on 26th March, 2016. Accordingly, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

(b) The Parent company has dilutive capital in the form of Cumulative Optionally Convertible Preference Shares. Since the Board of Directors has the option either to convert the preference shares or to redeem at predetermined premium into equity shares at fair value, which is not ascertainable at present, diluted potential equity shares for the said convertible preference shares are not quantified/considered for calculating diluted earnings per share. Further reference is invited to Note C (i) of Annexure 6 with regard to redemption of all the Preference Shares which had been issued by the company from time to time.

(c) The ratios have been computed as per the following formulae :

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(ii) Net Assets Value (NAV) per Share

$$\frac{\text{Net worth (excluding Preference Share Capital), as restated, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year}}$$

All the above are based on Consolidated Financial Information, as restated.

Annexure-`35' : Consolidated Summary Statement of Related Parties, as restated

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Dr. Vikram I. Shah (w.e.f. 30/08/2004 to till date)	Key Management Personnel (KMP)
2	Mr. Ravi Bhandari (w.e.f. 08/08/2012 to till date)	
3	Dr. Darshini V. Shah	Relative of Key Management Personnel (KMP)
4	Mr. Shanay V. Shah	
5	Zodiac Mediquip Limited (w.e.f. 18/04/2011 to till date)	Associate Company
6	Uranus Medical Devices Limited (w.e.f. 02/01/2006 to till date)	Enterprise over which Key Management Personnel and / or relatives exercise significant influence through controlling interest (Other Related Party)
7	Shalby Orthopedic Hospital and Research Centre (w.e.f. 04/05/1993 to till date)	
8	Friends of Shalby Foundation (w.e.f. 23/06/2007 to till date)	
9	Slaney Healthcare Private Limited (w.e.f. 16/01/2008 to till date)	

(b) Transactions with related parties

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March,				
				2017	2016	2015	2014	2013
(i)	Professional Fees							
	- Dr. Vikram I. Shah	KMP	7.50	44.73	130.52	145.00	145.25	143.50
	- Dr. Darshini V. Shah	Relative of KMP	2.79	26.78	27.84	29.12	24.36	18.75
(ii)	Unsecured Loan taken							
	- Dr. Vikram I. Shah	KMP	--	--	360.00	230.00	--	90.00
	- Zodiac Mediquip Limited	Associate Company	1.50	2.55	23.20	5.20	50.00	260.00
(iii)	Unsecured Loan Repaid							
	- Dr. Vikram I. Shah	KMP	--	--	430.00	160.00	--	90.00
	- Zodiac Mediquip Limited	Associate Company	--	--	0.27	--	50.00	260.00
(iv)	Advance towards Reimbursement of Expenditure							
	- Zodiac Mediquip Limited	Associate Company	--	--	0.12	--	--	--
	- Slaney Healthcare Private Limited	Other Related Party	--	0.09	--	--	--	--
(v)	Advances Given							
	- Uranus Medical Devices Limited	Other Related Party	--	--	--	--	18.35	--
(vi)	Advances Received Back							
	- Uranus Medical Devices Limited	Other Related Party	--	--	0.02	--	18.35	--
(vii)	Equity Contribution							
	- Zodiac Mediquip Limited	Associate Company	--	--	--	--	0.22	--

… Continued..

(b) Transactions with related parties ... *Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March, 2017	2016	2015	2014	2013
(viii)	Purchase of medicines, materials and consumables							
	- Slaney Healthcare Private Limited	Other Related Party	0.35	0.63	0.50	--	--	--
	- Uranus Medical Devices Limited	Other Related Party	--	0.33	--	--	19.24	55.11
	- Zodiac Mediquip Limited	Associate Company	--	--	--	--	--	42.24
(ix)	Rent Expenses							
	- Dr. Vikram I. Shah	KMP	1.65	6.90	6.00	6.00	6.55	6.60
	- Dr. Darshini V. Shah	Relative of KMP	--	--	--	--	0.55	0.60
	- Zodiac Mediquip Limited	Associate Company	--	--	--	--	0.36	--
	- Shalby Orthopedic Hospital and Research Centre	Other Related Party	0.14	0.76	0.66	0.66	0.66	--
(x)	Rent Income							
	- Slaney Healthcare Private Limited	Other Related Party	0.02	0.06	--	--	--	--
(xi)	Interest Expense							
	- Dr. Vikram I. Shah	KMP	--	--	4.71	1.97	--	--
	- Zodiac Mediquip Limited	Associate Company	1.09	3.87	1.79	0.03	0.30	--
(xii)	Interest Income							
	- Uranus Medical Devices Limited	Other Related Party	--	--	--	--	0.02	--
(xiii)	Salary							
	- Ravi Bhandari	KMP	1.98	7.92	7.74	6.60	5.17	1.53
	- Mr. Shanay V. Shah	Relative of KMP	1.20	3.90	3.42	2.40	1.14	--

… Continued..

(b) Transactions with related parties *... Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March, 2017	2016	2015	2014	2013
(xiv)	Commission Expense							
	- Zodiac Mediquip Limited	Associate Company	0.04	0.13	0.15	0.16	0.07	--
(xv)	Guest House Expense							
	- Zodiac Mediquip Limited	Associate Company	1.69	1.75	0.65	--	--	--
(xvi)	Catering Charges Income							
	- Slaney Healthcare Private Limited	Other Related Party	--	0.03	--	--	--	--
(xvii)	Housekeeping Linen and Uniform							
	- Uranus Medical Devices Limited	Other Related Party	--	--	--	--	--	1.80

(c) Outstanding Balances

[₹ in Million]

Sr. No.	Particulars	Relationship	As at 30th June, 2017	As at 31st March, 2017	2016	2015	2014	2013
(i)	**As Trade Payable**							
	- Dr. Vikram I. Shah	KMP	3.80	3.53	3.60	24.70	9.71	2.48
	- Mr. Ravi Bhandari	KMP	--	--	--	--	0.46	--
	- Dr. Darshini V. Shah	Relative of KMP	0.81	3.45	5.83	4.86	1.62	1.53
	- Mr. Shanay V. Shah	Relative of KMP	--		--	--	0.16	--
	- Zodiac Mediquip Limited	Associate Company	0.47	0.76	0.86	0.14	--	--
	- Uranus Medical Devices Limited	Other Related Party	0.40	0.40	0.12	0.12	--	--
	- Friends of Shalby Foundation	Other Related Party	0.01	0.01	0.01	0.01	--	--
	- Slaney Healthcare Private Limited	Other Related Party	--	--	0.35	--	--	--

… Continued..

(c) Outstanding Balances

[₹ in Million]

Sr. No.	Particulars	Relationship	As at 30th June, 2017	As at 31st March,				
				2017		2017		2017
(ii)	**As Interest Payable**							
	- Dr. Vikram I. Shah	KMP	--	--	--	0.07	--	--
	- Zodiac Mediquip Limited	Associate Company	--	5.13	1.64	0.30	0.27	--
(iii)	**As Short Term Borrowings**							
	- Dr. Vikram I. Shah	KMP	--	--	--	70.00	--	--
	- Zodiac Mediquip Limited	Associate Company	32.45	30.95	28.40	5.20	--	--
(iv)	**As Rent Payable**							
	- Dr. Vikram I. Shah	KMP	--	--	--	--	--	--
	- Dr. Darshini V. Shah	Relative of KMP	--	--	--	--	--	--
	- Shalby Orthopedic Hospital and Research Centre	Other Related Party	0.12	0.68	0.15	--	0.59	--
(v)	**As Interest Receivable**							
	- Uranus Medical Devices Limited	Other Related Party	--	--	--	0.02	0.02	--
(vi)	**As Loans and Advances**							
	- Uranus Medical Devices Limited	Other Related Party	--	--	0.04	0.04	0.16	--
(vii)	**As Commission Payable**							
	- Zodiac Mediquip Limited	Associate Company	0.04	0.04	--	--	--	--
(viii)	**As Other Receivable**							
	- Slaney Healthcare Private Limited	Other Related Party	0.42	0.12	--	--	--	--

ANNEXURE - 36 : Consolidated Summary Statement of Rates and Amounts of Dividend, as restatec

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(a) Equity Shares						
No. of Equity Shares	88654932	87408932	87354932	34941972	34941972	34903620
Rate of Dividend (%)	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Amount (₹ in Million) (on pro-rata basis)	0.00	0.00	0.00	0.00	0.00	0.00
Tax on Dividend (₹ in Million)	0.00	0.00	0.00	0.00	0.00	0.00
(b) 5% Convertible/ Redeemable						
No. of Convertible / Redeemable Preference Shares	0	0	533100	430100	430100	430100
Rate of Dividend (%)	0.00	0.00	5.00%	5.00%	5.00%	5.00%
Dividend Amount (₹ in Million) (on pro-rata basis)	0.00	0.19	0.26	0.22	0.22	0.16
Tax on Dividend (₹ in Million)	0.00	0.04	0.05	0.04	0.04	0.03

Note :

Pursuant to resolution passed by board of directors in the meeting held on 20th December 2016, the company has reedemed all the above reedemable preference shares having aggregate face value of ₹ 5.33 million at a premium of ₹ 10.27 million out of accumulated profits. Accordingly, the company has paid dividend on such perference shares on pro-rata basis during the financial year 2016-17.

To,
The Board of Directors
Shalby Limited
Opp. Karnavati Club
S G Road
Ahmedabad – 380 015
Gujarat, India
(the "**Company**")

Auditors' Report on Restated Standalone Financial Information in connection with the Initial Public Offering of Shalby Limited

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement vide our engagement letter dated 26/12/2016.

2. The accompanying restated standalone financial information, expressed in Indian Rupees, in million, of Shalby Limited (hereinafter referred to as the "Company"), comprising the standalone financial information as detailed in paragraph A below and other standalone financial information as detailed in paragraph B below (hereinafter together referred to as "**Restated Standalone Financial Information**", has been prepared by the management of the Company in accordance with the requirements of Section 26 of the Companies Act, 2013 (hereinafter referred to as the "Act"), read with Rule 4 to Rule 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the"**Rules**"), and Item (IX) of Part (A) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date issued by SEBI on August 26, 2009 read along with the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (the "**SEBI Regulations**") issued by the Securities and Exchange Board of India (the "**SEBI**") in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "Issue") and has been approved by the Board of Directors on September 28, 2017 and initialled by us for identification purposes only. For the purposes of our examination, we have placed reliance on the audited standalone financial statements of the Company for quarter ended June 30, 2017 and the financial years ended March 31, 2017 (expressed in Indian Rupees, in million), 2016, 2015 (expressed in Indian Rupees), 2014 (expressed in Indian Rupees, in million) and 2013 (expressed in Indian Rupees, in lacs), on which we have expressed unqualified audit opinions *vide* our reports dated September 28, 2017, June 28, 2017, September 05, 2016, August 18, 2015, August 05, 2014 and October 29, 2013 respectively.

Managements' Responsibility for the Restated Financial Information

3. The preparation of the Restated Standalone Financial Information, which is to be included in the Red Herring Prospectus ("**RHP**") and Prospectus, is the responsibility of the Management of the Company and has been approved by the Board of Directors', at its meeting held on September 28, 2017, for the purpose of filing by the Company with SEBI, Registrar of Companies, Gujarat and the concerned stock exchanges in connection with the proposed issue of Equity Shares of the Company. The Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

4. Our work has been carried out in accordance with the Standards on Auditing under Section 143(10) of the Act, (Revised) Guidance Note on Reports in Company Prospectuses and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India and pursuant to the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to Rule 6 of the Rules and the SEBI Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI Regulations in connection with the Issue.

A. Financial Information as per audited financial statements:

5. We have examined the following summarized financial statements of the Company contained in Restated Standalone Financial Information of the Company:

   (a) The "Standalone Summary Statement of Assets and Liabilities, as restated" as at June 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure 1**);

   (b) the "Standalone Summary Statement of Profits and Losses, as restated" for the quarter ended June 30 2017 and the financial years ended March 31, 2017, 2016, 2015, 2014, and 2013 (enclosed as **Annexure 2**); and

   (c) the "Standalone Summary Statement of Cash Flows, as restated" for the quarter ended June 30, 2017 and the financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 (enclosed as **Annexure 3**).

6. The Restated Financial Information, expressed in Indian Rupees, in million, has been derived from the audited standalone financial statements of the Company read with paragraph 7 below, as at June 30, 2017, March 31, 2017 (expressed in Indian Rupees, in million), 2016, 2015 (expressed in Indian Rupees), 2014 (expressed in Indian Rupees, in million), and 2013 (expressed in Indian Rupees, in lacs) and for the quarter ended June 30, 2017 and for the financial years ended March 31, 2017 (expressed in Indian Rupees, in million), 2016, 2015 (expressed in Indian Rupees), 2014 (expressed in Indian Rupees, in million) and 2013 (expressed in Indian Rupees, in lacs).

7. The Restated Standalone Financial Information should be read in conjunction with the basis of preparation and significant accounting policies enclosed as **Annexure 5 (as described in paragraph 9 below).**

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to June 30, 2017. Accordingly, we do not express any opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to June 30, 2017.

B. Other Financial Information:

9. At the Company's request, we have also examined the following other Standalone Financial Information relating to the Company as at June 30, 2017, March 31, 2017, 2016, 2015, 2014 and 2013 and for the three months ended June 30, 2017 and financial years ended March 31, 2017, 2016, 2015, 2014 and 2013 proposed to be included in the RHP and Prospectus, prepared by the Management of the Company and as approved by the Board of Directors of the Company and annexed to this report:

Annexures	
Annexure 4	Standalone Summary Statement of Material Adjustment
Annexure 5	Summary of Significant Accounting Policies and Notes to Accounts
Annexure 6	Summary Statement of Share capital, as restated
Annexure 7	Standalone Summary Statement of Reserves and surplus, as restated;
Annexure 8	Standalone Summary Statement of Share application money pending allotment, as restated
Annexure 9	Standalone Summary Statement of Deferred government subsidy, as restated
Annexure 10	Standalone Summary Statement of Long-term Borrowings, as restated
Annexure 11	Standalone Summary Statement of Other non current liabilities, as restated
Annexure 12	Standalone Summary Statement of Long-term provisions, as restated
Annexure 13	Standalone Summary Statement of Short-term borrowings, as restated
Annexure 14	Standalone Summary Statement of Trade payables, as restated
Annexure 15	Standalone Summary Statement of Other current liabilities, as restated
Annexure 16	Standalone Summary Statement of Short-term provisions, as restated
Annexure 17	Standalone Summary Statement of Fixed assets, as restated
Annexure 18	Standalone Summary Statement of Non-current Investments, as restated

Annexures	
Annexure 19	Standalone Summary Statement of Long-term loans and advances, as restated
Annexure 20	Standalone Summary Statement of Other non-current assets, as restated
Annexure 21	Standalone Summary Statement of Current investments, as restated
Annexure 22	Standalone Summary Statement of Inventories, as restated
Annexure 23	Standalone Summary Statement of Trade receivables, as restated
Annexure 24	Standalone Summary Statement of Cash and bank balances, as restated
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Annexure 36	Standalone Summary Statement of Rates and Amounts of Dividend, as restated
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10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Opinion

11. In our opinion:

the Restated Standalone Financial Information of the Company, as attached to this report and as mentioned in paragraphs A and B above, read with basis of preparation and respective significant accounting policies have been prepared in accordance with the Act, Rules, and the SEBI Regulations;

(i) there are no changes in accounting policies of the Company (as disclosed in Annexure 5 to this Report), which require any adjustments;

(ii) the material prior period items as explained in **Annexure 4** to this report, relating to previous years have been adjusted in the year to which they relate;

(iii) adjustments for the material amounts and material regrouping as explained in **Annexure 4** to this report has been incorporated in the Restated Standalone Financial Information of the Company as attached to this report;

(iv) there are no qualifications in the auditors' reports, which require any adjustments; and

(v) there are no extra-ordinary items which need to be disclosed separately.

12. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us on the standalone financial statements of the Company.

Restrictions on Use

13. Our report is intended solely for use of the management for inclusion in the offer document to be filed by the Company with SEBI, Registrar of Companies, Gujarat and the concerned stock exchanges in connection with the proposed issue of Equity Shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

SHALBY LIMITED

Standalone Financial Information, as restated

ANNEXURE - 1 : Standalone Summary Statement of Assets and Liabilities, as restated

[₹ in Million]

Particulars	Annx. No.	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital	**6**	886.55	874.09	878.88	353.72	353.72	353.72
Reserves and surplus	**7**	2,086.87	1,869.32	1,244.02	1,368.70	1,107.37	695.76
		2,973.42	2,743.41	2,122.90	1,722.42	1,461.09	1,049.48
Share application money pending allotment	**8**	0.00	2.73	0.00	0.00	0.00	0.00
Deferred government subsidy	**9**	92.98	94.39	0.00	0.00	0.00	0.00
Non-current liabilities							
Long-term borrowings	**10**	2,519.16	2,854.04	2,010.72	737.34	228.30	4.20
Deferred tax liabilities (Net)		230.68	228.39	19.56	107.20	21.29	0.00
Other non current liabilities	**11**	25.35	20.67	27.69	47.46	70.51	94.09
Long-term provisions	**12**	11.88	15.18	7.79	3.45	2.09	1.48
		2,787.07	3,118.28	2,065.76	895.45	322.19	99.77
Current liabilities							
Short-term borrowings	**13**	557.70	229.72	64.78	70.00	77.45	26.56
Trade payables	**14**	453.53	389.28	449.66	577.84	180.92	173.00
Other current liabilities	**15**	956.34	639.21	345.32	203.74	110.00	120.15
Short-term provisions	**16**	7.16	7.47	1.57	0.43	0.93	0.66
		1,974.73	1,265.68	861.33	852.01	369.30	320.37
Total		7,828.20	7,224.49	5,049.99	3,469.88	2,152.58	1,469.62
ASSETS							
Non-current assets							
Fixed assets							
Tangible assets	**17**	3,342.61	3,112.02	3,082.62	1,437.95	1,047.72	909.84
Intangible assets		1.40	1.61	3.46	3.10	5.38	3.83
Capital work-in-progress		2,504.41	2,214.40	821.87	907.10	47.68	20.74
Intangible assets under development		2.27	2.27	0.06	0.06	0.06	0.06
		5,850.69	5,330.30	3,908.01	2,348.21	1,100.84	934.47
Non-current investments	**18**	94.10	94.10	93.97	261.05	190.17	176.63
Deferred tax assets (net)		0.00	0.00	0.00	0.00	0.00	7.70
Long-term loans and advances	**19**	896.79	867.65	373.78	214.50	167.00	50.26
Other non-current assets	**20**	8.63	2.74	1.61	3.31	5.67	2.39
		999.52	964.49	469.36	478.86	362.84	236.98
Current assets							
Current investments	**21**	9.72	4.30	0.00	0.01	0.00	1.00
Inventories	**22**	150.23	75.58	73.37	51.32	56.23	54.72
Trade receivables	**23**	382.09	377.82	306.71	203.18	138.38	102.61
Cash and bank balances	**24**	133.18	157.04	153.60	295.90	112.74	47.03
Short-term loans and advances	**25**	130.54	159.50	96.18	42.76	347.59	70.79
Other current assets	**26**	172.23	155.46	42.76	49.64	33.96	22.02
		977.99	929.70	672.62	642.81	688.90	298.17
Total		7,828.20	7,224.49	5,049.99	3,469.88	2,152.58	1,469.62

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5) are an integral part of this statement

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM I. SHAH
Chairman & Managing Director
DIN: 00011653

SHYAMAL S. JOSHI
Director
DIN: 00005766

RAVI BHANDARI
Chief Executive Officer

S L KOTHARI
Chief Financial Officer

JAYESH R. PATEL
Company Secretary

Place : Ahmedabad
Date : September 28, 2017

ANNEXURE - 2 : Standalone Summary Statement of Profits and Losses, as restated

[₹ in Million]

Particulars	Annx. No.	For the quarter ended 30th June, 2017	For the year ended 31st March 2017	2016	2015	2014	2013
REVENUE							
Revenue from operations	**27**	895.70	3,239.97	2,868.48	2,627.61	2,411.90	2,083.44
Other income	**28**	7.78	68.17	23.67	30.20	32.54	49.43
Total Revenue		903.48	3,308.14	2,892.15	2,657.81	2,444.44	2,132.87
EXPENSES							
Purchases of traded goods		17.30	57.55	42.31	33.66	33.19	28.35
Operative expenses	**29**	465.33	1,822.49	1,755.29	1,584.48	1,440.52	1,305.72
Change in inventories		(2.64)	(4.75)	0.33	0.73	0.39	(1.86)
Employee benefits expenses	**30**	90.48	380.48	271.34	168.15	133.94	124.00
Finance costs	**31**	38.11	94.06	101.92	53.65	22.72	3.23
Depreciation and amortization (Net)		43.20	161.05	106.34	200.71	95.03	256.06
Administrative and other expenses	**32**	69.62	249.36	222.94	145.79	162.79	187.45
Total Expenses		721.40	2,760.24	2,500.47	2,187.17	1,888.58	1,902.95
Profit before Tax		182.08	547.90	391.68	470.64	555.86	229.92
Tax expenses							
Current tax		37.00	116.50	84.00	100.00	115.00	45.00
MAT credit entitlement		0.00	(410.00)	0.00	0.00	0.00	0.00
Deferred tax		2.29	208.84	(87.65)	85.91	29.00	(14.03)
		39.29	(84.66)	(3.65)	185.91	144.00	30.97
Profit for the period / year after tax		142.79	632.56	395.33	284.73	411.86	198.95
Earning per Equity Share:							
Basic and diluted		1.62	7.24	4.52	8.14	11.78	5.70
Basic and diluted(Adjusted for bonus issue)		1.62	7.24	4.52	3.26	4.71	2.28

The accompanying summary of significant accounting policies and notes to accounts (Annexure-5) are an integral part of this statement

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM I. SHAH
Chairman & Managing Director
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SHYAMAL S. JOSHI
Director
DIN: 00005766

RAVI BHANDARI
Chief Executive Officer

S L KOTHARI
Chief Financial Officer

JAYESH R. PATEL
Company Secretary

Place : Ahmedabad
Date : September 28, 2017

Place : Ahmedabad
Date : September 28, 2017

ANNEXURE - 3 : Standalone Summary Statement of Cash Flows, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March 2017	2016	2015	2014	2013
[A] Cash flow from operating activities						
Profit/(Loss) for the year before taxation and exceptional items	182.08	547.90	391.68	470.64	555.86	229.92
Adjustments for:						
Depreciation and amortization (Net)	43.20	161.05	106.34	200.71	95.03	256.06
Share in Profit from LLP	0.00	0.00	0.00	0.00	0.00	0.00
Bad debt written off	0.00	0.00	0.30	8.63	0.00	10.12
Project Expense Written Off	0.00	0.00	0.00	0.00	6.55	0.00
Provision for bad and doubtful debts	0.00	3.80	0.00	0.00	9.33	0.00
(Profit) / Loss on sale /discard of Fixed Assets (Net)	0.00	(2.34)	0.43	8.39	0.04	0.31
Gain on sale of investment	0.00	0.00	(0.75)	0.00	0.00	0.00
Defererd capital subsidy	(1.40)	(5.61)	0.00	0.00	0.00	0.00
Interest subsidy	(1.50)	(10.89)	0.00	0.00	0.00	0.00
Dividend income	(1.01)	(0.19)	(1.90)	(3.29)	(9.38)	(6.81)
Interest income	(3.84)	(24.65)	(12.86)	(15.14)	(14.75)	(17.39)
Interest expenses	38.86	95.69	63.22	37.23	20.03	2.75
Operating profit before working capital changes	256.39	764.76	546.46	707.17	662.71	474.96
Changes in working capital :						
Adjustments for (increase) / decrease in operating assets :						
Long-term loans and advances	(37.56)	(93.87)	(142.44)	(34.73)	(103.17)	(3.10)
Other non-current assets	(5.89)	(1.13)	1.70	2.36	(3.28)	1.21
Inventories	(74.65)	(2.21)	(22.05)	4.91	(1.51)	(13.67)
Trade and other receivables	(4.27)	(74.91)	(103.83)	(73.43)	(45.10)	(37.79)
Short-term loans and advances	33.86	(33.58)	(53.42)	304.83	(276.80)	(45.57)
Other current assets	(9.02)	3.38	(35.33)	21.77	(33.21)	347.04
Adjustments for increase / (decrease) in operating liabilities :						
Other non-current liabilities	4.68	(7.02)	(19.77)	(23.05)	(23.58)	94.09
Trade payables	64.24	(60.38)	(128.18)	396.92	7.92	90.49
Other current liabilities	309.58	300.26	123.18	91.21	(10.40)	91.10
Provisions	(3.61)	13.55	5.44	0.86	0.82	0.50
Cash generated from operations	533.75	808.85	171.76	1,398.82	174.40	999.26
Direct taxes Refund/(paid)	(28.58)	(106.50)	(100.85)	(112.77)	(128.57)	(89.11)
Net cash from operating activities [A]	505.17	702.35	70.91	1,286.05	45.83	910.15
[B] Cash flow from investing activities						
(Purchase) / Sale of fixed assets (including adjustment on account of merger)	(563.59)	(1,581.01)	(1,499.47)	(1,479.60)	(268.01)	(869.39)
Share in Profit from LLP	0.00	0.00	0.00	0.00	0.00	0.00
(Purchase) / Sale of Investments	(5.42)	(4.43)	0.76	(70.90)	(12.53)	(91.71)
Dividend Received	1.01	0.19	1.90	3.29	9.38	6.81
Interest received	(2.41)	19.46	18.68	6.31	4.20	13.73
Net cash used in investing activities [B]	(570.41)	(1,565.79)	(1,478.13)	(1,540.90)	(266.96)	(940.56)
[C] Cash flow from financing activities						
Issue / (Redemption) of Equity Share Capital	12.46	0.54	1.03	0.00	0.00	2.62
Share Premium on Issue / (Redemption) of Equity Share Capital	74.76	3.24	4.43	0.00	0.00	3.78
Share application money received	(2.73)	2.73	0.00	0.00	0.00	0.00
Redemption of shares including Premium	0.00	(15.60)	0.00	0.00	0.00	0.00
Procurement / (Repayment) of long/ short-term borrowings	(6.90)	1,008.26	1,268.16	501.59	274.99	30.45
Dividend paid	0.00	(0.49)	(0.26)	(0.25)	(0.19)	(0.01)
Interest paid	(31.31)	(102.06)	(44.83)	(34.71)	(19.78)	(2.72)
Net cash flow from financial activities [C]	46.28	896.62	1,228.53	466.63	255.02	34.12
Net Increase/(Decrease) in cash and cash equivalents[A+B+C]	(18.96)	33.18	(178.69)	211.78	33.89	3.71
Cash and cash equivalents opening	115.82	82.64	261.33	49.55	15.66	11.95
Cash and cash equivalents closing	96.86	115.82	82.64	261.33	49.55	15.66

Explanatory Notes to Cash Flow Statement

1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Accounting Standard 3 as issued by the Institute of Chartered Accountants of India.

2 In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.

3 Figures of the previous year(s) have been regrouped wherever necessary, to confirm to current year presentation.

As per our report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

ROHIT K. CHOKSI
Partner
Mem. No. 31103

Place : Ahmedabad
Date : September 28, 2017

FOR AND ON BEHALF OF THE BOARD

DR. VIKRAM I. SHAH
Chairman & Managing Director
DIN: 00011653

SHYAMAL S. JOSHI
Director
DIN: 00005766

RAVI BHANDARI
Chief Executive Officer

S L KOTHARI
Chief Financial Officer

JAYESH R. PATEL
Company Secretary

Place : Ahmedabad
Date : September 28, 2017

ANNEXURE - 4 : Standalone Summary Statement of Material Adjustment

(a) The summary of Results of Net Adjustments/ Rectifications made in the Audited Accounts of the respective year and its impact on Profit and Loss account given below :

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Profit/ (Loss) as per audited Financial Statements	79.75	680.86	296.85	397.95	420.03	190.79
Changes in Restated Financials :						
Prior Period Adjustments	1.41	1.97	0.00	0.00	(8.17)	(0.01)
Sale of Services	0.00	1.11	0.00	0.00	0.00	(0.18)
Other income	0.00	(0.73)	(1.05)	0.00	0.00	0.00
Operative expenses	0.00	0.00	(0.98)	0.00	0.00	(0.01)
Depreciation and amortisation	0.00	0.00	(0.06)	0.00	0.00	8.36
Administrative and other expenses	0.00	(0.72)	(0.95)	0.00	0.00	0.00
MAT Credit adjustments	(110.00)	110.00	0.00	0.00	0.00	0.00
Deferred tax adjustment	171.63	(159.93)	101.52	(113.22)	0.00	0.00
Profit/ (Loss) as per restated Financial Statements	142.79	632.56	395.33	284.73	411.86	198.95

(b) Prior period items accounted for the period ended 30th June, 2017 and year ended 31st March, 2017, 2014 and 2013 as stated above have been given effect in respective years to which they pertain and corresponding effects have been given in Trade receivables, Trade payables and Capital work-in-progress.

(c) The significant regrouping adjustments made to the audited financial statements for the respective years are given below :

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(i) Advance against acquisition of Shares						
Long-term loans and advances	56.15	0.00	7.26	0.00	96.50	0.00
Short-term loans and advances	(56.15)	0.00	(7.26)	0.00	(96.50)	0.00
(ii) Fixed assets - Gross Block						
Plant and Machinery	0.00	0.00	7.54	7.54	39.62	39.62
Air Conditioner	0.00	0.00	0.00	0.00	(39.62)	(39.62)
Buildings	0.00	0.00	(7.54)	(7.54)	0.00	0.00
Freehold Land	0.00	0.00	(153.31)	(153.31)	(153.31)	0.00
Leasehold Land	0.00	0.00	153.31	153.31	153.31	0.00
(iii) Fixed assets - Accumulated Depreciation Fund						
Plant and Machinery	0.00	0.00	(1.72)	0.02	25.66	23.22
Air Conditioner	0.00	0.00	0.00	0.00	(25.66)	(23.22)
Buildings	0.00	0.00	(0.02)	(0.02)	0.00	0.00
Medical Equipments & Surgical Instruments	0.00	0.00	1.74	0.00	0.00	0.00
(iv) Advance from Patients/ Corporates						
Trade receivables	0.00	0.00	(21.08)	(35.52)	(14.26)	(10.27)
Other current liabilities	0.00	0.00	(21.08)	(35.52)	(14.26)	(10.27)
(v) Share in Profit from LLP						
Other Income	(4.10)	(4.55)	0.00	(0.02)	0.00	0.00
Other Operating Revenue	4.10	4.55	0.00	0.02	0.00	0.00
(vi) Sponsorship and Event Orthotrend						
Other Income	0.00	(15.90)	(10.10)	(6.84)	(13.17)	(0.82)
Other Operating Revenue	0.00	15.90	10.10	6.84	13.17	0.82

ANNEXURE - 4 : Standalone Summary Statement of Material Adjustment *… Continued..*

(d) Summary of Non Adjustment Items

Audit reservations / qualifications, which do not require any corrective adjustment in Standalone Financial Information:

(i) CARO for the year ending 31st March, 2013 : According to information and explanation given to us and on the basis of an overall examination of the balance sheet of the company, we report that funds raised on short term basis have been used for long term investments (excluding deferred tax assets) to the extent of ₹ 13.25 million.

(ii) CARO details of disputed dues which have not been deposited

Nature of the dues and statute	Forum where Dispute is Pending	Period to which the Amount relates	Amount involved (₹ in Million)	Reported in the CARO for the year ended
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A.Y. 2010-11	24.61	31-Mar-13 31-Mar-14 31-Mar-15
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2011-12	13.43	31-Mar-14 31-Mar-15
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2012-13	2.06	31-Mar-15
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2009-10	52.60	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2010-11	63.13	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2011-12	74.91	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2012-13	91.89	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2013-14	101.26	31-Mar-16 31-Mar-17
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2014-15	105.88	31-Mar-15 31-Mar-16 31-Mar-17
Income Tax	Dy. Commissioner of Income Tax	A. Y. 2014-15	13.31	31-Mar-17

(iii) CARO for the year ending 31st March, 2017 and 2016 : According to the information and explanations given to us and on the basis of our examination of the records of the Company provided to us, the title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate amounting to ₹ 473.33 million acquired pursuant to schemes of amalgamation in the nature of merger which is pending for registration in the name of the Company. Further as per information and explanations given to us all the existing buildings of the Company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

Annexure-`5': Summary of Significant Accounting Policies and Notes to Accounts

A. Summary of Significant Accounting Policies

(a) Corporate Information

Shalby Limited (the Company) is engaged in setting up and operating multi/super specialty hospitals and renders medical diagnostic and healthcare related services. The Company has its registered and corporate office at "Opp. Karnavati Club, S. G. Road, Ahmedabad - 380 015. The Company operates through various units:

(i) Shalby Hospital, Ahmedabad
(ii) Vijay Shalby Hospital, Ahmedabad
(iii) Krishna Shalby Hospital, Bopal, Ahmedabad
(iv) Shalby Hospital, Indore
(v) Shalby Hospital (In Association with SMJ Trust), Jabalpur
(vi) Shalby Hospital, Mohali
(vii) Shalby Hospital, Vapi
(viii) Shalby Hospital, Jaipur
(ix) Shalby Hospital, (In Assocation with Zynova Hospital), Mumbai
(x) Shalby Clinic, Nairobi, Kenya

(b) Basis of preparation of Restated Standalone Summary Statements and financial statements

The Restated Standalone Summary Statement of assets and liabilities of the Company as at 30th June, 2017, 31st March, 2017, 2016, 2015, 2014 and 2013 and the related Restated Standalone Summary Statement of profits and loss and Restated Standalone Summary Statement of Cash Flows for the quarter ended on 30th June, 2017 and for each of the financial years ended on 31st March 2017, 2016, 2015, 2014 and 2013 [herein collectively referred to as 'Restated Standalone summary statements'] have been extracted by the management from the audited financial statements of the Company for the quarter ended on 30th June, 2017 and for each of the financial years ended on 31st March, 2017, 2016, 2015, 2014 and 2013.

The restated standalone summary statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The restated standalone summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

These restated standalone summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

The audited Financial Statements for the quarter ended 30th June, 2017 and for the year ended 31st March, 2017, 2016 and 2015 have been prepared in accordance with Schedule III of the Companies Act, 2013 and for the financial years ended on 31st March, 2014 and 2013 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact the recognition and measurement principles followed for the preparation of financial statements.

Appropriate adjustments have been made in the Restated Standalone Summary Statements, wherever required, by regrouping the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those as per the audited financials of the Company for the quarter ended 30th June, 2017. Accordingly, the previous years' figures have been reworked, regrouped and reclassified wherever necessary, to confirm to current year presentation.

(c) Use of estimates

Preparation of the standalone financial information in conformity with Indian GAAP requires the Management to make certain estimates and assumptions. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(d) Fixed Assets

(i) Tangible and Intangible Assets

Tangible Fixed Assets are stated at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost comprises of purchase price and any other cost attributable of bringing the assets to its working condition for its intended use.

Intangible assets are recognized at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

(ii) Capital Work In Progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and interest attributable.

(iii) Impairment of Assets

An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

The company has adopted the policy of carrying out impairment test once in the span of every three financial years.

(e) Borrowing Costs

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to the revenue.

(f) Depreciation and Amortization

Depreciation on Tangible Fixed Assets, up to financial year ended 31st March, 2014, was provided on ‘Straight Line Method’’ at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from 1st April, 2014, depreciation / amortization is provided on the straight line method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013 read with the relevant notification issued by the Department of Company affairs.

The management has re-estimated useful lives of below mentioned asset and on the basis of same, depreciation in respect of such asset is provided prospectively from 01st April, 2016 over the balance useful lives. The management estimates revised useful life for such assets as under:

Hospital Building (*) : 30 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which management expects to use this assets. Hence the useful life for this asset is different from useful life as prescribed under Part C of schedule II to the Companies Act 2013.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the assets is available to the company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

Computer Software : Over a period of three years

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

Goodwill on merger / amalgamation is charged to statement of profit and loss in the year in which the same is generated.

On account of adoption of useful lives as specified in Part C of Schedule II to the Companies Act, 2013, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the financial year 2014-2015 and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on 31st March, 2014 and 2013.

(g) Investment

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if, such decline is not temporary in nature in the opinion of the Management.

(h) Inventories

(i) The inventories of all medicines, Medicare items traded and dealt with by the Company are valued at cost or net realizable value whichever is lower. Cost is after adjusting Value Added Tax wherever applicable.

(ii) Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at year-end is valued at cost.

(i) Revenue Recognition

(i) Income from Healthcare Services is recognised based on completed service method. Income from Healthcare Services in respect of Indoor/ Outdoor patients as at Balance Sheet date is recognised on proportionate basis to the extent of services rendered.

(ii) Pharmacy Sales are recognised net of returns and discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales are adjusted for Value Added Tax wherever applicable.

(j) Transactions in Foreign Currency

(i) Initial Recognition

Transactions denominated in foreign currencies entered into by the Company are normally recorded at the exchange rates prevailing on the date of transaction or at monthly average exchange rate prevailing at the time of the transaction.

(ii) Measurement at the Balance Sheet date

Monetary items denominated in foreign currency at year end date are restated at exchange rate prevailing on that date.

(iii) Treatment of exchange differences

Any income or expense on account of exchange difference either on settlement or restatement of monetary items is recognised as income / expenses in the statement of profit and loss.

(k) Retirement Benefits

(i) Defined Contribution Plan

The Company has Defined Contribution Plan for its employees' retirement benefit comprising of provident fund and Employees Death Linked Insurance. The Company and eligible employees make monthly contributions to such schemes equal to specified percentage of the covered employees' salary.

The Company has no further obligations to the above referred plans beyond its monthly contributions.

(ii) Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in statement of Profit and Loss for the period in which they occur.

- Gratuity

  The Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

- Leave Encashment Benefit

  Leave encashment are accounted for based on actuarial valuation by the actuaries.

(l) Taxation

(i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

(iii) The Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

(m) Earnings Per Share

In determining the earnings per share, the Company considers the net profit (after tax and extraordinary items) attributable to equity shareholders and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above weighted average number of shares.

(n) Prior Period Items and Extra - Ordinary Items

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under “Prior Period” in standalone financial statements. However, for the purpose of standalone restated financial information, the same are adjusted in respective financial years to which it pertains. Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

(p) Cash and Cash Equivalents (for the purpose of Cash Flow Statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balance (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non – cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

(r) Government Subsidies

(i) Subsidy available to the company on capital account is credited to “Deferred Government Subsidy” and an amount equal to the depreciation on assets created / acquired out of such subsidy is transferred from “Deferred Government Subsidy” to Statement of Profit and Loss based on principles of deferred income stated in Accounting Standard 12 “Accounting for Government Grants” i.e allocated to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets .

(ii) Subsidy on Revenue account i.e Interest subsidy is carried to Statement of Profit and Loss and adjusted against the relevant Finance cost.

B. Notes to Accounts

1. Merger

(a) Merger of Kusha Healthcare Limited and Shalby Surat Hospitals Private Limited, wholly owned subsidiaries of the Company, pursuant to scheme of arrangement.

Subsequent to year end date of financial year 2015-2016, an application for sanctioning a scheme of arrangement in the nature of mergers under Section 391 to 394 of the Companies Act, 1956 had been filed with the Honorable High Court of Gujarat. The scheme provides for transfer of all assets and liabilities of Shalby Surat Hospitals Pvt. Ltd. and Kusha Healthcare Limited (hereinafter referred to as "Transferor Companies"), a wholly owned subsidiary, to Shalby Limited (hereinafter referred to as "Transferee Company" or "Shalby") from 1st April, 2015 (appointed date). The application for scheme of arrangement had been approved on 5th August, 2016 by the Honorable High Court of Gujarat. The Scheme had become operative from 3rd September, 2016 upon filing of a certified copy of the order of the Honorable High Court with the Registrar of Companies with an appointed date of 1st April, 2015. Consequent upon scheme becoming effective and in accordance with the terms of the Scheme:

(i) The assets and liabilities of the Transferor Companies and their operating results have been incorporated in the Transferee Company's books with effect from 1st April, 2015 i.e. the appointed date.

(ii) The Transferor Companies have been dissolved without undergoing the process of winding up with effect from 3rd September, 2016.

(iii) Pursuant to the terms of the Scheme, with effect from the appointed date, the transferee company has given effect to the following accounting treatment in its books of account:

- The Transferee Company has recorded all the assets, except land and buildings, of the Transferor Companies that have been transferred and vested in Shalby at their respective Book values. Land and Buildings of Transferor Companies have been transferred and vested in Shalby at their fair values, restricted to value of consideration paid and payable in the form of investment by Shalby in equity of Transferor Companies, determined as per valuation reports provided by an independent valuer.

- The Transferee Company has recorded all the liabilities, except reserves and surplus other than statutory reserves, of the Transferor Companies that has been transferred and vested in Shalby at their book values as specified in the books of accounts of the transferor companies;

- The Transferor Company being a wholly owned subsidiary of the Transferee Company, no shares have been allotted on account of amalgamation. Further, pursuant to the scheme of amalgamation, Investment in the Transferor Companies in the books of Shalby stands cancelled;

- All inter-company balances including investments and unsecured loans have been squared off;

- The difference between the values of assets and the value of liabilities of the Transferor Companies recorded in the books of Transferee Company has been adjusted against the cost of investments in the Transferor Companies. Accordingly there is no goodwill / capital reserve generated upon mergers.

- The accounting for the aforesaid amalgamation in the nature of mergers is made under purchase method.

- As at 31st March, 2016 the Transferee Company had acquired 11,60,000 numbers of equity shares in Kusha Healthcare Ltd. (the Transferor Company) and thus holding 82.27% of total equity in the said Transferor Company. Subsequent to year end date it has further acquired the balance 2,50,000 number of equity shares in the Transferor Company at ₹ 38.83 million and thereby the Transferor Company becoming a wholly owned subsidiary of the Company. The value of investment in such Transferor Company has also been considered as part of total consideration payable against the net assets taken over by the Transferee Company and accordingly the sum equivalent to the value of investment made subsequent to year end date has been provided for and disclosed under the head "Other Current Liabilities".

The accounting treatment prescribed in the Scheme of Arrangement is in line with the Accounting Standard 14, "Accounting for Amalgamation" as prescribed in the Indian GAAP.

(b) Merger of Hari Om Healthcare Private Limited, a wholly owned subsidiary of the Company pursuant to scheme of arrangement.

In Financial Year 2014-2015, an application for sanctioning a scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 had been filed with Honorable High Court of Gujarat. The scheme provided for transfer of all assets and liabilities of Hari Om Healthcare Private Limited (hereinafter referred to as "Transferor Company"), a wholly owned subsidiary, to Shalby Limited (hereinafter referred to as "Transferee Company" or "Shalby") from 1st April, 2014 (appointed date). The application for scheme of arrangement had been approved on 30th April, 2015 by the Honorable High Court of Gujarat. The Scheme had become operative from 18th May, 2015 upon filing of a certified copy of the order of the Honorable High Court with the Registrar of Companies with an appointed date of 1st April, 2014. Consequently in accordance with the terms of the Scheme:

(i) The assets and liabilities of the transferor companies and their operating results had been incorporated in the transferee company's books with effect from 1st April, 2014 i.e. the appointed date.

(ii) The transferor company had been dissolved without undergoing the process of winding up with effect from 18th May, 2015.

(iii) Pursuant to the terms of the Scheme, with effect from the appointed date, the transferee company had given effect to the following accounting treatment in its books of account:

- The transferee company had recorded all the assets of the transferor company that had been transferred and vested in Shalby at their respective Book values;
- The transferee company had recorded all the liabilities of the transferor company that had been transferred and vested in Shalby at their book values as specified in the books of accounts of the transferor company;
- The transferor company being a wholly owned subsidiary of the Transferee Company, no Shares had been allotted on account of amalgamation. Further, pursuant to the scheme of amalgamation, investment in the Transferor Company in the books of Shalby stood cancelled;
- All inter-company balances including investments and unsecured loans had been squared off;
- The difference between the book value of assets, the book value of liabilities as reduced by the Cost of Investments in Transferee Company had been debited to the Goodwill account.

Goodwill aroused out of scheme:

[₹ in Million]

Particulars		**As at 1st April, 2014**
Assets of the Transferor Company at Book Values		548.98
Less:	Liabilities of the Transferor Company at Book Values	468.88
	Cost of Investment in the Transferee Company	202.60
		671.48
Amount recognised as Goodwill pursuant to Merger		122.50

The accounting treatment prescribed in the Scheme of Arrangement was in line with the Accounting Standard 14, "Accounting for Amalgamation" as prescribed in the Indian GAAP and adhering to significant accounting policies adopted by the company goodwill generated pursuant to merger had been carried to profit and loss in the year in which it was generated.

(c) Composite Scheme of Arrangement in the nature of Demerger and Restructure of Share Capital between the Company and Yogeshwar Healthcare Limited

In Financial Year 2012-2013, the Company had initiated the Composite Scheme of Arrangement ("Composite Scheme") in the nature of De-merger and Restructure of Share Capital u/s. 391 to 394 read with section 100 to 103 of the Companies Act, 1956 between the Company and Yogeshwar Healthcare Limited. According to the said Composite Scheme, Ghuma Division of Yogeshwar Healthcare Limited (Demerged Company), along with all the assets and liabilities pertaining to Ghuma Division, shall be deemed to be transferred to and vested in the company with effect from the appointed date, 1st April, 2012 at values appearing in the books of demerged company.

The Company had received judgment of Honorable High Court of Gujarat along with certified copy of the order on 30th September, 2013 and filed certified copy of the said order sanctioning the Composite Scheme along with requisite form with the office of the Registrar of Companies, Gujarat on 1st October, 2013. Subsequent to year end date, upon the Composite Scheme becoming effective, Ghuma Division of Yogeshwar Healthcare Limited had been demerged from Yogeshwar Healthcare Limited so as to transfer to the company with effect from 1st April, 2012. Accordingly the Company had incorporated the assets and liabilities pertaining to Ghuma Division of Yogeshwar Healthcare Limited at the values appearing in the books of Demerged Company. The difference between values of assets and liabilities of Ghuma Division incorporated in the books was disclosed as "Goodwill Generated on Merger" under the head "Intangible Assets" in the financial statements and adhering to significant policy adopted the same was amortised and charged to statement of profit and loss in the year in which it was generated. The Company had also given effect of capital reduction carried out by Yogeshwar Healthcare Limited in the books by reducing its investment value on proportionate basis as envisaged in the scheme and the sum of ₹ 6.96 million had been disclosed as "Entitlement Rights in Equity" under the head "Investment" in the financial statement. Upon transfer of Ghuma Division pursuant to the sanctioned Composite Scheme, the Authorised Equity Share Capital of ₹ 392.50 million of demerged company had been transferred to the company and further, the Company was required to issue and allot 38,352 equity shares of ₹ 10/- each fully paid up at par, to all the members of the demerged company in the ratio specified in the said scheme, except to the company in respect of its own shareholding in Demerged Company. Accordingly the sum of ₹ 0.38 million had been disclosed as "Share Capital Pending Allotment" under the head "Share Capital" in the financial statements.

(d) Merger pursuant to Composite Scheme of Arrangement

During the financial year 2015-2016, the Board of Directors of the company in the meeting held on 5th January, 2016 approved the composite scheme of arrangement in the nature of spin off and transfer of Hospital Division of Kamesh Bhargava Hospital & Research Center Private Limited (KBHR, the demerged undertaking of KBHR) to Shalby Limited in pursuance of draft scheme tabled at the meeting. The petitions for approval of such composite scheme were filed in the High Court of Gujarat as well as the High Court of Punjab and Haryana. While the High Court of Gujarat approved the scheme vide order dated 30th September, 2016, in light of the merger related provisions being notified under the provisions of the Companies Act, 2013, the scheme filed with Hon'ble High Court of Punjab and Haryana was transferred from the High Court of Punjab and Haryana to the National Company Law Tribunal (NCLT), Chandigarh Bench. NCLT Chandigarh Bench approved the said scheme vide order dated 13th July, 2017. The appointed date for the demerger, as identified in the scheme, is 7th September, 2015 whereas the effective date of the said scheme is 12th August, 2017 i.e. the date on which the order of NCLT have been filed with Registrar of Companies (ROC).

In terms of aforesaid orders all properties, rights, obligations, debts, liabilities, duties, and assets, of the hospital division of KBHR, the demerged undertaking shall be transferred to Shalby Limited. Since the scheme has become effective on 12th August, 2017, the company has not given any effect in the financial statements for the quarter ended on 30th June, 2017.

2. Employee Benefits

(a) Defined contribution plans - Provident fund and Employees' Death Linked Insurance

The company makes contribution towards employees' provident fund and employees' death linked insurance. In accordance with the provisions of these schemes, the company is required to contribute a specified percentage of payroll costs.

[₹ in Million]

Particulars	**For the quarter ended 30th June, 2017**	**For the year**				
		2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Contribution to PF and EDLI	4.14	14.40	10.51	3.23	1.89	2.38

(b) Defined Benefit Plans - Gratuity

The following table sets out the funded and unfunded status of the gratuity:

[₹ in Million]

Particulars	**For the quarter ended 30th June, 2017**	**For the year**				
		2016-17	**2015-16**	**2014-15**	**2013-14**	**2012-13**
Changes in the present value of obligation						
Present value of obligation (Opening)	11.95	8.21	5.67	3.76	2.57	1.87
Interest cost	0.20	0.61	0.42	0.33	0.35	0.15
Past service cost / Adjustments to opening fund	--	--	--	--	2.05	--
Current service cost	1.24	3.01	2.66	1.32	1.21	1.05
Curtailment Cost / (Gain)	--	--	--	--	--	--
Settlement Cost / (Gain)	--	--	--	--	--	--
Benefits paid	(0.23)	(0.99)	--	(0.44)	(0.67)	(0.07)
Actuarial (Gain) / Loss	(0.47)	1.11	(0.54)	0.46	(1.75)	(0.43)
Present value of obligation (Closing)	12.69	11.95	8.21	5.43	3.76	2.57
Changes in the fair value of plan assets						
Present value of plan assets (Opening)	6.16	7.16	7.01	6.88	3.36	3.15
Past Contribution / Adjustment to Opening Fund	--	(0.48)	--	--	2.05	--

… Continued..

2. Employee Benefits *... Continued..*

(b) Defined Benefit Plans – Gratuity

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Expected return on plan assets	0.07	0.63	0.68	0.69	0.53	0.28
Employers Contributions	--	0.31	0.15	--	1.69	--
Actuarial Gain / (Loss)	(0.05)	(0.16)	(0.68)	(0.13)	(0.08)	(0.07)
Employees Contributions	--	--	--	--	--	--
Benefits paid	(0.23)	(0.99)	--	(0.43)	(0.67)	--
Expense deducted from the fund	--	(0.31)	--	--	--	--
Fair Value of Plan Assets (Closing)	5.95	6.16	7.16	7.01	6.88	3.36
Percentage of each category of plan assets to total fair value of plan assets at the year end						
Bank Deposits	--	--	--	--	--	--
Debt Instruments	--	--	--	--	--	--
Administered by Life Insurance Corporation of India	5.95	6.16	7.16	7.01	6.88	3.36
Others		--	--	--	--	--
Reconciliation of the present value of defined benefit obligation and the fair value of assets						
Present value of funded obligation as at the year end	12.69	11.95	8.21	5.43	3.76	2.57
Fair value of plan assets as at year end	5.95	6.16	7.16	7.01	6.88	3.36
Funded (Asset)/ Liability recognised in the balance sheet	6.74	5.79	1.05	(1.58)	(3.12)	(0.79)
Present value of unfunded obligation as at the year end	--	--	--	--	--	--
Unrecognised past service cost	--	--	--	--	--	--
Unrecognised Actuarial (Gains) / Losses	--	--	--	--	--	--
Unfunded net liability recognised in the balance sheet	--	--	--	--	3.66	--

... Continued..

2. Employee Benefits *... Continued..*

(b) Defined Benefit Plans – Gratuity

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Amount recognized in the balance sheet						
Present value of obligation as at the year end	12.69	11.95	8.21	5.43	3.76	2.57
Fair value of plan assets as at the year end	5.95	6.16	7.16	7.01	6.88	3.36
(Asset) / Liability recognized in the balance sheet	6.74	5.79	1.05	(1.58)	(3.12)	(0.79)
Expenses recognized in Statement of Profit & Loss						
Current service cost	1.24	3.01	2.66	1.32	1.21	1.05
Past service cost	--	--	--	--	--	--
Interest cost	0.20	0.61	0.42	0.33	0.35	0.15
Expected return on plan assets	(0.07)	(0.63)	(0.68)	(0.69)	(0.53)	(0.28)
Prior Year Charge	--	0.33	--	--	--	--
Expense deducted from the fund	--	0.31	--	--	--	--
Curtailment Cost / (Credit)	--	--	--	--	--	--
Settlement Cost / (Credit)	--	--	--	--	--	--
Net Actuarial (Gain) / Loss	(0.42)	1.27	0.14	0.59	(1.67)	(0.43)
Employee's Contribution	--	--	--	--	--	--
Total expenses recognized in the profit and loss A/c.	0.95	4.90	2.54	1.55	(0.64)	0.49
Principal actuarial assumption (Rate of Discounting)						
Rate of discounting	6.95%	7.10%	7.80%	7.70%	9.10%	8.00%
Expected return on plan assets	6.95%	7.10%	7.80%	8.70%	9.00%	--
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%	6.00%	7.00%

(c) Defined Benefit Plans - Leave Encashment (Unfunded)

The following table sets out the status of the leave encashment unfunded plan:

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Changes in the present value of obligation						
Present value of obligation (Opening)	16.86	8.05	4.00	2.28	1.57	1.43
Interest cost	0.27	0.58	0.29	0.20	0.11	0.10
Past service cost /Adjustments to opening fund	--	--	0.36	--	0.09	--
Current service cost	1.57	7.75	3.26	1.07	1.05	1.15
Curtailment Cost / (Gain)	--	--	--	--	--	--
Settlement Cost / (Gain)	--	--	--	--	--	--
Benefits paid	(0.60)	(1.52)	(0.83)	(0.64)	(0.46)	(0.59)
Actuarial (Gain) / Loss	(5.80)	2.00	0.97	0.75	(0.08)	(0.51)
Present value of obligation (Closing)	12.30	16.86	8.05	3.66	2.28	1.58
Amount recognized in the balance sheet						
Present value of obligation as at the year end	12.30	16.86	8.05	3.66	2.28	1.57
Fair value of plan assets as at the year end	--	--	--	--	--	--
(Asset) / Liability recognized in the balance sheet	12.30	16.86	8.05	3.66	2.28	1.57
Expenses recognized in Statement of Profit & Loss						
Current service cost	1.57	7.75	3.26	1.07	1.05	1.15
Past service cost	--	--	0.36	--	0.09	--
Interest cost	0.27	0.58	0.29	0.20	0.11	0.10
Expected return on plan assets	--	--	--	--	--	--
Curtailment Cost / (Credit)	--	--	--	--	--	--
Settlement Cost / (Credit)	--	--	--	--	--	--
Net Actuarial (Gain) / Loss	(5.80)	2.00	0.97	0.75	(0.08)	(0.51)
Employee's Contribution	--	--	--	--	--	--
Total expenses recognized in the profit and loss A/c.	(3.96)	10.33	4.88	2.02	1.17	0.74

... Continued..

2. Employee Benefits *... Continued..*

(c) Defined Contribution Benefit Plans - Leave Encashment (Unfunded)

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Principal actuarial assumption (Rate of Discounting)						
Rate of discounting	6.95%	7.10%	7.80%	7.70%	9.10%	8.20%
Expected return on plan assets	--	--	--	--	--	--
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

3. Expenses and Borrowing Cost capitalised as fixed assets / capital work in progress

Below mentioned expenditure are specifically attributable to the acquisition of a fixed asset or bringing it to its working condition, and hence capitalised as part of the cost of the fixed asset.

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Interest Cost	31.23	110.92	18.56	8.76	11.03	6.30
Admin and other Expenses	67.60	138.39	148.55	31.96	26.10	4.45
Gross expenses	**98.83**	**249.31**	**167.11**	**40.72**	**37.13**	**10.75**
Less : Pre-Operative Revenue	--	--	--	0.07	0.06	--
Total	**98.83**	**249.31**	**167.11**	**40.65**	**37.07**	**10.75**

4. Segment Information

The Company's operations comprises of only one segment viz, setting up and managing multispecialty Hospitals and renders medical diagnostic and healthcare related services. The Company's operations are mainly in India and therefore, there are no secondary geographical segments.

5. Earnings per Share

(Number / ₹ in Million, except per share data)

Particulars	For the period ended 30th June, 2017	For the year				
		2016-17	2015-16	2014-15	2013-14	2012-13
Net Profit for the period / year attributable to Equity shareholders	142.79	632.33	395.02	284.47	411.61	198.76
Weighted Average number of equity shares	88.34	87.36	87.35	34.94	34.94	34.90
Weighted Average number of equity shares (Adjusted for Bonus Issue)	88.34	87.36	87.35	87.35	87.35	87.25
Nominal value per share (₹)	10.00	10.00	10.00	10.00	10.00	10.00
Earnings per Share (₹) :						
Basic and diluted	1.62	7.24	4.52	8.14	11.78	5.70
Basic and diluted (Adjusted for Bonus Issue)	1.62	7.24	4.52	3.26	4.71	2.28
Shares issued and allotted						
Date	24/04/2017	06/03/2017	26/03/2016	--	19/12/2013	--
Numbers	12,46,000	54,000	5,24,12,960	--	38,352	--
Date	--	--	--	--	--	--
Numbers	--	--	--	--	--	--

Note:

The company had dilutive capital in the form of Cumulative Optionally Convertible Preference Shares. Since the Board of Directors had the option either to convert the preference shares or to redeem at predetermined premium into equity shares at fair value, which was not ascertainable, diluted potential equity shares for the said convertible preference shares were not quantified / considered for calculating diluted earnings per share. Further reference is invited to Note C(i) of Annexure 6 with regard to redemption of all the Preference Shares which had been issued by the company from time to time.

6. Standalone Summary Statement of Deferred Tax Liabilities / (Assets), as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Tax effect of items constituting Deferred Tax Liabilities :						
- Difference of book depreciation and tax depreciation	515.50	514.45	483.28	109.01	22.36	18.19
Tax effect of items constituting Deferred Tax Assets						
- Disallowance u/s. 43(b) under Income Tax Act, 1961	6.60	7.84	5.95	1.81	1.07	0.48
- Unabsorbed Business Losses and Depreciation	278.22	278.22	457.77	0.00	0.00	25.41
Net Deferred Tax Liability/(Asset)	230.68	228.39	19.56	107.20	21.29	(7.70)

7. Contingent Liabilities and Commitments

[₹ in Million]

Sr. No.	Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
A.	**Contingent Liabilities not provided for in respect of**						
(i)	Claim against the company not acknowledged as debt	75.72	55.80	19.06	15.31	3.71	0.76
(ii)	Income Tax Demand for Assessment Years						
	2010-2011	24.61	24.61	24.61	24.61	24.61	24.61
	2011-2012	13.43	13.43	13.43	13.43	13.43	--
	2012-2013	2.06	2.06	2.06	2.06	--	--
	2014-2015	13.31	13.31	--	--	--	--
		53.41	53.41	40.10	40.10	38.04	24.61
(iii)	Letter of Credit	11.98	58.93	51.06	46.69	--	35.05
(iv)	Bank Guarantee	8.56	7.72	3.52	2.77	4.22	5.12
(v)	Sales Tax Demand including Interest and Penalty for Financial Years (Based on Expert Advice Received by Client)						
	2009-2010	5.42	5.42	5.42	5.42	--	--
	2010-2011	2.02	2.02	2.02	2.02	--	--
	2011-2012	1.82	1.82	1.82	1.82	--	--
	2012-2013	1.96	1.96	1.96	1.96	--	--
	2013-2014	2.94	2.94	2.94	--	--	--
(vi)	Tax Deducted at Sources Demand for Assessment Year (Inclusive of Interest) (Based on expert advice received by client)						
	2014-2015	29.97*	29.97*	41.30	41.30	--	--
	*(Including interest of ₹ 21.04)						
(vii)	Export Obligation under EPCG Scheme	46.19	46.19	57.18	28.60	--	--
B.	**Capital Commitments** Estimated amount of contract remaining to be executed on capital accounts (Net of Advances)	507.27	951.42	280.00	350.00	16.84	38.35

8. Changes in useful life of Fixed Assets

During the year ended 31st March, 2015, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The details of previously applied useful life are as follows:

Asset	**Previous Useful Life**	**Revised Useful Life**
Freehold Land	--	--
Leasehold Land	30 Years	30 Years
Buildings(*)	61.35 Years	30 Years
Medical Equipments & Surgical Instruments	3 - 10 Years	13 - 15 Years
Plant and Machinery	1 - 10 Years	15 Years
Electric Installation	10 Years	10 Years
Air Conditioners	5 - 10 Years	15 Years
Office Equipments	1 - 10 Years	5 Years
Computers and Printers	1 - 3 Years	3 Years
Furnitures and Fixtures	5 - 10 Years	10 Years
Vehicles	3 - 5 Years	8 - 10 Years

Pursuant to the transition provision prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on 01st April, 2014, and has adjusted an amount of ₹ 23.14 million against the opening surplus / (deficit) balance in the Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the financial year 2014-2015 is lower by ₹ 0.09 million consequent to the change in useful life of assets.

(*) The management has re-estimated useful lives of below mentioned asset and on the basis of same, depreciation in respect of such asset is provided prospectively from 01st April, 2016 over the balance useful lives. The management estimates revised useful life for such assets as under:

Hospital Building (**) : 30 years

(**) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which management expects to use this assets. Hence the useful life for this asset is different from useful life as prescribed under Part C of schedule II to the Companies Act 2013. Had the depreciation been charged based on useful life prescribed in Part C of schedule II to the Companies Act 2013, the Depreciation would have been ₹ 16.87 million as against ₹ 40.56 million being the amount of deprecation charged based on re-estimated life.

9. The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases and the differences, if any, although non significant, are under reconciliation.

ANNEXURE - 6 : Summary Statement of Share capital, as restated

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(A) Authorised						
(a) Equity Shares of ₹ 10/- each						
No. of shares	111250000	111250000	99250000	92250000	87250000	87250000
Amount in Million (₹)	1,112.50	1,112.50	992.50	922.50	872.50	872.50
(b) 5% Convertible / Redeemble Preference Shares of ₹ 10/- each						
No. of shares	0	0	2000000	2000000	2000000	2000000
Amount in Million (₹)	0.00	0.00	20.00	20.00	20.00	20.00
	1 112.50	1 112.50	1 012.50	942.50	892.50	892.50
(B) Issued						
(a) Equity Shares of ₹ 10/- each						
No. of shares	88654932	87447932	87354932	34941972	34941972	34903620
Amount in Million (₹)	886.55	874.48	873.55	349.42	349.42	349.04
(b) 5% Convertible / Redeemble Preference Shares of ₹ 10/- each						
No. of shares	0	0	533100	430100	430100	430100
Amount in Million (₹)	0.00	0.00	5.33	4.30	4.30	4.30
	886.55	874.48	878.88	353.72	353.72	353.34
(C) Subscribed and fully Paid-up						
(a) Equity Shares of ₹ 10/- each						
No. of shares	88654932	87408932	87354932	34941972	34941972	34903620
Amount in Million (₹)	886.55	874.09	873.55	349.42	349.42	349.04
(b) 5% Convertible / Redeemble Preference Shares of ₹ 10/- each						
[Refer Note (i) Below]						
(i) No. of shares at premium of ₹ 10/-	0	0	10000	10000	10000	10000
Amount in Million (₹)	0.00	0.00	0.10	0.10	0.10	0.10
(ii) No. of shares at premium of ₹ 10/-	0	0	196000	196000	196000	196000
Amount in Million (₹)	0.00	0.00	1.96	1.96	1.96	1.96
(iii) No. of shares at premium of ₹ 15/-	0	0	140500	140500	140500	140500
Amount in Million (₹)	0.00	0.00	1.40	1.40	1.40	1.40
(iv) No. of shares at premium of ₹ 20/-	0	0	83600	83600	83600	83600
Amount in Million (₹)	0.00	0.00	0.84	0.84	0.84	0.84
(v) No. of shares at premium of ₹ 43/-	0	0	103000	0	0	0
Amount in Million (₹)	0.00	0.00	1.03	0.00	0.00	0.00
(c) Share Capital Pending Allotment						
[Refer Note (ii) Below]						
Amount in Million (₹)	0.00	0.00	0.00	0.00	0.00	0.38
	886.55	874.09	878.88	353.72	353.72	353.72

Note :

(i) Pursuant to resolution passed by board of directors in the meeting held on 20th December 2016, the company has reedemed all the above reedemable preference shares having aggregate face value of ₹ 5.33 million at a premium of ₹ 10.27 million out of accumulated profits.

(ii) Upon transfer of Ghuma Division of Yogeshwar Healthcare Limited, a demerged company, pursuant to the sanctioned Composite Scheme, the Authorised Equity Share Capital of ₹ 392.50 million of demerged company has been transferred to the company and further, the Company is required to issue and allot 38,352 equity shares of ₹ 10/- each fully paid up at par, to all the members of the demerged company in the ratio specified in the said scheme, except to the company in respect of its own shareholding in Demerged Company. Accordingly the sum of ₹ 0.38 million has been disclosed as " Share Capital Pending Allotment " under the head "Share Capital" in the financial statements. The company had made allotment of such shares in Financial Year 2013-14.

Standalone Financial Information, as restated

ANNEXURE - 6 : Summary Statement of Share capital, as restated *..Continued...*

(D) Aggregate Number of Shares of ₹ 10/- each allotted as fully paid up

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
(a) Equity Shares						
Issued for Cash	1246000	54000	0	0	0	0
Issued without payment being in cash						
Bonus Shares	0	0	52412960	0	0	0
Business Combination	0	0	0	0	38352	0
(b) 5% Convertible / Redeemble Preference Shares						
Issued for Cash	0	0	103000	0	0	224100

(E) Rights, Preferences and Restrictions

The Authorised Share Capital of the Company as at 30th June, 2017 consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:

(i) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(ii) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

(F) Details of shareholders holding more than 5% shares in the company

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
(a) Equity Shares						
Dr. Vikram I. Shah						
Number of shares	8735493	52062625	52062625	20825050	20825050	20825150
Percentage of holding	9.85	59.56	59.60	59.60	59.60	59.66
Zodiac Mediquip Ltd.						
Number of shares	31540248	31561048	31939348	12775739	12775739	12754120
Percentage of holding	35.58	36.11	36.56	36.56	36.56	36.54
Shah Family Trust						
Number of shares	43327132	0	0	0	0	0
Percentage of holding	48.87	0.00	0.00	0.00	0.00	0.00
(b) 5% Convertible / Redeemble Preference Shares						
Dr. Amish Kshatriya						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Shrirang Deodhar						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Ashish Sheth						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Dhiraj Marothi						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding	0.00	0.00	7.50	9.30	9.30	9.30

..Continued...

ANNEXURE - 6 : Summary Statement of Share capital, as restated *..Continued...*

(F) Details of shareholders holding more than 5% shares in the company *…Continued..*

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Dr. Kalpesh Shah						
Number of shares	0	0	40000	40000	40000	40000
Percentage of holding	0.00	0.00	7.50	9.30	9.30	9.30
Dr. Bharat Gajjar						
Number of shares	0	0	30000	30000	30000	30000
Percentage of holding	0.00	0.00	5.63	6.98	6.98	6.98
Zodiac Mediquip Ltd.						
Number of shares	0	0	52500	0	0	0
Percentage of holding	0.00	0.00	9.85	0.00	0.00	0.00

(G) Terms of cumulative convertible / redeemable preference shares (CCPS)

The company had issued cumulative convertible / redeemable preference shares as under:

(i) Tranche - 1

During the financial year ended 31st March, 2012, the company had issued 206000 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 10/- per share.

(ii) Tranche - 2 & 3

During the financial year ended on 31st March, 2013, the company had issued 1,40,500 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 15/- per share and the Company had further issued 83,600 5% cumulative optionally convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 20/- per share.

(iii) Tranche - 4

During the financial year ended on 31st March, 2016, the company had issued 1,03,000 5% cumulative optionall convertible / redeemable preference shares of ₹ 10/- each fully paid up at a premium of ₹ 43/- per share on 21st May, 2015.

(iv) CCPS carry cumulative dividend @ 5% per annum. The company declares and pays dividends in indian rupees. The proposed dividend is subject to approval of the shareholders in the ensuing Annual General Meeting.

(v) Each holders of CCPS is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to CCPS.

(vi) The aforesaid preference shares issued were either redeemable or convertible into equity shares at the option of the Board of Directors after the end of three years from the date of issue of such preference shares till the end of seventh year from the date of issue. This apart, if the Company entered primary market through an initial public offering ("IPO") before completion of three years from the date of issuance of the preference shares, the preference shares could either be converted into Equity Shares, or redeemed at the sole discretion of the Board. In the option of conversion one equity share was to be issued and alloted against one preference share. In the option of redemption, each preference shares was to be redeemed at its respective issue price i.e. at premium of ₹ 10/-, ₹ 15, ₹ 20/- and ₹ 43/- per share.

(vii) In the event of winding up of the company before conversion / redemption of CCPS, the holders of CCPS would have priority over equity shares in the payment of dividend and repayment of capital.

(H) Reference is invited to Note C (i) above with regard to redemption of all the preference shares which had been issued by the company from time to time.

(I) In accordance with section 61(1) of the Companies Act, 2013 and in pursuance of special resolution passed at the meeting of members of the company held on 6th February, 2017 the authorised share capital of the company has been increased from ₹ 1,012.50 Million to ₹ 1,112.50 Million and further in accordance with section 13 of the companies Act, 2013, and special resolution passed by the members of the company in meeting held on 6th February, 2017, the authorised capital of the company of ₹ 1,112.50 Million divided into 10,92,50,000 equity shares of ₹ 10/- each and 20,00,000 preference shares of ₹ 10/- each has been reclassified to ₹ 1,112.50 Million divided into 11,12,50,000 equity shares of ₹ 10/- each. The new shares shall rank pari passu with the existing Equity Shares of the company in respect of dividend, voting rights etc.

Standalone Financial Information, as restated

ANNEXURE - 7 : Standalone Summary Statement of Reserves and surplus, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Security Premium						
Balance as per previous financial statements	3.24	0.00	6.48	6.48	6.48	2.70
Add: Received during the period / year	74.76	3.24	4.43	0.00	0.00	3.78
Less: Utilised on issue of Bonus Shares [Refer Note (i) below]	0.00	0.00	10.91	0.00	0.00	0.00
	78.00	3.24	0.00	6.48	6.48	6.48
Capital Redemption Reserve						
Balance as per previous financial statements	5.33	0.00	0.00	0.00	0.00	0.00
Add : Additions during the period / year [Refer Note (ii) below]	0.00	5.33	0.00	0.00	0.00	0.00
	5.33	5.33	0.00	0.00	0.00	0.00
Surplus/(Deficit) in Statement of Profit and Loss						
Balance as per previous financial statements	1,860.75	1,244.02	1,362.22	1,100.89	689.28	490.52
Add : Profit for the period / year	142.79	632.56	395.33	284.73	411.86	198.95
Less : Depreciation on transition to Schedule II to the Companies Act, 2013	0.00	0.00	0.00	23.14	0.00	0.00
Balance available for appropriation	2,003.54	1,876.58	1,757.55	1,362.48	1,101.14	689.47
Less: Appropriations						
Dividend to Preference Shareholders	0.00	0.19	0.26	0.22	0.22	0.16
Dividend Distribution Tax	0.00	0.04	0.05	0.04	0.03	0.03
Issue of bonus shares [Refer Note (i) below]	0.00	0.00	513.22	0.00	0.00	0.00
Premium on Redemption of Preference shares	0.00	10.27	0.00	0.00	0.00	0.00
Transfer to Capital Redemption Reserve [Refer Note (ii) below]	0.00	5.33	0.00	0.00	0.00	0.00
	0.00	15.83	513.53	0.26	0.25	0.19
Net Surplus/(Deficit)	2,003.54	1,860.75	1,244.02	1,362.22	1,100.89	689.28
	2,086.87	1,869.32	1,244.02	1,368.70	1,107.37	695.76

Note :

(i) The company has vide resolution passed by Board of Directors in the meeting held on 26th March, 2016, allotted 5,24,12,960 equity shares as bonus shares in the ratio of 3:2 on 26th March, 2016.

(ii) In terms of provisions contained in Section 55 of the Companies Act 2013, the Company has, upon redemption of Preference Shares pursuant to resolution passed at the meeting held on 20th December 2016, transferred the amount equivalent to the face value of Preference Shares from the accumulated profits to Capital Redemption Reserve.

Standalone Financial Information, as restated

ANNEXURE - 8 : Standalone Summary Statement of Share application money pending allotment, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Share Application money received	0.00	2.73	0.00	0.00	0.00	0.00
Less :						
Amount in excess of authorised share capital disclosed under the head "Other current liabilities"	0.00	0.00	0.00	0.00	0.00	0.00
	0.00	2.73	0.00	0.00	0.00	0.00

In pursuance of the resolution passed by the Board of Directors, the company has issued 39000 Equity Shares of ₹ 10/- each and the same are offered for subscription to Equity. In response to the same, the existing and potential share holders have subscribed to Equity. The fresh equity shares shall carry the same rights as the existing ones.

The other disclosures are as under:

1	Number of Shares Proposed to be Issued:	39000
2	Amount of Premium:	60
3	Period before which shares shall be allotted	60 days from the date of payment
4	The company has sufficient authorised share capital to cover the share capital amount on allottment of shares out of share application money	

ANNEXURE - 9 : Standalone Summary Statement of Deferred government subsidy, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Deferred government subsidy	94.39	100.00	0.00	0.00	0.00	0.00
Less: Deferred Income recognised in Statement of Profit and Loss	(1.41)	(5.61)	0.00	0.00	0.00	0.00
	92.98	94.39	0.00	0.00	0.00	0.00

The company, having established Super Speciliatiy Hospital at Indore and Jabalpur both in the State of Madhya Pradesh, becomes eligible for one time incentive towards development of Healthcare sector in terms of "The Healthcare Investment Policy 2012", Department of Public Health & Family Welfare, Government of Madhya Pradesh. The incentive is based on capital investment and therefore is recognised in the form of capital subsidy, limited to ₹ 50 million for each of the above referred two Hospitals, aggregating to ₹ 100 million during the financial year ended 31st March, 2017. The same, being available against the entire capital investment, has been recognised and classified in accordance with Significant Accounting Policy referred at note '(r)' of Part A of Annexure - 5 to the restated standalone financial information.

ANNEXURE - 10 : Standalone Summary Statement of Long-term borrowings, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Secured (Refer notes below)						
Term Loans from Banks						
(Refer Note Below)						
HDFC Bank Limited						
In Foreign Currency	124.94	131.19	417.51	490.07	0.00	0.00
In Indian Currency	603.16	630.62	497.43	188.57	225.25	0.00
Bank of Maharashtra	633.22	633.22	170.57	0.00	0.00	0.00
Exim Bank	483.23	483.23	170.57	0.00	0.00	0.00
Buyer's Credit						
In Foreign Currency						
HDFC Bank Limited	167.63	305.65	253.58	56.92	0.00	0.00
Exim Bank	203.34	166.31	0.00	0.00	0.00	0.00
Vehicle Loans						
From Banks						
HDFC Bank Limited	0.26	0.35	1.08	1.78	3.05	4.20
ICICI Bank Limited	0.75	0.95	0.48	0.00	0.00	0.00
Others						
Daimler Financial Services India Private Limited	2.63	3.02	0.00	0.00	0.00	0.00
	2,219.16	2,354.54	1,511.22	737.34	228.30	4.20
Unsecured Loan (Refer Note Below)						
Barclays bank	0.00	0.00	499.50	0.00	0.00	0.00
From NBFC						
Barclays Investment and Loans (India) Limited	300.00	499.50	0.00	0.00	0.00	0.00
	2,519.16	2,854.04	2,010.72	737.34	228.30	4.20

Note :

[A] Currency Swap

Pursuant to agreements dated 21st August, 2014 and 12th March, 2015 executed between the company and HDFC Bank Limited, the term loan availed by the company in Indian Currency, in respect of capex at S.G Highway, Bopal & Jabalpur units, have been converted into Foreign Currency Loans. In financial year 2016-17, in pursuance of agreement dated 23rd March, 2017 executed between the company & HDFC bank limited the swap agreements executed on 21st August, 2014 and 12th March, 2015 in respect of S.G Highway & Bopal Units have been unwinded and accordingly, the term loans in respect of S.G Highway & Bopal units, have been reconverted into Indian currency.

[B] Purpose of Secured Loans

The above term loans have been availed by the company for the purpose of reimbursement of Capex incurred by hospitals at S. G. Highway and Bopal and for the purpose of Capex at its hospital at Jabalpur, Jaipur, Naroda, Indore and Mohali.

Annexure-`10' :Standalone Summary Statement of Long-term borrowings, as restated *...Continued..*

C. Principal Terms and Conditions of Long-term borrowings as at 30th June, 2017

(a) Secured

(i) Term loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	S.G. Highway	104.92	1 Year MCLR (8.15%) + 2.00% = 10.15% [w.e.f 15-Feb-2017]	Loans are repayable in 57 equal monthly installments commencing from January, 2015.	Prepayment charges: NIL-in case of prepayment out of internal accruals / loan from group company / sale of shares / infusion of new capital. In case of prepayment from borrowings from Bank/Financial institutions: 2% for first 2 years, 1% for period of 2 years after initial 2 years, Nil thereafter. Penalty: At 2% p.a. in addition to interest rates , for alloverdues / delays of any monies payable (principal as well as interest).	(i) Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive First charge on entire movable and immovable assets. Security for letter of credit (i) 100% by way of fixed deposit under lien with HDFC Bank or lien on approved debt mutual fund scheme.	SBICAP Trustee on behalf of HDFC Bank Limited
2	HDFC Bank Limited	Bopal	99.54	1 Year MCLR (8.15%) + 2.00% = 10.15% [w.e.f 15-Feb-2017]	Loans are repayable in 50 equal monthly installments commencing from August, 2014.	Prepayment charges: NIL-in case of prepayment out of internal accruals / loan from group company / sale of shares / infusion of new capital. In case of prepayment from borrowings from Bank/Financial institutions: 2% for first 2 years, 1% for period of 2 years after initial 2 years, Nil thereafter. Penalty: At 2% p.a. in addition to interest rates,for alloverdues / delays of any monies payable (principal as well as interest).	(i) Equitable Mortgage of existing Shalby hospital situated at Survey no976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad – 380005.	SBICAP Trustee on behalf of HDFC Bank Limited

… Continued..

Annexure-`10' :Standalone Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(i) Term loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
3	HDFC Bank Limited	Jabalpur, S.G. Highway	235.75	1 Year MCLR (8.15%) + 1.80% = 9.95% [w.e.f 15-Feb-2017]	Loans are repayable in 20 equal quarterly installments commencing from February, 2017.	Within 30 days of interest reset date, the Company has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the Company choose to exercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2% p.a. over and above the applicable Interest Rate till such time such default / non compliance is cured to the Lender`s satisfaction.	(i) Exclusive charge by way of Equitable Mortgage of existing hospital situated at Survey no 976, TP scheme no 6, plot no - 118, Opp. Karnavati Club, S G Highway,Ahmedabad - 380005 with total land area admeasuring 6880 sqmtr and total constructed building area of 12053.56 sqmtrs. (ii) Exclusive charge by way of hypothecation of all movable assets including plant and machinery, machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at S.G. Highway & Jabalpur. (iii) Personal guarantee of Director Dr. Vikram I. Shah to the extent of value of land situated at S.G.Highway Hospital owned by him and mortgaged under Security. (iv) Second paripassu charge on the entire current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising present and future, uncalled capital (if any), present and future of the Borrower. First paripassu charge on the current assets shall be with the working capital lenders. (v) Exclusive charge by way of equitable mortgage of the land and building pertaining to the proposed hospital of Jabalpur.	SBICAP Trustee on behalf of HDFC Bank Limited

… Continued..

Annexure-`10' :Standalone Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(i) Term loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
4	HDFC Bank Limited	Jaipur, Indore, Naroda	421.12	1 Year MCLR (8.15%) + 1.80% = 9.95% [w.e.f 15-Feb-2017]	Loans are repayable in 24 equal quarterly installments commencing from June, 2019.	Within 45 days of interest reset date, the borrower has the option to prepay the amount of principal outstanding against the facility, in part or in full without any prepayment penalty. Prepayment on any other dates, other than mandatory prepayment event, shall be subject to a prepayment penalty of 2% of the principal amount being prepaid for the residual maturity of the facility. However, if prepayment is made by the borrower from fresh equity or internal accruals, no prepayment penalty shall be payable. Should the borrower choose to excercise the prepayment option, the lender(s) must be intimated in writing at least 15 working days before the date of exercising of the prepayment option. In case of part prepayments, such prepayment shall be applied proportionately on the balance repayments pertaining to the facility. Penalty: Default interest of 2%p.a. over and above the applicable interest Rate till such time such default / non-complianceis cured to the Lender's satisfaction.	(i) First paripassu charge by way of equitable mortgage over land & building pertaining to hospital at Jaipur and Indore. (ii) First paripassu charge by way of equitable mortgage over land and building pertaining to hospital at Naroda. (iii) First ranking Security by way of hypothecation of all the present and future tangible movable assets including plant and machinery spares, medical equipment (excluding those hypothecated to equipment financiers), tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future of hospitals at Jaipur, Indore and Naroda. (iv) Personal guarantee of Director Dr. Vikram I. Shah to the extent of 50 % of Naroda Land offered under security. (v) Second ranking security by way of hypothecation on the entire current asset, operating cash flows, receivables, commissions, revenues of what so ever nature and wherever arising, present and future uncalled capital (if any) present and future, of the company .	SBICAP Trustee on behalf of HDFC Bank Limited, Exim Bank and Bank of Maharashtra
5	Bank of Maharashtra		633.22	HDFC's Base Rate (9.25%) + 1.10% = 10.35% [w.e.f 23-Feb-2017]				
6	EXIM Bank		483.23	HDFC's Base Rate (9.25%) +1.25% = 10.50%				

… Continued..

Annexure-`10' :Standalone Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(ii) Buyer's Credit

Sr. No.	Name of Lender	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	362.37[1]	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	The buyer's credit is for the tenor of 180 days and the company is eligible for rollover thereafter subject to a maximum tenor of upto 3 years from the date of first drawdown.	Not Applicable	Security as specified for Sr. No. 1,3, and 4	HDFC Bank Limited
2	EXIM Bank	203.34[2]	Ranges between 6M LIBOR + 15 BPS to 6M LIBOR + 175 BPS	The buyer's credit is for the tenor of 180 days and the Company is eligible for rollover thereafter subject to a maximum tenor of upto 3 years from the date of first drawdown.	Not Applicable	Security as specified for Sr. No. 1,3, and 4	EXIM Bank

[1] HDFC:-The value in INR has been arrived at based on the exchange rate on 30th June, 2017. Accordingly, on 30th June, 2017, Outstanding USD were 42,00,322 and exchange rate was 1 USD equal to 64.7379 INR and Outstanding EURO were 12,22,213 and exchange rate was 1 EURO equal to 74.0019 INR.

[2] EXIM :- The value in INR has been arrived at based on the exchange rate on 30th June, 2017. Accordingly, on 30th June, 2017, Outstanding USD were 28,50,000 and exchange rate was 1 USD equal to 64.7379 INR and outstanding EURO were 2,54,612 and exchange rate was 1 EURO equal to 74.0019 INR.

(iii) Vehicle loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	HDFC Bank Limited	Mahindra Bolero	0.41	9.75%	Loans are repayable in 36 equal monthly installments commencing from March, 2016.	The Company may, prepay the whole or any part of the outstanding of respective Loans (including interest, other dues, fees and charges herein) by giving a notice in writing to that effect. The Company would have to give minimum written notice of 30 days expressing his intention to prepay the loan amount, unless the same is waived in writing by the bank. The prepayment shall take effect only when the actual payment is received by the bank and interest and other charges would be leviable till the end of the month in which prepayment is actually effected. In such an event the Bank will levy prepayment charges as mentioned in the schedule or any rate which is applicable at that time as per Bank`s policy on the dues outstanding. Prepayment charges: No foreclosure allowed within 6 months from the date of availing car loan. 6% of principal outstanding for preclosures within 1 year from 7th EMI. 5% of principal Outstanding for preclosures within 13-24 months from 1st EMI. 3% of principal Outstanding for pre-closures post 24 months from 1st EMI.	The Company hypothecates to and charges in favor of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	HDFC Bank Limited
2	HDFC Bank Limited	Maruti Eeco	0.21	9.45%	Loans are repayable in 36 equal monthly installments commencing from March, 2016.			

… Continued..

Annexure-`10' :Standalone Summary Statement of Long-term borrowings, as restated *...Continued..*

(a) Secured*… Continued..*

(iii) Vehicle loans

Sr. No.	Name of Lender	Units	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment of Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
4	ICICI Bank Limited	Force Ambulance	1.11	9.69%	Loans are repayable in 36 equal monthly installments commencing from February, 2016.	Prepayment charges: The lessor of the following two options plus applicable taxes: (a) 4% of the outstanding amount of the facility, or any other rate as stipulated by ICICI Bank from time to time. OR (b) The total interest amount outstanding as on the date of prepayment.	The Company hypothecates to and charges in favor of the Bank by way of first and exclusive charge of the Vehicle as security for the repayment/payment by the company of the loan granted or to be granted to the company by the Bank together with all fees, interest, costs and expenses incurred/to be incurred by the Bank and all other monies payable or to become payable by the company to the Bank.	ICICI Bank Limited
5	ICICI Bank Limited	Force Ambulance	0.42	10.00%				
6	Daimler Financial Services India Private Limited	Mercedez Benz	4.12	8.76%	Loans are repayable in 36 equal monthly installments commencing from February, 2017.	Prepayment Charges: NA Penalty: 5% per annum plus applicable taxes or statutory levies, if any	First and exclusive charge of the Vehicle	Daimler Financial Services India Private Limited

(b) Unsecured Loan

Sr. No.	Name of Lender	₹in Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment of Term	Re-schedulement/ Prepayment Terms, and related penalty, if any	Security	In favor of
1	Barclays Investment & Loans (India) Ltd.	300.00	8.50%	Loan is repayable within a maximum period of 2 years (reviewed annually) subject to lender's right to terminate the facility and demand repayment at any time, unless otherwise agreed by them.	A prepayment of 1% will be charged on any amount prepaid. Additionally, company agree that loan breakage costs and expenses, if applicable and as determined by lender, will be payable at the time and in respect of the amount prepaid. Penalty: 2% as per lending terms and finance.	Not Applicable	--

The borrowings from Barclays Bank amounting to ₹ 300.00 million had been availed against pledge of acceptable tax free Bonds held by director Dr. Vikram I. Shah, however the same was considered and classified as unsecured since the Company had not provided its own security. There were no re-schedulements or defaults of loan taken by the Company.

Standalone Financial Information, as restated

ANNEXURE - 11 : Standalone Summary Statement of Other non-current liabilities, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Deferred Leasehold Land Premium	7.88	15.57	44.43	70.52	94.09	115.40
Less:						
Amount disclosed under the head "Other current liabilities"	7.88	15.57	28.86	26.09	23.58	21.31
	0.00	0.00	15.57	44.43	70.51	94.09
Security Deposit	0.07	0.07	0.00	0.00	0.00	0.00
Retention Money						
Contractors and Vendors	25.28	20.60	12.12	3.03	0.00	0.00
	25.35	**20.67**	**27.69**	**47.46**	**70.51**	**94.09**

ANNEXURE - 12 : Standalone Summary Statement of Long-term provisions, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
For Employee Benefits						
Gratuity (Net of Plan Assets)	6.74	5.79	1.05	0.00	0.00	0.00
Privileged / Earned Leave	12.30	16.86	8.05	3.66	2.80	1.98
Less: Amount disclosed under the head Short-term provision						
Gratuity	5.38	4.99	0.00	0.00	0.00	0.00
Privileged / Earned Leave	1.78	2.48	1.31	0.21	0.71	0.50
	11.88	**15.18**	**7.79**	**3.45**	**2.09**	**1.48**

Note: In order to ensure that short term obligations outstanding as at 30th June, 2017 on account of Gratuity payable to employees is fully funded, the company has intention to contribute the sum of ₹ 5.38 million to plan asset accordingly, the said obligation has been considered and classified as 'Current liabilities'.

ANNEXURE - 13 : Standalone Summary Statement of Short-term borrowings, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Secured						
Bank Overdraft						
In Indian Currency	107.70	79.72	4.27	0.00	0.00	0.00
In Foreign Currency	0.00	0.00	0.00	0.00	77.45	26.56
Unsecured						
Working Capital Demand Loan						
HDFC Bank Limited	150.00	150.00	0.00	0.00	0.00	0.00
Kotak Mahindra Bank	300.00	0.00	0.00	0.00	0.00	0.00
Repayable on Demand						
From Director	0.00	0.00	0.00	70.00	0.00	0.00
From Intercorporate Deposits						
RDB Realty and Infrastructure Limited	0.00	0.00	60.51	0.00	0.00	0.00
	557.70	**229.72**	**64.78**	**70.00**	**77.45**	**26.56**

The above includes the following Outstanding Balances due to Promoter/ group Companies / related Parties as follows:

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
From Key Management Personnel / Promoter						
Dr. Vikram I. Shah	0.00	0.00	0.00	70.00	0.00	0.00

… Continued..

ANNEXURE - 13 : Standalone Summary Statement of Short-term borrowings, as restated *… Continued..*

Principal Terms and Conditions of Short Term Borrowings as at 30th June, 2017

(a) Secured

Lender Name	Amount in ₹ million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Terms	Security
Kotak Mahindra Bank Limited	68.14	10.00%	12 months	(i) Secured by first pari-passu hypothecation charge to be shared with HDFC Bank Limited on all existing and future current assets of Bopal Unit. (ii) First and exclusive mortgage charge on immovable properties being land and building of Krishna Shalby Hospital situated at 319, Green city, Ghuma, Bopal, Ahmedabad belonging to the company.
(i) Re-schedulement / Prepayment Terms - Not Applicable (ii) Penalty - Amount unpaid on due date shall attract interest at 2% per month compounded monthly.				
YES Bank Limited	39.56	11.00%	N.A.	Exclusive charge on all current assets and fixed assets of Mohali unit (both present and future). Unconditional and irrevocable personal guarantee of Mr. Akhil Bhargava and Ms. Manjari Bhargava to remain valid during the tenor of the credit facilities.
(i) Re-schedulement / Prepayment Terms and Related Penalty - Not Applicable				

(b) Unsecured

Name of Lenders	Amount in ₹ Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Terms	Security
HDFC Bank Limited	150.00	8.50%	6 months (Bullet repayment at the end of tenor)	N.A.
(i) Re-schedulement - Not Applicable (ii) Prepayment Terms - Nil prepayment charges after 3 months from the date of disbursement, if paid from IPO proceeds/Equity/Internal accruals. (iii) Penalty - 3% p.a. in addition to interest rates, for all overdues/delays of any monies payable (principal as well as interest).				

… Continued..

ANNEXURE - 13 : Standalone Summary Statement of Short-term borrowings, as restated *… Continued..*

Name of Lenders	Amount in ₹ Million Outstanding as at 30th June, 2017	Rate of Interest	Repayment Terms	Security
Kotak Mahendra Bank Limited	300.00	8.50%	12 months (Bullet repayment at the end of tenor)	N.A.

(i) Re-schedulement - Not Applicable

(ii) Prepayment Terms

Bank shall have an option to recall the outstanding facility amount at the end of 3 months / 6 months / 9 months from the date of firmst disbursement.

Any repayment pursuant to such recall shall not attract any prepayment charges. Bank shal give the recall notice to the Borrower minimum 30 days in advance before recall due date.

The Borrower shall have the option to prepay the facility in part or full by giving 30 days prior notice to the Bank without any repayment penalty at the end of 3 months / 6 months / 9 months from the date of first disbursement.

Any other pre-payment of the liabilities of the Borrower (other than those arising from exercising of call option by the bank and / or put option by the borrower), prior to completion of tenor of the facility, shall attract a penal charge of 2% on outstanding loan amount.

(iii) Penalty

Type	Deadline	Penalty amount(Ror the delayed period beyond the deadline)
Audited Annual Report	8 months from close of financial year	₹ 5000/- per month till the audited financials are submitted
Provisional unaudited financials	3 months from close of financial year	₹ 5000/- per month till the provisional financials are submitted
Overdue charges / Default / Penal Rate	All amounts unpaid on due date	Amount unpaid on due date shall attract interest at 2.00% p.m., compounded monthly

ANNEXURE - 14 : Standalone Summary Statement of Trade payables, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
For Goods and Services	453.53	389.28	449.66	577.84	180.92	173.00
	453.53	**389.28**	**449.66**	**577.84**	**180.92**	**173.00**

Due to Micro, Small and Medium Enterprises

[Amount in ₹ Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
The principal amount remaining unpaid as at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Interest due on above principal and remaining unpaid as at the end of the year	0.00	0.00	0.00	0.00	0.00	0.00
Amount of interest paid by the buyer in terms of Section 16 along with the amounts of the payments made to suppliers beyond the appointed day during each accounting year	0.00	0.00	0.00	0.00	0.00	0.00

The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

ANNEXURE - 15 : Standalone Summary Statement of Other current liabilities, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Current Maturities						
Long Term Debt	330.61	164.41	103.82	141.75	40.90	1.35
Leasehold Land Premium	7.88	15.57	28.86	26.09	23.58	21.31
Payable for Projects / Fixed Assets	506.06	346.33	81.66	0.00	1.57	1.60
Interest Accrued But Not Due	22.40	14.85	21.22	2.82	0.29	0.04
Deposits	1.90	2.10	1.77	1.29	9.70	1.12
Book Overdraft	3.29	3.10	0.03	0.07	7.87	53.63
Retention Money	26.53	20.18	11.66	2.17	1.33	1.37
Advance from Patients/ Corporates	21.71	28.87	5.53	1.51	7.18	14.66
Consideration payable	0.00	0.00	38.83	0.00	0.00	0.00
[Refer Note No. 1(a)(iii) of Part B of Annexure '5']						
Other Payables						
Statutory Dues	21.58	30.74	25.21	18.08	14.77	13.45
Employees	14.38	13.06	25.97	7.38	0.00	0.00
Others	0.00	0.00	0.76	2.58	2.81	11.62
	956.34	**639.21**	**345.32**	**203.74**	**110.00**	**120.15**

The above includes the following Outstanding Balances due to Promoter/ group Companies / related Parties as follows:

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Interest Accrued but Not Due						
From Key Management Personnel/Promoter						
Dr. Vikram I. Shah	0.00	0.00	0.00	0.07	0.00	0.00
From Associate Company						
Zodiac Mediquip Ltd.	0.00	0.00	0.00	0.27	0.27	0.00

ANNEXURE - 16 : Standalone Summary Statement of Short-term provisions, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Employee Benefits						
Gratuity	5.38	4.99	0.00	0.00	0.00	0.00
Privileged / Earned Leave	1.78	2.48	1.31	0.21	0.71	0.50
Others						
For Dividend	0.00	0.00	0.26	0.22	0.22	0.16
	7.16	**7.47**	**1.57**	**0.43**	**0.93**	**0.66**

ANNEXURE - 17 : Standalone Summary Statement of Fixed assets, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
I. Gross Block						
Tangible assets						
Land (Refer Note Below)						
Freehold	156.87	156.87	156.87	59.07	59.07	57.78
Leasehold	780.00	780.00	779.66	482.01	404.13	250.82
Buildings (Refer Note Below)	1,298.31	1,217.05	1,205.99	437.04	293.99	293.99
Medical Equipments and Surgical Instruments	1,499.78	1,373.02	1,242.95	828.10	681.70	616.60
Plant and Machinery	282.39	252.26	250.06	149.65	91.39	84.27
Electric Installation	92.86	85.10	83.16	76.71	47.79	47.79
Air Conditioners	20.00	20.00	20.00	20.00	19.97	19.84
Office Equipments	78.50	69.89	66.24	58.85	60.66	55.88
Computers and Printers	70.35	64.61	56.36	43.99	32.47	30.59
Furnitures and Fixtures	159.57	150.14	142.59	77.85	59.93	59.35
Vehicles	78.67	71.43	54.98	37.26	30.56	27.21
Total :	4,517.30	4,240.37	4,058.86	2,270.53	1,781.66	1,544.12
Intangible assets						
Softwares	21.54	21.54	20.58	18.57	18.56	13.24
Goodwill (Generated on Merger)	0.00	0.00	0.00	293.11	170.61	170.61
Total :	21.54	21.54	20.58	311.68	189.17	183.85
II. Accumulated Depreciation						
Tangible assets						
Land						
Leasehold	74.77	70.35	50.15	32.40	17.53	8.36
Buildings	159.76	149.07	108.51	91.43	86.45	78.92
Medical Equipments and Surgical Instruments	553.61	535.03	488.65	418.44	386.95	325.08
Plant and Machinery	108.47	105.43	94.53	80.80	56.97	51.33
Electric Installation	53.88	52.79	47.77	41.82	31.97	28.82
Air Conditioners	18.90	18.86	18.72	18.52	13.10	11.65
Office Equipments	52.87	51.33	43.24	41.70	36.51	33.58
Computers and Printers	48.93	46.05	36.66	31.07	31.45	28.33
Furnitures and Fixtures	75.00	72.71	64.47	56.16	54.50	53.54
Vehicles	28.50	26.73	23.54	20.24	18.51	14.67
Total :	1,174.69	1,128.35	976.24	832.58	733.94	634.28
Intangible assets						
Softwares	20.14	19.93	17.12	15.47	13.18	9.41
Goodwill (Generated on Merger)	0.00	0.00	0.00	293.11	170.61	170.61
Total :	20.14	19.93	17.12	308.58	183.79	180.02

..Continued...

ANNEXURE - 17 : Standalone Summary Statement of Fixed assets, as restated.. *Continued...*

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
III. Net Block						
Tangible assets						
Land						
Freehold	156.87	156.87	156.87	59.07	59.07	57.78
Leasehold	705.23	709.65	729.51	449.61	386.60	242.46
Buildings	1,138.55	1,067.98	1,097.48	345.61	207.54	215.07
Medical Equipments and Surgical Instruments	946.17	837.99	754.30	409.66	294.75	291.52
Plant and Machinery	173.92	146.83	155.53	68.85	34.42	32.94
Electric Installation	38.98	32.31	35.39	34.89	15.82	18.97
Air Conditioners	1.10	1.14	1.28	1.48	6.87	8.19
Office Equipments	25.63	18.56	23.00	17.15	24.15	22.30
Computers and Printers	21.42	18.56	19.70	12.92	1.02	2.26
Furnitures and Fixtures	84.57	77.43	78.12	21.69	5.43	5.81
Vehicles	50.17	44.70	31.44	17.02	12.05	12.54
Total :	3,342.61	3,112.02	3,082.62	1,437.95	1,047.72	909.84
Intangible assets						
Softwares	1.40	1.61	3.46	3.10	5.38	3.83
Goodwill (Generated on Merger)	0.00	0.00	0.00	0.00	0.00	0.00
Total :	**1.40**	**1.61**	**3.46**	**3.10**	**5.38**	**3.83**

Note :

The title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate amounting to ₹ 473.33 million acquired pursuant to schemes of amalgamation in the nature of merger which is pending for registration in the name of the Company. Further as per information and explanations given to us all the existing buildings of the Company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger.

Standalone Financial Information, as restated

ANNEXURE - 18 : Standalone Summary Statement of Non-current investments, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Long Term						
In Equity Instruments (Unquoted, Trade)						
Wholly owned Subsidiaries						
Shalby (Kenya) Ltd.						
No. of Shares	100	100	100	100	100	100
Cost of Investments	0.06	0.06	0.06	0.06	0.06	0.06
Shalby International Limited [Refer note (i) below]						
No. of Shares	50000	50000	50000	50000	50000	50000
Cost of Investments	0.50	0.50	0.50	0.50	0.50	0.50
Other Subsidiaries						
Vrundavan Shalby Hospitals Ltd.						
No. of Shares	99000	99000	99000	99000	99000	99000
Cost of Investments	85.00	85.00	85.00	85.00	85.00	85.00
Kusha Healthcare Limited						
No. of Shares	0	0	0	1085000	675000	600000
Cost of Investments	0.00	0.00	0.00	167.08	96.17	82.63
Yogeshwar Healthcare Ltd.						
No. of Shares	696251	696251	696251	696251	696251	0
Cost of Investments	6.96	6.96	6.96	6.96	6.96	0.00
Entitlement Rights in Equity						
Yogeshwar Healthcare Ltd.	0.00	0.00	0.00	0.00	0.00	6.96
In Limited Liability Partnership Firm						
Griffin Mediquip LLP [Refer note (ii) below]	0.48	0.48	0.35	0.35	0.35	0.35
Other Investments						
Corporate Membership with Karnavati Club Limited	1.10	1.10	1.10	1.10	1.10	1.10
National Saving Certificates	0.00	0.00	0.00	0.00	0.03	0.03
	94.10	**94.10**	**93.97**	**261.05**	**190.17**	**176.63**

Note:

(i) The company had changed it's name from "Shalby Pune Limited" to "Shalby International Limited" with effect from 15th July, 2015 upon receipt of certificate for change of name from Registrar of Companies.

(ii)The LLP had changed it's name from "Shalby Orthopaedic LLP" to "Griffin Mediquip LLP" with effect from 11th February, 2016 upon receipt of certificate for change of name from Registrar of Companies.

ANNEXURE - 19 : Standalone Summary Statement of Long-term loans and advances, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Unsecured, considered good						
Advance Tax (Net of Provisions)	69.17	77.59	87.59	70.74	57.97	44.40
MAT Credit Entitlement	410.00	410.00	0.00	0.00	0.00	0.00
Advance against acquisition of Shares / Projects	386.02	320.49	266.41	70.00	96.50	0.00
Projects and Capital Goods	15.32	43.20	8.89	66.37	9.14	2.44
Security Deposits	16.28	16.37	10.89	7.39	3.39	3.42
	896.79	**867.65**	**373.78**	**214.50**	**167.00**	**50.26**

Note : As at 30th June, 2017, there is no outstanding balance amount due from promoter / other related parties.

Standalone Financial Information, as restated

ANNEXURE - 20 : Standalone Summary Statement of Other non-current assets, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Employee Gratuity Plan Assets (Net of obligations)	0.00	0.00	0.00	1.57	3.12	0.79
Other Bank Balances						
Fixed Deposits						
With maturity for more than 12 months (Inclusive of Accrued Interest) [Refer Note Below]	8.63	2.74	1.61	1.74	2.55	1.60
	8.63	**2.74**	**1.61**	**3.31**	**5.67**	**2.39**

Note: The above fixed deposits with banks are held as margin money against bank guarantees.

ANNEXURE - 21 : Standalone Summary Statement of current investments, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Capital with:						
Griffin Mediquip LLP	9.72	4.30	0.00	0.01	0.00	0.00
Quoted :						
In Mutual Funds						
Baroda Pioneer Banking & Financial Services Fund [99,990 Units]	0.00	0.00	0.00	0.00	0.00	1.00
	9.72	**4.30**	**0.00**	**0.01**	**0.00**	**1.00**
Aggregate market value of current investments	0.00	0.00	0.00	0.00	0.00	1.07

ANNEXURE - 22 : Standalone Summary Statement of Inventories, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Medicines and Medicare Items	16.96	32.89	22.76	5.23	5.95	6.34
Materials and Consumables	126.12	35.31	42.64	39.90	36.38	36.04
General Stores	7.15	7.38	7.97	6.19	13.90	12.34
	150.23	**75.58**	**73.37**	**51.32**	**56.23**	**54.72**

ANNEXURE - 23 : Standalone Summary Statement of Trade receivables, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Debt outstanding for the period exceeding six months						
Considered Good	109.31	176.31	87.87	22.17	29.92	17.47
Considered Doubtful	3.80	3.80	0.00	0.00	9.33	0.00
	113.11	180.11	87.87	22.17	39.25	17.47
Less : Provision for Bad Doubtful debts	3.80	3.80	0.00	0.00	9.33	0.00
	109.31	176.31	87.87	22.17	29.92	17.47
Other debts	272.78	201.51	218.84	181.01	108.46	85.14
	382.09	**377.82**	**306.71**	**203.18**	**138.38**	**102.61**

Note : As at 30th June, 2017, there is no outstanding balance amount due from promoter / other related parties.

ANNEXURE - 24 : Standalone Summary Statement of Cash and bank balances, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Cash and Cash Equivalents						
Balances with Scheduled Banks						
Current Accounts	19.19	51.20	34.26	253.98	42.72	11.53
Fixed Deposits (with maturity for less than 3 months) [Refer Note below]	48.00	48.74	39.15	0.00	0.00	0.00
Cash in hand	29.67	15.88	9.23	7.35	6.83	4.13
	96.86	115.82	82.64	261.33	49.55	15.66
Other Bank Balances						
Fixed deposits (with maturity for 3 to 12 months) [Refer Note below]	36.32	41.22	70.96	34.57	63.19	31.37
	133.18	**157.04**	**153.60**	**295.90**	**112.74**	**47.03**

Note: The above fixed deposits with banks are held as margin money against bank guarantees.

ANNEXURE - 25 : Standalone Summary Statement of Short-term loans and advances, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Unsecured, Considered good						
Loans to Subsidiary and Other Companies	29.93	86.07	66.66	29.92	333.45	52.99
Loans / Advances to Employees	1.12	1.73	2.24	0.58	0.31	0.21
Contractors & Suppliers	10.58	5.44	3.29	4.27	3.39	1.94
Balances with revenue authorities	26.08	26.45	11.58	0.00	0.00	0.00
Prepaid Expenses	11.88	6.08	3.12	1.03	1.48	2.18
Deposits	1.63	1.66	1.59	1.60	2.66	0.13
IPO Expenses Pending Adjustment	21.55	3.45	0.00	0.00	0.00	0.00
Other Recoverable						
Doctors	23.87	24.91	3.67	2.88	0.92	0.06
Others	3.90	3.71	4.03	2.48	5.38	13.28
	130.54	**159.50**	**96.18**	**42.76**	**347.59**	**70.79**

The above includes the following debts due from Promoter/ group Companies / related Parties as follows:

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
Loan to Subsidiaries						
Vrundavan Shalby Hospitals Limited (Working Capital loans granted bearing interest @ 12% per annum)	29.92	29.92	29.92	29.92	29.92	23.82
Kusha Healthcare Limited (Working Capital loans granted bearing interest @ 12% per annum)	0.00	0.00	0.00	0.00	43.23	29.17
Contractor and Suppliers includes advances to enterprise over which relatives of Key Management Personnel exercise significant influence through controlling interest						
Uranus Medical Devices Limited	0.00	0.00	0.04	0.04	0.16	0.00
Other Recoverable includes recoverable from enterprise over which Relatives of Key Management Personnel exercise significant influence through controlling interest						
Slaney Healthcare Private Limited	0.42	0.12	0.00	0.00	0.00	0.00

ANNEXURE - 26 : Standalone Summary Statement of Other current assets, as restated

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Interest Accrued						
On Loan to subsidiary and other companies	20.56	17.43	13.38	20.19	11.69	3.72
On Fixed Deposits	8.75	5.63	4.49	3.50	3.17	0.59
Capital and Interest Subsidy Receivable	112.39	110.89	0.00	0.00	0.00	0.00
Unbilled Revenue	30.53	21.51	24.89	25.95	19.10	17.71
	172.23	**155.46**	**42.76**	**49.64**	**33.96**	**22.02**

The above includes the following debts due from Promoter/ group Companies / related Parties as follows:

Particulars	As at 30th June, 2017	As at 31st March				
		2017	2016	2015	2014	2013
Interest accrued on Loans to :						
Subsidiary Companies						
Vrundavan Shalby Hospitals Limited	20.56	19.09	14.31	10.00	5.84	3.72
Kusha Healthcare Limited	0.00	0.00	0.00	0.17	5.67	0.00
Enterprise over which relatives of Key Management Personnel exercise significant influence through controlling interest						
Uranus Medical Devices Limited	0.00	0.00	0.00	0.02	0.02	0.00

ANNEXURE - 27 : Standalone Summary Statement of Revenue from operations, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Sale of Products	22.54	78.21	65.47	56.51	55.47	41.80
Sale of Services	867.06	3,134.03	2,785.78	2,558.55	2,336.77	2,036.18
Other Operating Revenue	6.10	27.73	17.23	12.55	19.66	5.46
	895.70	**3,239.97**	**2,868.48**	**2,627.61**	**2,411.90**	**2,083.44**

Breakup of Sales of Product

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Medicines and Medicare Items	22.54	78.21	65.47	56.51	55.47	41.80

Breakup of Sales of Services

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Income from Healthcare Services						
In Patient Discharge						
Domestic	746.21	2,693.75	2,427.43	2,171.65	2,021.64	1,770.29
Overseas	35.86	138.92	128.10	186.51	140.17	126.16
Out Patient Discharge	63.46	206.17	139.18	99.53	87.28	66.12
Dental Care Services	4.94	37.05	37.47	41.10	34.97	29.66
Diagnostic Services	13.14	50.96	50.48	55.04	47.24	38.71
Clinical Trials	3.45	7.18	3.12	4.72	5.47	5.24
	867.06	**3,134.03**	**2,785.78**	**2,558.55**	**2,336.77**	**2,036.18**

Breakup of Other Operating Revenue

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Allied Services (Ambulance, Visitor Passes, Dormitory etc.)	6.10	27.73	7.13	5.69	6.49	4.64
Sponsorship and Event Orthotrend	0.00	15.90	10.10	6.84	13.17	0.82
Share in Profit from LLP	4.10	4.55	0.00	0.02	0.00	0.00
	10.20	48.18	17.23	12.55	19.66	5.46

ANNEXURE - 28 : Standalone Summary Statement of Other income, as restated

[₹ in Million]

Particulars	Nature	For the quarter ended 30th June, 2017	For the year ended 31st March				
			2017	2016	2015	2014	2013
Other Income, as restated		7.78	68.17	23.67	30.20	32.54	49.43
Net Profit before Tax, as restated		182.08	547.90	391.68	470.64	555.86	229.92
Percentage		4.27%	12.44%	6.04%	6.42%	5.85%	21.50%
Interest Income							
On loans to Subsidiary and other Companies	Non- recurring	1.46	10.00	5.20	10.80	8.85	4.02
From Banks	Recurring	2.34	7.67	7.45	4.30	5.65	12.55
On IT Refunds	Non- recurring	0.00	6.67	0.00	0.00	0.20	0.51
Others	Non- recurring	0.04	0.31	0.21	0.04	0.05	0.31
		3.84	24.65	12.86	15.14	14.75	17.39
Rent	Recurring	0.64	2.63	2.13	1.48	1.33	1.15
Dividend	Non- recurring	1.01	0.19	1.90	3.29	9.38	6.81
Gain on Sale of Investments	Non- recurring	0.00	0.00	0.75	2.87	0.06	0.00
Gain on sale of assets	Non- recurring	0.00	2.34	0.00	0.00	0.00	0.00
Training	Recurring	0.41	0.28	0.55	0.29	1.57	4.55
Gain / (Loss) on unwinding of Swap Contract (Net)	Non- recurring	0.00	2.97	0.00	0.00	0.00	0.00
Deferred Capital Subsidy	Non- recurring	1.40	5.61	0.00	0.00	0.00	0.00
Foreign Exchange Fluctuation Gain	Recurring	0.00	28.15	0.00	2.70	1.63	1.42
Other Non-Operating Income							
Sundry Balances Written Back (Net)	Non- recurring	0.00	0.12	1.38	0.62	3.39	15.26
Excess Provision no longer required	Non- recurring	0.29	0.00	2.14	3.53	0.11	1.76
Miscellaneous	Non- recurring	0.19	1.23	1.96	0.28	0.32	1.09
		0.48	1.35	5.48	4.43	3.82	18.11
		7.78	**68.17**	**23.67**	**30.20**	**32.54**	**49.43**

Note

1) All the above income related to the company's other than the normal business activities.

2) The classification of other income as recurring / non-recurring and related / non-related to business activity is based on the current operations and business activities of the company determined by management.

Standalone Financial Information, as restated

ANNEXURE - 29 : Standalone Summary Statement of Operative Expenses, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Materials and Consumables	188.72	733.68	739.43	719.48	664.83	629.45
Diagnostic Expenses	14.41	51.42	51.77	46.42	38.64	35.39
Fees to Doctors and Consultants	184.52	774.76	739.39	641.63	586.69	510.58
Power, Fuel and Water Charges	23.07	74.02	65.52	47.36	36.87	32.99
Housekeeping and Catering	25.14	84.90	72.59	45.11	44.17	32.25
Attendants and Securities	23.50	85.49	69.47	55.36	48.36	46.17
Linen and Uniform	2.06	4.87	7.19	26.34	19.62	17.94
Other Operative Expenses	3.91	13.35	9.93	2.78	1.34	0.95
	465.33	**1,822.49**	**1,755.29**	**1,584.48**	**1,440.52**	**1,305.72**

ANNEXURE - 30 : Standalone Summary Statement of Employee benefit expenses, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Salary, Wages and Bonus	85.59	363.38	259.69	163.28	132.51	120.92
Contribution to Provident and Other Funds	4.86	16.85	10.71	4.78	1.37	2.98
Staff Welfare and Training Expense	0.03	0.25	0.94	0.09	0.06	0.10
	90.48	**380.48**	**271.34**	**168.15**	**133.94**	**124.00**

ANNEXURE - 31 : Standalone Summary Statement of Finance costs, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Interest						
To Banks	36.17	70.84	54.28	35.26	19.73	2.75
To NBFC	2.69	24.85	0.00	0.00	0.00	0.00
To Others	0.00	0.00	8.94	1.97	0.30	0.00
Less: Interest subsidy	1.50	10.89	0.00	0.00	0.00	0.00
	37.36	84.80	63.22	37.23	20.03	2.75
Other Borrowing Cost						
Other ancillary Cost	0.15	1.72	3.67	4.04	2.69	0.48
Adjustment to Interest Cost on foreign currency translation	0.60	7.54	35.03	12.38	0.00	0.00
	38.11	**94.06**	**101.92**	**53.65**	**22.72**	**3.23**

Standalone Financial Information, as restated

ANNEXURE - 32 : Standalone Summary Statement of Administrative and other expenses, as restated

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Rent, Rates and Taxes	5.64	23.37	19.05	18.23	18.89	16.99
Stationery and Printing	5.26	11.63	8.79	10.59	8.35	6.74
Insurance	1.56	3.15	2.29	1.15	1.40	1.79
Fees and Legal	6.12	21.27	26.85	15.77	12.84	16.18
Auditor's Remuneration	0.37	1.44	1.05	0.94	0.79	0.56
Travelling and Conveyance	13.15	55.41	38.98	18.58	14.03	11.06
Communication	2.71	8.97	6.26	2.74	2.28	2.32
Repairs and Maintenance						
Building	0.65	5.54	4.65	0.88	11.01	67.54
Others	13.43	52.42	54.23	36.74	45.86	30.53
Advertising and Publicity	11.55	45.47	40.46	16.05	23.64	17.15
Bank Charges	2.26	4.34	0.67	0.69	0.94	0.87
Share in Loss from LLP	0.00	0.00	0.00	0.00	0.01	0.00
Loss on Sale of Assets	0.00	0.00	0.43	8.39	0.00	0.31
Foreign Exchange Fluctuation Loss	4.87	0.00	9.58	0.00	0.00	0.00
Project Expenses Written Off	0.00	0.00	0.00	0.00	6.50	0.00
Provision for Bad and Doubtful debts	0.00	3.80	0.00	0.00	9.33	0.00
Bad debt written off (Net of provision no longer required)	0.00	0.00	0.30	8.63	0.00	10.12
Other Expenses	2.05	12.55	9.35	6.41	6.92	5.29
	69.62	**249.36**	**222.94**	**145.79**	**162.79**	**187.45**

Standalone Financial Information, as restated

ANNEXURE - 33 : Statement of Capitalisation, as restated

[₹ in Million]

Particulars	**As at 30th June, 2017 (Pre - Issue)**
Long Term Debt	2,519.16
Short Term Debt	557.70
Current Maturities of Long Term Debt classified under "Other Current Liabilities"	330.61
Total debt :	**3,407.47**
Share Capital	886.55
Reserves and Surplus	2,086.87
Total Shareholder's Fund	**2,973.42**
Long Term Debt / Equity	0.85
Total Debt / Equity	1.15
In Ratio Format	
Long Term Debt / Equity	0.85: 1
Total Debt / Equity	1.15:1

Note :

(i) The Company has vide resolution passed by Board of Directors in the meeting held on 26th March, 2016, allotted 5,24,12,960 equity shares as bonus shares in the ratio of 3:2 on 26th March, 2016.

(ii) The above has been computed on the basis of the Restated Standalone Financial Information - Annexure -1 and Annexure - 2.

(iii) Short Term Borrowings represent working capital loans and short term loans.

(iv) The issue price and number of shares are being finalised and as such the post - capitalisation statement cannot be presented.

ANNEXURE - 34 : Standalone Summary Statement of Accounting Ratios

[Number / ₹ in Million, except per share data]

Particulars		For the quarter ended 30th June, 2017	For the year ended 31st March				
			2017	2016	2015	2014	2013
Profit after Tax attributable to Equity Shareholders (₹)	**(A)**	142.79	632.33	395.02	284.47	411.61	198.76
Number of Equity Shares	**(B)**	88.65	87.41	87.35	34.94	34.94	34.90
Number of 5% Convertible/ Redeemable Preference Shares	**(C)**	0.00	0.00	0.53	0.43	0.43	0.43
Weighted Average Number of Equity Sh	**(D)**	88.34	87.36	87.35	34.94	34.94	34.90
Weighted Average Number of Equity Shares(Adjusted for Bonus issue)	**(E)**	88.34	87.36	87.35	87.35	87.35	87.25
Net Worth (₹)	**(F)**	2,973.42	2,743.41	2,122.90	1,722.42	1,461.09	1,049.48
Ratios							
Earnings per Share (₹) [Refer Note (a) and (b) below]							
Basic and Diluted	**(A/D)**	1.62	7.24	4.52	8.14	11.78	5.70
Basic and Diluted (Adjusted for Bonus issue)	**(A/E)**	1.62	7.24	4.52	3.26	4.71	2.28
Return on Net Worth (%)	**(A/F)**	4.80%	23.05%	18.61%	16.52%	28.17%	18.94%
Net Asset Value per Share (₹) [Refer Note (c) (ii) below]		33.54	31.39	24.24	49.17	41.69	29.94
Net Asset Value per Share (₹) (Adjusted for Bonus issue) [Refer Note (c) (ii) below]		33.54	31.39	24.24	19.67	16.68	11.97

Note :

(a) The Company has vide resolution passed by Board of Directors in the meeting held on 26th March, 2016, allotted 5,24,12,960 equity shares as bonus shares in the ratio of 3:2 on 26th March, 2016. Accordingly, the number of equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

(b) The Company had dilutive capital in the form of Cumulative Optionally Convertible Preference Shares. Since the Board of Directors had the option either to convert the preference shares or to redeem at predetermined premium into equity shares at fair value, which was not ascertainable, diluted potential equity shares for the said convertible preference shares were not quantified/considered for calculating diluted earnings per share. Further reference is invited to Note C (i) of Annexure 6 with regard to redemption of all the Preference Shares which had been issued by the company from time to time.

(c) The ratios have been computed as per the following formulae :

(i) Basic and Diluted Earnings per Share

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year / period}}$$

(ii) Net Assets Value (NAV) per Share

$$\frac{\text{Net worth (excluding preference share capital) , as restated, at the end of the year / period}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Net Profit after tax, as restated for the year, attributable to equity share holders}}{\text{Net worth (excluding revaluation reserve), as restated, at the end of the year}}$$

All the above are based on Standalone Financial Information, as restated.

(d) Profit after tax attributable to shareholders is arrived at after substrating from profit after tax as per statement of profit and loss the amount of dividend (incoluding tax on dividend) paid / proposed to be paid to preference shareholders .

Annexure-`35' : Standalone Summary Statement of Related Parties, as restated

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship
1	Dr. Vikram I. Shah (w.e.f. 30/08/2004 to till date)	Key Management Personnel (KMP)
2	Mr. Ravi Bhandari (w.e.f. 08/08/2012 to till date)	
3	Dr. Darshini V. Shah	Relative of Key Management Personnel (KMP)
4	Mr. Shanay V. Shah	
5	Shalby (Kenya) Limted (w.e.f. 09/06/2011 to till date)	Subsidiary Companies/ entities
6	Vrundavan Shalby Hospitals Ltd. (w.e.f. 12/08/2012 to till date)	
7	Kusha Healthcare Ltd. (w.e.f. 01/04/2012 to 31/03/2015)	
8	Yogeshwar Healthcare Ltd. (w.e.f. 01/04/2012 to till date)	
9	Shalby International Ltd. (Earlier known as Shalby Pune Ltd.) (w.e.f 05/09/2012 to till date)	
10	Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP) (w.e.f. 23/07/2012 to till date)	
11	Zodiac Mediquip Ltd. (w.e.f. 18/04/2011 to till date)	Associate Company
12	Uranus Medical Devices Ltd. (w.e.f. 02/01/2006 to till date)	Enterprise over which Key Management Personnel and / or relatives exercise significant influence through controlling interest (Other Related Party)
13	Shalby Orthopedic Hospital and Research Centre (w.e.f. 04/05/1993 to till date)	
14	Friends of Shalby Foundation (w.e.f. 23/06/2007to till date)	
15	Slaney Healthcare Pvt. Ltd. (w.e.f. 16/01/2008 to till date)	

... Continued..

(b) Transactions with related parties

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March,				
				2017	2016	2015	2014	2013
(i)	Professional Fees							
	- Dr. Vikram I. Shah	KMP	7.50	44.73	130.52	145.00	145.25	143.50
	- Dr. Darshini V. Shah	Relative of KMP	2.79	26.78	27.84	29.12	24.36	18.75
(ii)	Unsecured Loan taken							
	- Dr. Vikram I. Shah	KMP	--	--	360.00	230.00	--	90.00
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	--	50.00	260.00
(iii)	Unsecured Loan Repaid							
	- Dr. Vikram I. Shah	KMP	--	--	430.00	160.00	--	90.00
	- Zodiac Mediquip Ltd.	Associate Company	--	--	0.27	--	50.00	260.00
(iv)	Unsecured Loan Given							
	- Shalby International Ltd.	Subsidiary Company	0.02	0.52	--	--	--	--
(v)	Unsecured Loan received back							
	- Shalby International Ltd.	Subsidiary Company	0.02	0.54	--	--	--	--
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	--	1.40
(vi)	Advance for Material Received							
	-Shalby International Ltd.	Subsidiary Company	--	--	0.25	--	--	--
(vii)	Advance for Material Repaid							
	Shalby International Ltd.	Subsidiary Company	--	0.25	--	--	--	--
(viii)	Investment							
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	70.92	13.53	82.63
	-Yogeshwar Healthcare Ltd.	Subsidiary Company	--	--	--	--	--	6.96
	- Shalby International Ltd. (Earlier known as Shalby Pune Ltd.)	Subsidiary Company	--	--	--	--	--	0.50
	-Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	--	--
	-Shalby (Kenya) Ltd.	Subsidiary Company	--	--	--	--	--	--

…Continued..

(b) Transactions with related parties ... *Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March,				
				2017	2016	2015	2014	2013
(ix)	Equity Contribution							
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	--	0.22	--
(x)	Rent Deposit							
	- Yogeshwar Healthcare Ltd.	Subsidiary Company	--	--	--	1.20	--	--
(xi)	Advance given for business promotion							
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	6.25	--	--
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	6.10	--	--
(xii)	Advance given for business promotion Received Back							
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	6.25	--	--
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	6.10	--	--
(xiii)	Advance towards Reimbursement of Expenditure							
	-Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	0.14	0.12	1.05	0.70	0.57
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	0.12	0.93	0.77
	-Shalby International Ltd. (Earlier known as Shalby Pune Ltd.)	Subsidiary Company	--	--	--	--	--	0.03
	- Zodiac Mediquip Ltd.	Associate Company	--	--	0.12	--	--	--
	-Yogeshwar Healthcare Ltd.	Subsidiary Company	--	--	--	--	34.50	--
	- Slaney Healthcare Pvt. Ltd	Other Related Party	--	0.09	--	--	--	--
(xiv)	Advance received back towards Reimbursement of Expenditure							
	-Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	0.59	--	--	--	--

…Continued..

(b) Transactions with related parties ... *Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March,				
				2017	2016	2015	2014	2013
(xv)	Advances Given							
	- Shalby Kenya Ltd	Subsidiary Company	3.05	0.27	2.51	0.35	--	--
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	--	33.00	29.17
	-Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	6.10	9.42
	- Uranus Medical Devices Ltd.	Other Related Party	--	--	--	--	18.35	--
	-Yogeshwar Healthcare Ltd.	Subsidiary Company	--	--	--	--	--	0.31
(xvi)	Advances Received Back							
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	46.08	19.22	--
	- Uranus Medical Devices Ltd.	Other Related Party	--	--	0.02	--	18.35	--
(xvii)	Capital Contribution							
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity						
	Fixed		--	0.13	--	--	--	0.35
	Current		1.31	5.28	0.05	--	--	--
(xviii)	Capital Withdrawal							
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity						
	Current		--	5.08	0.50	--	--	--
(xix)	Share of Profit / (Loss)							
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity	4.10	4.56	--	--	--	--

…Continued..

(b) Transactions with related parties ... *Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March, 2017	2016	2015	2014	2013
(xx)	Purchase of medicines, materials and consumables							
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	0.29	--	--
	- Slaney Healthcare Pvt. Ltd.	Other Related Party	0.34	0.63	0.50	--	--	--
	- Uranus Medical Devices Ltd.	Other Related Party	--	0.33	--	--	19.24	55.11
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	--	--	42.24
	-Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity	203.34	325.04	--	--	--	--
(xxi)	Sale of medicines, materials and consumables							
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	0.87	2.51	--
	-Yogeshwar Healthcare Ltd.	Subsidiary Company	--	--	--	--	0.41	--
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	0.13	0.05
(xxii)	Rent Expenses							
	- Dr. Vikram I. Shah	KMP	1.65	6.90	6.00	6.00	6.55	6.60
	- Dr. Darshini V. Shah	Relative of KMP	--	--	--	--	0.55	0.60
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	--	0.36	--
	-Shalby Orthopedic Hospital and Research Centre	Other Related Party	0.14	0.76	0.66	0.66	0.66	--
	-Yogeshwar Healthcare Ltd.	Subsidiary Company	0.06	0.26	0.26	0.26	--	--
(xxiii)	Rent Income							
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity	0.02	0.06	--	--	--	--
	-Slaney Healthcare Pvt Ltd	Other Related Party	0.02	0.06	--	--	--	--
(xxiv)	Interest Expense							
	- Dr. Vikram I. Shah	KMP	--	--	4.71	1.97	--	--
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	--	0.30	--

…Continued..

(b) Transactions with related parties ... *Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	For the quarter ended 30th June, 2017	For the year ended 31st March,				
				2017	2016	2015	2014	2013
(xxv)	Interest Income							
	-Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	1.47	5.31	4.79	4.63	3.64	2.73
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	6.17	5.02	1.29
	- Uranus Medical Devices Ltd.	Other Related Party	--	--	--	--	0.02	--
(xxvi)	Salary							
	- Ravi Bhandari	KMP	1.98	7.92	7.74	6.60	5.17	1.53
	- Mr. Shanay V. Shah	Relative of KMP	1.20	3.90	3.42	2.40	1.14	--
(xxvii)	Commission Expense							
	- Zodiac Mediquip Ltd.	Associate Company	0.04	0.13	0.15	0.16	0.07	--
(xxviii)	Guest House Expense							
	- Zodiac Mediquip Ltd.	Associate Company	0.69	1.75	0.65	--	--	--
(xxix)	Housekeeping Linen and Uniform							
	- Uranus Medical Devices Ltd.	Other Related Party	--	--	--	--	--	1.80
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	--	--	--
(xxx)	Income from Healthcare Services							
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	--	0.85
(xxxi)	Fixed Asset Sale							
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	--	--
(xxxi)	Catering Charges Income							
	- Slaney Healthcare Pvt. Ltd	Other Related Party	--	0.03	--	--	--	--
(xxxii)	Trademark Licence Fees							
	- Shalby Orthopedic Hospital and Research Centre	Other Related Party	--	--	--	--	--	--

(c) Outstanding Balances at the end of year:

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	As at 30th June, 2017	As at 31st March, 2017	2016	2015	2014	2013
(i)	Due by company							
	As Trade Payable							
	- Dr. Vikram I. Shah	KMP	3.80	3.53	3.60	24.70	9.71	2.48
	- Mr. Ravi Bhandari	KMP	--	--	--	--	0.46	--
	- Dr. Darshini V. Shah	Relative of KMP	0.80	3.45	5.83	4.86	1.62	1.53
	- Mr. Shanay V. Shah	Relative of KMP	--	--	--	--	0.16	--
	- Uranus Medical Devices Limited	Other Related Party	0.40	0.40	0.12	0.12	--	--
	- Zodiac Mediquip Ltd.	Associate Company	0.47	0.76	0.86	0.14	--	--
	- Friends of Shalby Foundation	Other Related Party	0.01	0.01	0.01	0.01	--	--
	- Slaney Healthcare Pvt. Ltd.	Other Related Party	--	--	0.35	--	--	--
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity	184.41	114.82	--	--	--	--
	As Interest Payable							
	- Dr. Vikram I. Shah	KMP	--	--	--	0.07	--	--
	- Zodiac Mediquip Ltd.	Associate Company	--	--	--	0.27	0.27	--
	As Short Term Borrowings							
	- Dr. Vikram I. Shah	KMP	--	--	--	70.00	--	--
	As Rent Payable							
	- Yogeshwar Healthcare Ltd.	Subsidiary Company	0.55	0.49	0.21	0.08	--	--
	- Dr. Vikram I. Shah	KMP	--	--	--	--	--	--
	-Shalby Orthopedic Hospital and Research Centre	Other Related Party	0.12	0.68	0.15	--	0.59	--

… Continued..

(c) Outstanding Balances at the end of year *... Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	As at 30th June, 2017	As at 31st March, 2017	2016	2015	2014	2013
	As Other Current Liabilty - Other Payable							
	- Shalby International Ltd.	Subsidiary Company	--	--	0.24	--	--	--
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity	--	--	0.01	--	--	--
(ii)	Due to company							
	As Investment							
	- Yogeshwar Healthcare Ltd.	Subsidiary Company	6.96	6.96	6.96	6.96	6.97	--
	- Shalby (Kenya) Ltd.	Subsidiary Company	0.06	0.06	0.06	0.06	0.06	0.06
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	85.00	85.00	85.00	85.00	85.00	85.00
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	167.08	96.16	82.63
	- Shalby International Ltd.	Subsidiary Company	0.50	0.50	0.50	0.50	0.50	0.50
	- Griffin Mediquip LLP (Earlier known as Shalby Orthopedic LLP)	Subsidiary Entity						
	Fixed Capital		0.48	0.48	0.35	0.35	0.35	0.35
	Current Capital		9.72	4.30	0.45	--	--	--
	As Loans & Advances –Rent Deposit							
	- Yogeshwar Healthcare Ltd.	Subsidiary Company	1.20	1.20	1.20	1.20	3.35	--
	As Loans & Advances –Other Recoverable							
	- Shalby (Kenya) Ltd.	Subsidiary Company	3.32	3.13	2.86	0.35	--	--
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	0.45	0.33	0.04	2.54
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	0.18	--	0.28
	- Slaney Healthcare Private Limited	Other Related Party	0.42	0.12	--	--	--	--

… Continued..

(c) Outstanding Balances at the end of year ... *Continued..*

[₹ in Million]

Sr. No.	Nature of Transaction	Relationship	As at 30th June, 2017	As at 31st March, 2017	2016	2015	2014	2013
	As Loans & Advances –Short Term Advance							
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	29.92	29.92	29.92	29.92	29.92	23.82
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	--	43.23	29.17
	As Loans & Advances –accrued interest							
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	20.56	19.09	14.31	10.00	5.84	3.72
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	0.17	5.67	--
	- Uranus Medical Devices Limited	Other Related Party	--	--	--	0.02	0.02	--
	As Trade Receivable							
	- Kusha Healthcare Ltd.	Subsidiary Company	--	--	--	0.14	--	--
	- Vrundavan Shalby Hospitals Ltd.	Subsidiary Company	--	--	--	--	--	--
	As Loans and Advances - Short Term Advance for Expense							
	- Uranus Medical Devices Limited	Other Related Party	--	--	0.04	0.04	0.16	--
	As Commission Payable							
	- Zodiac Mediquip Ltd.	Associate Company	0.04	0.04	--	--	--	--

ANNEXURE - 36 : Standalone Summary Statement of Rates and Amounts of Dividend, as restatec

[₹ in Million]

Particulars	As at 30th June, 2017	As at 31st March 2017	2016	2015	2014	2013
(a) Equity Shares						
No. of Equity Shares	88654932	87408932	87354932	34941972	34941972	34903620
Rate of Dividend (%)	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Amount (₹ in Million) (on pro-rata basis)	0.00	0.00	0.00	0.00	0.00	0.00
Tax on Dividend (₹ in Million)	0.00	0.00	0.00	0.00	0.00	0.00
(b) 5% Convertible/ Redeemable Preference Shares						
No. of Convertible Preference Shares of ₹ 10/- each [Refer Note below]	0	0	533100	430100	430100	430100
Rate of Dividend (%)	0.00	0.00	5.00%	5.00%	5.00%	5.00%
Dividend Amount (₹ in Million) (on pro-rata basis)	0.00	0.19	0.26	0.22	0.22	0.16
Tax on Dividend (₹ in Million)	0.00	0.04	0.05	0.04	0.03	0.03

Note:
Pursuant to resolution passed by board of directors in the meeting held on 20th December 2016, the company has reedemed all the above reedemable preference shares having aggregate face value of ₹ 5.33 million at a premium of ₹ 10.27 million out of accumulated profits. Accordingly, the company has paid dividend on such preference shares on pro-rata basis during the financial year 2016-17.

ANNEXURE - 37 : Standalone Summary Statement of Tax Shelt

[₹ in Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Restated Profit/Loss before Tax (A)	182.08	547.90	392.75	470.64	555.86	229.92
Marginal Tax Rate (%)	33.06	33.06	34.61	30.90	33.99	33.99
Tax at Nominal Rate (B)	60.20	181.15	135.92	145.43	188.94	78.15
Permanent Differences						
Interest on TDS	0.00	0.05	0.27	0.10	0.00	0.00
Disallowance u/s 14A	1.00	0.03	0.15	0.15	0.01	0.65
Penalty	0.00	0.01	0.00	0.00	0.00	0.00
Prior Period Expense (Net)	1.41	1.99	0.00	0.00	(8.17)	0.00
Preliminary Expense Written Off	0.00	0.00	0.00	0.33	0.00	0.00
Expenditure of Capital Nature	0.00	0.75	0.43	0.00	0.00	0.00
Entrance Fees and Subsctiption	0.00	0.00	0.00	0.18	0.00	0.00
TDS Expense	0.00	0.00	0.19	0.00	0.00	1.32
(Gain) / Loss on Sale of Assets/Investments	0.00	(2.33)	0.00	8.39	0.10	0.31
Capital subsidy	(1.40)	(5.61)	0.00	0.00	0.00	0.00
Wealth Tax	0.00	0.00	0.00	0.08	(0.11)	0.12
Deduction u/s 35AD	(4.80)	(48.14)	(583.72)	(174.65)	0.00	0.00
Adjustment of Brought forward loss as per Income-tax	(179.69)	(584.64)	(8.98)	(0.10)	(79.35)	(368.23)
CSR Expenditure	0.00	0.00	0.00	1.62	0.00	0.00
Expense of Personal nature	0.00	0.01	0.02	0.00	0.00	0.00
Gift Expense	0.01	0.00	0.04	0.00	0.00	0.00
Disallowance u/s 36	0.00	0.03	0.00	0.00	0.00	0.00
Disallowance u/s 36 (1) (va)	0.00	1.08	0.60	0.46	0.00	0.00
Other Disallowances	0.00	2.59	0.23	0.00	0.00	0.00
Deemed Income u/s 41	0.00	0.00	1.07	0.00	0.00	0.00
Excess Provision/ Sundry Balances Written Back	0.00	0.00	(3.52)	0.00	0.00	0.00
Exempt Income	(5.11)	(4.74)	(1.90)	(3.30)	(9.43)	(6.81)
Disallowance of weighted deduction of Capital subsidy	0.00	50.00	0.00	0.00	0.00	0.00
Total (C)	(188.58)	(588.93)	(595.12)	(166.74)	(96.95)	(372.64)
Timing Differences						
Differences due to depreciation on Fixed Assets under the Income Tax Act and Companies Act	16.00	52.72	(18.51)	(60.16)	(24.44)	(20.41)
Provision for Bad and Doubtful Debt (net)	0.00	3.80	0.00	(9.33)	9.33	0.00
Capital subsidy	0.00	100.00	0.00	0.00	0.00	0.00
Disallowance/ Claims u/s 40(a)(ia)	0.00	0.00	0.00	0.00	0.01	0.01
Disallowance/ Claims u/s 43B(Net)	(2.99)	12.89	3.60	1.93	2.08	0.68
Restatement adjustment	(1.41)	(1.63)	1.97	0.00	8.17	(8.16)
Deduction u/s 35AD	(9.60)	(96.27)	(1,167.45)	(349.31)	0.00	0.00
Goodwill writtenoff	0.00	0.00	0.00	122.50	0.00	170.61
Total (D)	2.00	71.51	(1,180.39)	(294.37)	(4.85)	142.73
Net Adjustments E=(C+D)	(186.58)	(517.42)	(1,775.51)	(461.11)	(101.80)	(229.91)
Tax Expense / (saving) thereon (F)	(61.69)	(171.07)	(614.47)	(142.48)	(34.60)	(78.15)

… Continued..

ANNEXURE - 37 : Standalone Summary Statement of Tax Shelt *… Continued.*

[Amount in ₹ Million]

Particulars	For the quarter ended 30th June, 2017	For the year ended 31st March				
		2017	2016	2015	2014	2013
Profit / (Loss) as per Normal Provisions G=(A+E)	(4.50)	30.49	(1,382.76)	9.53	454.06	0.01
Income/ (Loss) as per MAT	176.27	545.41	391.30	458.26	564.00	214.94
Tax as per Normal Provisions H=(B+F)	0.00	10.08	0.00	2.95	154.34	0.00
MAT Liability (I)	37.62	116.40	83.51	96.05	118.22	43.01
Net Tax liability J (Higher of H or I)	37.62	116.40	83.51	96.05	154.34	43.01
Interest u/s 234C (K)	0.00	0.00	0.00	0.00	0.37	0.00
Total Tax as per Return L=J+K	37.62	116.40	83.51	96.05	154.71	43.01

Notes:

1 The permanent and timing differences for the quarter ended 30th June, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013 have been computed based on the tax computations of the income tax returns for the respective years.

2 Tax rate includes applicable surcharge, education cess and secondary and higher education cess for the respective year concerned.

3 The aforesaid Statement of Tax Shelter has been prepared as per the standalone summary statement of assets and liabilities and profits and losses of the Company.

SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Sr. No.	Ind AS	Particulars	Indian GAAP	Ind AS
1.	Ind AS 1	Presentation	**Other Comprehensive Income and Statement of Changes in Equity:** There is no concept of 'Other Comprehensive Income' and 'Statement of changes in equity' under Indian GAAP.	**Other Comprehensive Income:** Ind AS 1 introduces the concept of Other Comprehensive Income ("OCI"). Items of income and expenses that are not recognized in profit and loss as required or permitted by other Ind ASs are presented under OCI. **Statement of Changes in Equity:** On the face of the Statement of Changes in Equity, it should be disclosed: a. Total comprehensive income for the period, showing separately the total amounts attributable to owners of the parent and to non-controlling interest. b. For each component of equity, a reconciliation between the carrying amount at the beginning and the end of the period, separately disclosing changes resulting from: (i) Profit or Loss, (ii) Each item of Other comprehensive income, (iii) Transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control, (iv) Any item recognized directly in equity such as bargain purchase gain recognized directly in capital reserve in accordance with Ind AS 103 Business Combinations.
			Extraordinary items: Under Indian GAAP, Company discloses extraordinary items separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	**Extraordinary items:** Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
2.	Ind AS 8	Accounting Policy, Change in Accounting Estimate and Errors	**Change in Accounting Policies:** Under Indian GAAP, Company discloses changes in accounting policies by presenting in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same is appropriately disclosed. **Prior Period Items** It defines prior period items as incomes or expenses which arise in the current period as a result of errors or omissions in the preparation of financial statements of one or more prior periods. It requires rectification of prior period items with prospective effect.	**Change in Accounting Policies:** Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise. **Prior Period Items** It uses the term 'errors' and relates it to errors or omissions arising from failure to use or misuse of reliable information that was available when the financial statements of the prior periods were approved for issuance and could reasonably be

Sr. No.	Ind AS	Particulars	Indian GAAP	Ind AS
				expected to have been obtained and taken into account in the preparation and presentation of those financial statements. It requires rectification of material prior period errors with retrospective effect subject to limited exceptions
3.	Ind AS 16	Property, plant and equipment – reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides Depreciation on straight line method basis over the estimated useful life of the assets. Change in method of depreciation requires retrospective re-computation of depreciation and any excess or deficit on such re-computation is required to be adjusted in the period in which such change is affected. Such a change is treated as a change in accounting policy and its effect is quantified and disclosed.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS. Change in method of depreciation is required to be accounted as change in an accounting estimate and applied prospectively. Further components of cost include the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.
4.	Ind AS 12	Deferred Taxes	Under Indian GAAP, the Company account for Deferred Tax resulting from "timing differences" between taxable and accounting income using the tax rates and laws that have been substantially enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets / liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge / income on account of: (a) All Ind AS opening balance sheet adjustments. (b) Actuarial gain and losses accounted in Other Comprehensive Income. (c) Indexation of freehold land. (d) Fair valuation adjustments (employee loans, security deposits etc.)
5.	Ind AS 19	Accounting for Employee Benefits	Currently under Indian GAAP, the Company recognizes its liability for Employee Benefits as given below: (iv) Liability towards Gratuity is considered as the defined benefit scheme and is recognized on the basis of actuarial valuation on projected unit credit method at balance sheet date. (v) Earned Leave which is en-cashable is considered as long term benefit and is provided on the basis of actuarial valuation on projected unit credit method at balance sheet date. (vi) The benefits in the form of contribution to Provident Fund and Employee State Insurance are considered as the defined contribution schemes and are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employees.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re- measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost / income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in Other Comprehensive Income

Sr. No.	Ind AS	Particulars	Indian GAAP	Ind AS
			Therefore, the Company recognizes all short term and long term employee benefits in the Statement of profit and loss.	
6.	Ind AS 113	Fair Value Measurement	Under Indian GAAP, there is no framework for measuring fair value for financial reporting.	Under IND AS, Company should requires the following to be considered in fair value measurement: (a) The particular asset or liability that is subject of the measurement, (b) The principal market for the asset or liability, (c) The market participant; and (d) The price. In addition, there are specific consideration for the fair value measurement of: (a) Non- financial assets, (b) Liabilities, (c) Equity, and (d) Financial instruments.
7.	Ind AS 20	Government Grant	It gives an option to present the grants related to assets, including non-monetary grants at fair value in the balance sheet either by setting up the grant as deferred income or by deducting the grant from the gross value of asset concerned in arriving at its book value.	It requires presentation of such grants in Balance Sheet only by setting up the grant as deferred income. Thus, the option to present such grants by deduction of the grant in arriving at its book value is not available under Ind AS.
8.	Ind AS 37	Provisions, Contingent Liabilities	It prohibits discounting the amounts of provisions except in case of decommissioning, restoration and similar liabilities that are recognized as cost of Property, Plant and Equipment.	It requires discounting the amounts of provisions, if the effect of the time value of money is material. Moreover, it requires creation of provisions in respect of constructive obligations also.
9.	Ind AS 17	Leases	**Operating lease rentals:** Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless: (a) another systematic basis is more representative of the time pattern of the user's benefit; or (b) The payments to the lessor are structured to increase in line with expected general inflation for cost increase.
			Fair valuations of rent deposits: There is no specific accounting treatment specified under Indian GAAP for the accounting of Deposits provided by the lessee under lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposits under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognized interest income using internal rate return through its profit and loss over the life of the deposits.
			Under Indian GAAP, leasehold land forms part of fixed assets and is excluded from the accounting standard on leases.	Under Ind AS, leasehold land is coved under accounting standard for the lease (Ind AS 17) and a distinction is made in the treatment of operating leases and finance leases.
10.	Ind AS 109	Financial assets	Under India GAAP, financial assets are initially measured at transaction price.	Under Ind AS, financial assets are required to be initially measured at their fair values. For example, loans given to employees at off-market interest rate should be measured at fair value instead of transaction price.
			Under Indian GAAP, financial assets are classified on the basis of their nature.	Under Ind AS, based on the classification of a financial asset, it is required to be measured at its amortised cost, fair value through other

Sr. No.	Ind AS	Particulars	Indian GAAP	Ind AS
				comprehensive income, or fair value through profit and loss.
			Under Indian GAAP, subsequent measurements are computed at the cost less repayment, if any.	Under Ind AS, at each reporting date, investment in mutual fund is required to be computed at fair value and deposits and loans to employee are required to be computed at amortised cost.
11.	Ind AS 109	Financial liabilities	Under Indian GAAP, financial liabilities are initially measured at their transaction price.	Under Ind AS, debentures, term loan from banks, other short term borrowings and loan from directors are required to be initially measured at transaction cost.
			Under Indian GAAP, financial liabilities are subsequently measured at principal less repayment, if any.	Under Ind AS, all borrowings and long term rent deposits received are required to be measured at amortised cost.
12.	Ind AS 110	Consolidated Financial Statements	Under Indian GAAP, control is assessed based on ownership of more than one-half of the voting power or control of the composition of the Board of Directors.	Under Ind AS, an investor, regardless of the nature of its involvement with the entity (the investee) shall determine whether it is a parent by assessing whether it control the investee. An investor controls an investee when the investor 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.
			Under Indian GAAP, goodwill arising on the acquisition of a subsidiary is determined as the excess of the purchase consideration over the book values of net assets as on the acquisition date.	Under Ind AS, the acquisition of subsidiary meets the definition of a business combination and hence, goodwill is determined based on the fair values of net assets (Including certain assets and liabilities such as intangibles and contingent liabilities) as on the acquisition date.
			Under Indian GAAP, Minority interest is measured at proportionate share in the book values of the net assets of the subsidiary company. In case of losses attributable to minority interest in the a subsidiary exceed the minority interest in the equity of subsidiary, such excess and future losses are adjusted against the parent's share, except where the minority has a binding obligation to make good such losses.	The term 'Minority Interest' under current principal has been replaced with 'non-controlling interest'. The same to be measured on the acquisition date at either its fair value or proportionate of the fair value of the acquired company's. Losses relating to the subsidiary are attributed to the non-controlling interest are not adjusted against parent's share even if it results in a negative balance of the non-controlling interest.
			Under Indian GAAP, acquisition transaction result into step up acquisition accounting results into recognition of additional goodwill or capital reserve and sale transaction results into recognition of profit and loss.	Under Ind AS, any transaction between shareholders i.e. at the time of acquiring / selling non-controlling interest any excess paid / received over book value or vice versa of acquired / sold non-controlling interest on the date of such acquisition / sale is recorded as an adjustment to equity,
13.	Ind AS 108	Segment reporting	Under Indian GAAP, Segmental information are disclosed based on business and geographical reporting one as primary format, the other as secondary. The segments are identified based on the risks and rewards model.	Under Ind AS, Segment has to be determined on the basis of how the chief operating decision-maker evaluates financial information for the purpose of allocating resources and assessing performance of the business.
14.	Ind AS 18	Revenue	Under Indian GAAP, the healthcare service providers have a predetermined rate cards for the various medical services offered and the customers are charged with these management approved rates. Further, the company also enter into memorandum of understanding (MOU) with various corporate for rendering certain medical services at agreed rates with the respective corporate. In Certain cases medical facilities are offered at empanelled hospitals based on insurance contracts entered, wherein patients are provided with cashless medical services and the healthcare provider	Under Ind AS, No Significant / material impact is expected on currently applied practice of recognising revenue as and when services are performed unless an impact arising from any other areas such as multiple element arrangement, longer credit terms, etc.

Sr. No.	Ind AS	Particulars	Indian GAAP	Ind AS
			charges revenue to the government agencies/insurance managers.	
			Under Indian GAAP, interest to be recognised on time proportion basis.	Under Ind AS, Interest to be recognised using effective interest rate method.
			Under Indian GAAP, permit the use completed service contract Method for recognition of revenue.	Ind AS requires recognition of revenue using percentage of completion Method Only.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with the Restated Consolidated Financial Statements, prepared in accordance with the Companies Act, Indian GAAP and the SEBI ICDR Regulations, the notes and significant accounting policies thereto and the reports thereon, in the "Financial Statements" on page 217. The Restated Financial Statements are based on Indian GAAP, which differs in certain significant respects from U.S. GAAP, IFRS and Ind AS. Accordingly, the degree to which the Restated Financial Statements on page 217 in this Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian accounting practices.

Our financial year ends on March 31 of each year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such with forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections "Risk Factors" and "Our Business" on pages 19 and 150, respectively included in this Red Herring Prospectus.

In this section, unless the context otherwise requires, a reference to the "Company" is a reference to Shalby Limited and a reference to "we", "us" and "our" is to our Company and its Subsidiaries on a consolidated basis.

OVERVIEW

We are one of the leading multi-specialty chain of hospitals in India (*Source: F&S Report*). Our hospitals are tertiary care hospitals, few of which also offer quaternary healthcare services to patients in various areas of specialisation such as orthopaedics, complex joint replacements, cardiology, neurology, oncology, and renal transplantations. As on the date of this Red Herring Prospectus, we provide inpatient and outpatient healthcare services through 11 operational hospitals with an aggregate bed capacity of 2,012 beds. As on June 30, 2017, we had nine operational hospitals with an aggregate operational bed count of 841 beds. We had a 15% market share of all joint replacement surgeries conducted by private corporate hospitals in India in 2016 (*Source: F&S Report*). As on the date of this Red Herring Prospectus, we also provide outpatient services through 47 Outpatient Clinics and have ten shared surgery centres within third party hospitals, which we call "Shalby Arthroplasty Centre of Excellence" ("**SACE**"), where we offer orthopaedic healthcare services including surgeries. Since March 2007, we have conducted an aggregate of 92,100 surgeries, and provided healthcare services to an aggregate of 1,025,533 patients, consisting 133,652 inpatients and 891,881 outpatients.

Headquartered in Ahmedabad, India, we have a domestic and overseas outreach through a network of hospitals in India, and Outpatient Clinics and SACE located in India, Africa, and the Middle East. Having strong presence in western and central India and focus on Tier – I and Tier – II cities, our hospitals operate across five states, our Outpatient Clinics operate across 37 cities in 12 states in India, and our SACE are present in seven cities in six states in India. Our international footprint consists five Outpatient Clinics and one SACE in Africa, and two SACE in the UAE. We are expanding our footprint in western and central India with hospitals being set up in Nashik and Vadodara. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164.

Led by Dr Vikram Shah, an orthopaedic surgeon with more than 25 years of professional experience, we have grown from a single hospital to a chain of multi-specialty hospitals. Our first hospital, Vijay Shalby, was established by Shalby Orthopaedic Hospital and Research Centre, one of our Group Entities, in the year 1994. From the year 2004, the operations of Vijay Shalby have been undertaken by our Company. Our second, and third hospitals, SG Shalby and Vrundavan Shalby commenced operations in the year 2007 and the year 2011, respectively. From four hospitals in April 2012, we have grown to 11 hospitals as on the date of this Red Herring Prospectus.

We have benefited significantly from the experience and expertise of Dr Vikram Shah, one of our Promoters, who has been credited by Ethicon India for his involvement in the development of the 'OS Needle'. The OS Needle has been successful in simplifying soft tissue procedures, thereby reducing the risk of infection and the high rates of failure that once existed while undertaking orthopaedic surgeries. Apart from use of the OS Needle, we also employ an innovative surgical procedure which we call 'Zero Technique' that involves minimum incision during the surgery thereby reducing infection rates and surgical time required to complete a total knee replacement surgery.

Apart from a focus on orthopaedics, our hospitals provide advanced levels of care across various specialties such as neurology, cardiac care, critical care, oncology, and nephrology. It has been our endeavour to ensure that our patients are offered quality healthcare services. To this end, our hospitals are equipped with modern medical equipment required to provide multispecialty healthcare services and employ practices and policies to ensure quality of the healthcare services offered. Some of our hospitals are equipped with modern equipment which *inter alia*, include linac systems, holmium lasers, thulium lasers, and intra-operative neuro monitoring systems. Our hospitals, Krishna Shalby, SG Shalby, Shalby Indore and Shalby Jabalpur are accredited by the NABH. Further, Krishna Shalby and SG Shalby are also accredited by the NABL. In addition, we have submitted applications to the NABH for accreditation of one of our hospitals, Vijay Shalby.

We operate and expand our business through a combination of the following models:

- Owning and operating multi-specialty hospitals;

- Operating and managing hospitals on a revenue sharing basis, by adopting an asset-light model;

- Associating with third-party hospitals on a revenue sharing and/or professional fee basis to offer orthopaedic healthcare services under SACE; and

- Providing orthopaedic healthcare services through Outpatient Clinics that are either independently operated by us, or operated by us within third party premises on a revenue sharing basis.

As a part of our ancillary services, we offer certain educational programmes through "Shalby Academy" ("**Shalby Academy**"), home-based healthcare services under "Shalby Homecare" ("**Shalby Homecare**"), and also undertake clinical research trials. Through Shalby Academy, we offer educational programmes including diplomas and fellowships in a range of medical and para-medical disciplines. Under Shalby Homecare, we offer home-based healthcare services, which *inter alia*, include nursing services, physiotherapy services, and home deputation of medical officers. Further, we have been engaged in conducting clinical research trials since 2006. These clinical research trials are conducted at our hospitals SG Shalby and Krishna Shalby. The clinical research trials are supervised and monitored by ethics committees, and are typically sponsored by pharmaceutical companies and various clinical research organisations.

As of June 30, 2017, we employed 2,049 employees and engaged 319 professional consultants, consisting 294 doctors who are full-time consultants and 25 doctors who are part-time consultants. Our staff strength also comprises 699 nurses and 1,350 paramedical, corporate and support staff and pharmacists.

We believe that our brand equity is strongly associated with our leadership in joint replacements. In recognition of our service, clinical, and financial excellence, we have been recipients of various awards, which we believe have created our strong brand value. These awards *inter alia*, include the "*Best Multispecialty Hospital*" award under the *"Metro*" category, instituted by CNBC in the year 2015, the "*Emerging Tertiary Care Hospital of the Year*" award instituted by VCCircle Network in the year 2015, and the "*Healthcare Service Provider Company of the Year*" award instituted by Frost and Sullivan in the year 2013. For further details, see "*History and Certain Corporate Matters – Awards and Accreditations*" on page 179.

We have invested in, and have established a robust IT system both for clinical purposes as well as integrating systems and processes through ERP towards streamlining our clinical and administrative functions. We have adopted technology with a view to ensure quick transmission of disease data, subsequent analysis, and prompt disease management.

The key highlights of our financial and operating metrics on a consolidated basis from Fiscal 2013 to Fiscal 2017, and for the three months period ended June 30, 2017, are set out in the table below:

Particulars	Three months period ended June 30, 2017(1)	Fiscal 2017(1)	Fiscal 2016(1)	Fiscal 2015(1)	Fiscal 2014(1)	Fiscal 2013(1)
Total bed capacity(2)	2,012(3)	2,012(3)	1,295	907	674	674
Number of operational beds(2)	841 (3)	781	823	593	455	373(5)
Revenue (in ₹ million)	905.99	3,328.62	2,925.56	2,776.26	2,616.76	2,298.28
EBITDA margin (%)	28.85	22.24	19.10	24.50	24.20	18.45
Bed occupancy rate (%)*	33.76	34.48	31.75	40.95	39.62	49.03(5)
ARPOB (in ₹)(4)	36,720	33,032	34,173	39,904	39,349	40,838(5)
ALOS	3.88	3.99	4.14	4.03	3.96	4.10
Average RoCE (%)	3.66(6)	11.12	13.12	21.15	35.33	24.75
Inpatient volume	6,258	24,704	20,528	17,147	16,609	15,348
Outpatient volume	47,956	166,519	152,921	128,821	125,981	110,919

(1) *Data in respect of Vrundavan Shalby has been considered until December 9, 2016, the date on which its operations were temporarily suspended by our Company*
(2) *Total bed capacity and number of operational bed are as at the end of the relevant Fiscal or accounting period, as the case may be.*
(3) *Total bed capacity and number of operational beds as on March 31, 2017 June 30, 2017 do not consider Vrundavan Shalby since the operations at Vrundavan Shalby were temporarily suspended by our Company from December 9, 2016. Further, number of operational beds as on June 30, 2017 does not include Shalby Naroda and Shalby Surat which started providing in-patient services from July, 2017 and August, 2017, respectively.*
(4) *ARPOB is based on our Company's revenue from operations. (EBITDA Margin also based on our revenue from operations).*
(5) *Does not include data pertaining to Shalby Vapi since occupancy data for Shalby Vapi is not available for Fiscal 2013.*
(6) *Average ROCE not annualised..*

* *Bed occupancy rate, calculated by dividing the total number of occupied bed days by the total operational bed days.*

As of June 30, 2017, we achieved a capital cost per bed of ₹4.2 million. The average capital cost per bed is arrived at by dividing the total capital expenditure incurred by us, by the number of beds installed in a particular hospital.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Expansion of our hospital network

Expansion of our network of hospitals is one of the most important factors that impacts our results of operations and financial condition. In the past, we have grown our network of hospitals through greenfield and brownfield projects, strategic acquisitions and through asset light O&M arrangements with third party healthcare service providers. We are constantly exploring appropriate locations for setting up new hospitals and seeking acquisition opportunities to expand our network of hospitals. Our outpatient clinics and SACE have also given opportunity to carry out preliminary assessment of markets, which helps us in determining the feasibility of setting up full-fledged hospitals in new locations, involving high expenditure. Each new facility goes through an initial ramp-up period during which the operating expenses exceed the revenue generated by the respective unit, resulting in operating losses. Most of the infrastructure for a new facility is required to be installed at the time of commencement of operations and several operating and administrative expenses such as rent, electricity, insurance, advertising and publicity expenses, are required to be incurred regardless of revenue from operations. Thus, initially, operating expenses will represent a higher percentage of a hospital unit's total revenue until patient volumes reach targeted levels. We believe our operations have sufficient flexibility to successfully integrate new projects.

Each new hospital that we establish increases the number of patient cases treated in our network of hospitals and contributes to our continued revenue growth. In Fiscal 2016, we expanded our hospital network into north India through Shalby Mohali and in Fiscal 2017 we expanded through facilities at Jaipur, Surat and Naroda. We have continuously invested in increasing our aggregate bed capacity and have increased the bed capacity at our hospitals to 2,012 and the aggregate operational bed count to 841 as on June 30, 2017. With an aim to capitalise on the demand for healthcare in western and central India, we are currently in the process of setting up hospitals with a total capacity of 113 beds and 150 beds in Nashik and Vadodara, respectively. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164. Further, we also intend to expand our hospitals to northern India, eastern India, and north eastern India. As part of our expansion strategies, we also intend on expanding our existing hospitals. For instance, we are presently in the process of expanding Zynova Shalby, our hospital in Mumbai, by increasing the bed capacity from 50 to 150. For further details, see "*Our Business – Description of Business – Hospitals – Expansion Plans*" on page 164.

Our ability to expand our network of hospitals depends on many factors, including:

- reputation of our hospitals and specialist doctors and quality of services at our hospitals;
- the success of our business development efforts in identifying suitable location and partners as well as executing arrangements with our partners to establish new hospitals;
- our ability to manage our growth and achieve economies of scale, as we grow our business;
- implementation of latest technology at our hospitals; and
- our financial resources.

While we continue to explore opportunities to expand our network of hospitals, we may also be impacted by economic and social factors in each of the locations we operate out of. Our management decisions are influenced significantly by our current financial condition, expectations of future growth, relationship with our partners and our perception of opportunities, together with associated risks and costs. For instance, in Fiscal 2017, we have temporarily suspended operations of one of our hospitals, Vrundavan Shalby, which led to the decommissioning of 41 beds on account of losses incurred. Cessation or suspension of operations, depending on the size and scale of the facility, may impact our operating results, such as revenue and profits.

Patient volumes and case mix

The number of patients we serve is a very critical factor affecting our results of operations and financial condition. Through our wide network of Outpatient Clinics and SACEs, we have witnessed a steady increase in patient footfalls, with patients travelling from various parts of the country and overseas to avail intensive diagnosis and treatment at our hospitals. Our inpatient volumes have grown significantly from 17,147 in Fiscal 2015 to 24,704 in Fiscal 2017. For the three months ended June 30, 2017 our inpatient volume was 6,258. We believe this growth is due to a number of factors, including increase in disposable income allocable to healthcare services, the increasing prevalence of age related and long-term diseases such as trauma, oesteo militis, oesteoporosis arthritis, hypertension, heart disease, cancer and diabetes as well as greater awareness generally among Indians of the importance of preventive healthcare services.

Inpatient and outpatient volumes at our healthcare facilities are driven primarily by, amongst others, brand reputation, specialist doctors, latest technology, quality and wide range of the services offered. Other factors are the economic and social conditions of local communities, the degree of competition from other healthcare facilities, seasonal illness cycles, climate and weather conditions, the clinical reputation of our doctors, doctor retention and attrition, negotiations or terminations of corporate contracts, insurance relationships or approved healthcare provider panels in respect of employee healthcare needs and spending ability.

Our revenue from hospital operations are highly dependent on the occupancy rates at our healthcare facilities, which are critical to optimizing profitability at our facilities. The occupancy rate of a healthcare facility is a function of conversions of outpatients to inpatients and of direct admissions. The revenue from operations and average realization per patient are dependent on the volume of patients as well as on the patient mix between the specialties that we cover. In Fiscal 2013, our bed occupancy rate was 49.03% and ARPOB generated by our Company was ₹40,838. During three months period ended June 30, 2017 and Fiscal 2017, the bed occupancy rate was 33.76% and 34.48%, respectively and ARPOB was ₹36,720 and ₹33,032 respectively. The bed occupancy rate on a consolidated basis has decreased over the years on account of commencement of new hospitals which require time to achieve large patient volumes, resulting in a lower occupancy rate. Further, we are required to customize our pricing based on various factors including per capita income and competition. This, along with our transition from a predominantly orthopaedics centric business to a multispecialty business, has led to a reduction in our ARPOB on a consolidated basis over the years. As a significant portion of inpatient income is derived from medical services provided in the initial two to three days of an inpatient visit, we seek to increase our ARPOB by optimizing the length of patient stay, increasing capacity turnover, focusing on complex procedures and achieving higher operating efficiency through the adoption of advanced technology and through the provision of improved medical services. In Fiscal 2013, the ALOS was 4.10. The ALOS during three months period ended June 30, 2017 and Fiscal 2017 was 3.88 and3.99, respectively. Our revenue from outpatient services at our clinics are highly dependent on the availability of doctors and our ability to provide a wide range of services.

To increase patient volumes, we undertake a host of marketing activities through multiple conventional and unconventional channels. We have a dedicated team of professionals who oversee different marketing related functions and our marketing efforts and we also engage services of reputed public relations agencies, periodically. We engage in marketing of our healthcare services through organizing health camps and through advertising campaigns in print, television and digital media. For further details, see "*Our Business – Marketing and Promotional Activities*" on page 169. Our advertising and publicity expenses have increased during the recent years. For the three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, our advertising and publicity expenses were ₹ 11.55 million, ₹ 45.71 million, ₹ 41.20 million and ₹ 17.72 million, respectively. Together with our strategy to expand our hospital network, we also intend to focus on our marketing and advertising efforts, which may result in an increase in our business promotion expenses, which may in turn have an impact on our results of operations.

Cost of consumables

Cost of materials consumed constitutes a significant portion of our expenses. Cost of consumption comprises consumption of drugs as well as medical and non-medical consumable items, which are utilised in the course of our operations, including for diagnosis and treatment of patients. For the three month period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, cost towards materials and consumables consumption formed a significant part of our expenses representing 25.40%, 25.98%, 28.96% and 31.72%, respectively of our total expenses and 20.50%, 22.33%, 25.59% and 27.02%, respectively of our total revenue. We try to reduce our costs of consumption through our efforts in centralising the procurement function, which allows us to maximise the utilisation of drugs and lower the overall cost of consumption. Further, we also try to reduce our costs of consumption by implementing measures to improve our operating efficiencies, including reducing our consumption quantities of disposable items and wastage.

We expect our cost of consumption to increase in absolute terms as we continue to expand our network of hospitals. We expect that while prices for drugs and consumables will increase in the future, cost of drugs and consumables could potentially decrease as a percentage of our consolidated total expenses and revenue due to economies of scale and greater bargaining power that comes with a larger network.

Payment of professional fees to doctors and consultants

Our ability to attract and retain specialist doctors is critical to our success. We are required to pay competitive fees, salaries and perquisites to our doctors in order to retain them.

As of June 30, 2017, we engaged 294 doctors who are full-time consultants and 25 doctors who are part-time consultants. In addition to this, we engage doctors as visiting consultants who use facilities at our hospitals to treat their patients. For further details, see "*Our Business – Our Competitive Strengths*" on page 152. Compensation paid to such doctors is recorded as "*Fees to doctors and consultants*" as a part of the operating expenses in our financial statements. For the three months ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015, fees paid to doctors and consultants represented 25.63%, 27.91%, 29.56% and 29.23%, respectively, of our total expenses and 20.37%, 23.44% 25.93% and 24.70%, respectively, of our total revenue.

We expect professional fees paid to increase as our patient volumes and revenue from operations increase. We may not always be successful in controlling upward pressure in the amount of professional fees paid to our doctors, and we may not be successful in simultaneously increasing our tariffs in proportion to the increase in such fees, as a result of which, our profitability may decline temporarily.

Employee costs

The healthcare industry being manpower intensive, employee benefits expenses have historically been a significant portion of our total expenses, representing 12.63%, 14.04%, 11.27% and 8.46% of our total expenses and 10.04 %, 11.79%, 9.89% and 7.15% of our total revenue, for the three month period ended June 30, 2017, Fiscal 2017, 2016 and 2015, respectively.

When we set up a new or expand an existing hospital, we are required to provide the full range of services and are required to ensure that such hospitals are adequately staffed even if occupancy rates are yet to reach target levels. As such, our employee benefits expenses will constitute a higher percentage of our revenue in respect of such newly set up or expanded hospitals prior to maturity. Such proportion is expected to decline as operations are ramped up and patient volumes and manpower utilization rates increase.

Payer mix

Our patients include patients who pay for their medical expenses themselves and patients who are beneficiaries of third party payer agreements. Patients who pay for themselves are mainly uninsured patients who pay for our services in cash, or insured patients who are paying the excess costs which exceed their insurance policy limit.

Historically, a significant portion of revenue has been through self-paying patients. While we believe that this trend is likely to remain the same in the near future, the trend is expected to change with the gradually expanding health insurance landscape and greater awareness of the healthcare delivery infrastructure among people and employers. According to the F&S report, with growing penetration of insurance, out-of-pocket spend in India reduced considerably compared to other Asian countries like Singapore and Malaysia, which have an increasing trend of out-of-pocket expenditure. We believe that we are positioned to adapt and take advantage of this transition.

In the case of patients who are beneficiaries of third party payer agreements, all or part of the medical bill is payable by the third-party payer as per the terms of the relevant payer agreement. To be eligible for reimbursement by a third-party payer, our hospitals need to be empanelled by the payer, and pursuant to such empanelment, we enter into an agreement with the payer. Each third-party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment. Third party payers include (i) central, state and local government bodies under government schemes including CGHS, ECHS, ESIC and MA Yojana; (ii) third party administrators acting on behalf of insurers; and (iii) corporate entities that pay for medical expenses of their employees and in certain cases, their dependents.

The following table shows revenue from third party payers and percentages for three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015:

(₹ in million, except %)

Particulars	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Revenue from central, state and local government bodies under government schemes	96.07	331.35	273.09	219.07
Percentage of our total revenue (%)	11.25	10.54	9.82	8.34
Revenue from insurers acting through third party administrators	281.72	1,049.79	578.22	843.71
Percentage of our total revenue (%)	32.98	33.40	20.79	32.14
Revenue from private corporate bodies	9.91	42.15	31.00	38.55
Percentage of our total revenue (%)	1.16	1.34	1.11	1.47
Revenue from self-payers	466.41	1,719.83	1,894.06	1,524.14
Percentage of our total revenue (%)	54.61	54.72	68.10	58.05

Our revenue and profitability depend on the applicable third-party tariffs, the extent of third-party coverage or limits, the payment terms or the reimbursement policies related to these third-party arrangements. To the extent third-party tariffs increase and some of the other elements of our third-party arrangements become more favourable to us, our revenue and profitability may increase, while a reduction in tariffs or any adverse changes relating to our third-party arrangements could negatively impact our revenue and profitability. For the three months period ended June 30, 2017 and Fiscal 2017, revenue from self-paying patients represented 54.61% and 54.72%, respectively, of our total revenue and revenue from third party payers represented 32.98% and 33.40%, respectively, of our total revenue.

Any non-payment by such third-party payers will impact our revenue and profitability. In the past, there have been delays and non-payment by third party payers.

We make provisions for disallowances and doubtful trade receivables in our financial statements on account of the probability of not being able to collect the amounts billed to third party payers, based on our actual experience of disallowances and collection from each category of payer. Provisions for disallowances reduce our revenue from operations and provisions for doubtful trade receivables increase our expenses and thus reduce our profitability.

Finance cost

Our operations and proposed expansions are funded to a large extent through debt. Increase in our interest expenses may have an adverse effect on our results of operations and financial condition. As of June 30, 2017, our total principal amount of indebtedness was ₹ 3,439.92 million and the majority of our indebtedness entailed floating interest rates.

During the three months period ended June 30, 2017 and Fiscal 2017, our total interest cost was ₹ 39.92 million and ₹ 88.68 million, respectively. Owing to our significant indebtedness, an increase in interest rates may impact our results of operations.

SIGNIFICANT ACCOUNTING POLICIES

Summary of Significant Accounting Policies

(a) Basis of preparation of Restated Consolidated Summary Statements and financial information

The Restated Consolidated Summary Statement of assets and liabilities of our Company as at June 30, 2017 and March 31, 2017, 2016, 2015, 2014 and 2013 and the related Restated Consolidated Summary Statement of profits and loss and Restated Consolidated Summary Statement of Cash Flows for the three months period ended June 30, 2017 and each of the financial years ended on March 31, 2017, 2016, 2015, 2014 and 2013 have been extracted by the management from the audited consolidated financial statements of our Company for the period ended June 30, 2017 and each of the financial years ended on March 31, 2017, 2016, 2015, 2014 and audited special purpose consolidated financial statements for the financial year ended March 31, 2013.

The summary of consolidated financial statements as restated ("**Restated Consolidated Summary Statements**") of our Company and its subsidiaries (together the "**Group**") have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013(the "**Act**") read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act / Companies Act, 1956, as applicable. The restated consolidated summary statements have been prepared on a going concern and accrual basis. The accounting policies adopted in preparation of restated consolidated summary statements are consistent with those followed in the period ended June 30, 2017 and financial years ended on March 31, 2016, 2015, 2014 and 2013 except for change in accounting policy for depreciation as more fully described in Note (e) to Annexure – 4 of the Restated Consolidated Summary Statements.

These Restated Consolidated Summary Statements have been prepared to comply in all material aspects with the requirements of Section 26 of the Companies Act, 2013, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**Regulations**").

Appropriate adjustments have been made to the Restated Consolidated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited consolidated financials of our Company for the period ended June 30, 2017. Accordingly, the previous years' figures have been reworked, regrouped and reclassified wherever necessary, to confirm to current year presentation.

(b) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of Subsidiaries used in the consolidation are drawn up to the same reporting date as that of our Company. Necessary adjustments have been made for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements, in the event, the reporting date of financial statement of subsidiary company is not identical. These have been consolidated based on latest available financial statements.

(ii) The financial statements of our Company and its Subsidiaries have been combined on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances, intra-group transactions and resulting in unrealised profit or losses unless cost cannot be recovered.

(iii) The financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and have been presented to the extent possible in the same manner as our Company's separate financial statements.

(iv) The difference between the cost of investment in the Subsidiaries, and our Company's share of net assets at the time of acquisition of share in the subsidiaries is recognized in the consolidated financial statement as Goodwill or Capital Reserve as the case may be and disclosed on net basis. Goodwill so arising is not amortised. However, the same is tested for impairment at each Balance Sheet date.

(v) Financial Statements of foreign subsidiary company which is considered as integral operation are translated as if the transactions of foreign subsidiaries have been those of company itself.

(vi) Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and equity of our Company's shareholders.

Minority interest in the net assets of consolidated subsidiaries of:

(i) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and

(ii) The minority share of movements in equity since the date parent-subsidiary relationship came into existence.

(iii) Minority interest's share of Net Profit/(Loss) for the year of consolidated subsidiaries is identified and adjusted against the profit after tax of the group.

(iv) Following subsidiary entities have been considered in the preparations of the consolidated financial statement.

S. No.	Name of the entity	% of ownership held by our Company as at					
		June 30, 2017	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
(i)	Shalby Kenya Limited	100.00	100.00	100.00	100.00	100.00	100.00
(ii)	Shalby International Limited	100.00	100.00	100.00	100.00	100.00	100.00
(iii)	Vrundavan Shalby Hospitals Limited	55.00	55.00	55.00	55.00	55.00	55.00
(iv)	Yogeshwar Healthcare Limited	94.68	94.68	94.68	94.68	94.68	94.68
(v)	Kusha Healthcare Limited	--	--	--	82.27	67.50	60.00
(vi)	Griffin Mediquip LLP	95.00	95.00	95.00	70.00	70.00	70.00

All the above mentioned entities are based in India except '(i)' which is based in Kenya. Ownership in all the above entities is held by our Company.

(v) The figures pertaining to subsidiary companies / LLP have been reclassified and regrouped wherever necessary to bring them in line with our Company's financial statements.

(c) Use of estimates

The preparation of consolidated summary statements and financial information in conformity with Indian GAAP requires the management of our Company to make certain estimates and assumptions. The management of our Company believes that the estimates used in preparation of the financial statements are prudent and reasonable. These estimates and assumptions affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(d) Fixed Assets

(i) Tangible and Intangible Assets

Tangible Fixed Assets are stated at the cost of acquisition or construction less accumulated depreciation and impairment losses, if any. The cost comprises of purchase price and any other cost attributable of bringing the asset to its working condition for its intended use.

Intangible assets are recognized at the consideration paid for acquisition of such assets are carried at cost less accumulated amortization and accumulated impairment loss, if any

(ii) Capital Work In Progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and interest attributable.

(iii) Impairment of Assets

An assessment is done to determine whether there is any indication of impairment. An asset is treated as impaired when its carrying cost exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Our Company has adopted the policy of carrying out impairment test once every three financial years.

(e) Borrowing Costs

Borrowing cost including interest, guarantee fees commitment charges etc., that is directly attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset up to the period the project is commissioned or asset is put to use. The borrowing cost incurred on common funds borrowed generally and used for the purpose of obtaining a qualifying asset, is apportioned on rational basis, the remaining borrowing cost is charged to the revenue.

(f) Depreciation and Amortization

Depreciation on Tangible Fixed Assets, up to financial year ended March 31, 2014, was provided on 'Straight Line Method'' at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of the Companies Act, 2013 with effect from April 1, 2014, depreciation / amortization is provided on the Straight Line Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013 read with the relevant notification issued by the Department of Company affairs.

The management has re-estimated useful lives of below mentioned asset and on the basis of same, depreciation in respect of such asset is provided prospectively from April 1, 2016 over the balance useful lives. The management estimates revised useful life for such assets as under:

Hospital Building (*) : 30 years

(*) For this class of assets based on internal assessments and technical evaluation carried out by the management, it believes that useful life as given above best represents the period over which management expects to use this assets. Hence the useful life for this asset is different from useful life as prescribed under Part C of schedule II to the Companies Act 2013.

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to our Company for its use. The management estimates useful life for intangible asset comprising of computer software as follows:

Computer Software : Over a period of three years

Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

Goodwill on merger / amalgamation is charged to statement of profit and loss in the year in which the same is generated.

Overseas subsidiary company i.e. Shalby Kenya Limited is calculated Depreciation using the reducing balance method to write down the cost of each asset to its residual value over its estimated useful life using the following rates.

Office Equipment	:	12.50%
Furniture and Fittings	:	12.50%
Computer	:	30.00%

On account of adoption of useful lives as specified in Part C of Schedule II to the Companies Act, 2013, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in Fiscal 2015 and in each period during the remaining useful life of the assets. As the change is only with regard to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014 and 2013.

(g) Investment

Investments are classified into current and long term investments. Current investments are stated at the lower of cost and fair value. Long term investments are stated at cost price. Provision for diminution in the value of Long Term Investment is made only if; such decline is not temporary in nature in the opinion of the Management.

(h) Inventories

(i) The inventories of all medicines, Medicare items traded and dealt with by our Company are valued at cost or net realizable value whichever is lower. Cost is after adjusting Value Added Tax wherever applicable.

(ii) Materials and consumables and general stores are charged to the Statement of Profit and Loss as and when they are procured and stock of such items at yearend is valued at cost.

(i) Revenue Recognition

(i) Income from Healthcare Services is recognised based on completed service method. Income from Healthcare Services in respect of Indoor/ Outdoor patients as at Balance Sheet date is recognised on proportionate basis to the extent of services rendered.

(ii) Pharmacy Sales are recognised net of returns and discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to the customers. Sales are adjusted for Value Added Tax wherever applicable.

(j) Transactions in Foreign Currency

(i) Initial Recognition

Transactions denominated in foreign currencies entered into by our Company are normally recorded at the exchange rates prevailing on the date of transaction or at monthly average exchange rate prevailing at the time of the transaction.

(ii) Measurement at the Balance Sheet date

Monetary items denominated in foreign currency at year end date are restated at exchange rate prevailing on that date.

(iii) Treatment of exchange differences

Any income or expense on account of exchange difference either on settlement or restatement of monetary items is recognised as income / expenses in the statement of profit and loss.

(k) Retirement Benefits

(i) Contribution Plan

The Group has Defined Contribution Plan for its employees' retirement benefit comprising of provident fund and Employees Death Linked Insurance. The Group and eligible employees make monthly contributions to such schemes equal to specified percentage of the covered employees' salary.

The Group has no further obligations to the above referred plans beyond its monthly contributions.

(ii) Defined Benefit Plan

For Defined Benefit Plan the cost of providing benefits is determined using the Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains or Losses are recognised in full in statement of Profit and Loss for the period in which they occur

- Gratuity

  Our Company makes annual contribution to the Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The Scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service, or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

- Leave Encashment Benefit

  Leave encashment are accounted for based on actuarial valuation by the actuaries.

(l) Taxation

(i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

(ii) Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that our Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to our Company.

(iii) The Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period using the tax rates and laws that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax on timing differences other than those referred above is recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such assets can be realized.

(m) Earnings Per Share

In determining the earnings per share, our Company considers the net profit (after tax and extraordinary items) attributable to equity shareholders and includes post-tax effect of any extraordinary items. The number of shares used in computing the earnings per share is the weighted average number of shares outstanding during the period. For computing diluted earnings per share, potential equity is added to the above weighted average number of shares.

(n) Prior Period Items and Extra - Ordinary Items

Adjustments arising due to errors or omission in the financial statements of earlier years are accounted under "Prior Period" in consolidated financial statements. However, for the purpose of consolidated restated financial information, the same are adjusted in respective financial years to which it pertains. Items of Income & Expenditure, which are not of recurring nature viz., damages due to floods, earth quakes etc. are disclosed as extra ordinary items.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

(p) Cash and Cash Equivalents (for the purpose of Cash Flow Statements)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balance (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non – cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

(r) Government Subsidies

(i) Subsidy available to the Group on capital account is credited to "Deferred Government Subsidy" and an amount equal to the depreciation on assets created / acquired out of such subsidy is transferred from "Deferred Government Subsidy" to Statement of Profit and Loss based on principles of deferred income stated in Accounting Standard 12 "Accounting for Government Grants" i.e. allocated to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

(ii) Subsidy on Revenue account i.e. Interest subsidy is carried to Statement of Profit and Loss and adjusted against the relevant Finance cost.

(s) Goodwill

Goodwill arising out of consolidation of financial statements of Subsidiaries is not amortised. However, the same is tested for impairment at each Balance Sheet date.

PRINCIPAL COMPONENTS OF OUR INCOME AND EXPENDITURE

Revenue

Revenue from operations

Our revenue from operations comprises income from healthcare services, sale of medicines and medicare items and other operating revenue. Income from healthcare services comprises income from in-patient discharge, out-patient discharge, dental care services, income from diagnostic services and income from clinical trials. Income from sale of medicines and medicare items includes income from consumption of drugs and other consumables by patients during the course of treatment.

Other operating revenue primarily comprise of income from allied services including ambulance, visitor passes and dormitory.

Other income

Other income comprises of interest income on loans (currency swap arrangements), interest income on bank deposits, interest income on income tax refunds, rent, dividend, net foreign exchange fluctuation gain, gain on sale of investment, profit on sale of assets, sponsorship for annual events such as doctors' conferences, training, and deferred income upon capital subsidy.

Expenses

Main categories of our expenses include purchase of traded goods such as pharmaceutical drugs, consumables and surgical instruments, operating and other expenses, employee benefits expenses, finance cost, depreciation and amortisation expenses and administrative and other expenses.

Operating and other expenditure

Operating and other expenditure constitute a significant portion of our total expenses. Operating and other expenditure primarily include cost of materials and consumable items that are utilised in the course of our operations, and treatment of patients and fees to doctors and consultants. It also includes diagnostic expenses, power, fuel and water charges, housekeeping and catering expenses, cost for attendants and security guards as well as other operative expenses.

Employee benefits expenses

Employee benefits expenses consist primarily of salaries, wages and bonus payments, contribution to the statutory provident and other funds and staff welfare and training expenses.

Finance cost

Finance cost consists primarily of interest expenses on borrowings, and other borrowing cost.

Depreciation and amortisation expense

Depreciation consists of depreciation on buildings, medical equipment, furniture and fixtures, motor vehicles, computers and office equipment. Amortisation consists of amortisation of intangible assets such as software and goodwill.

Administrative and other expenses

Our administrative and other expenses consist of rental expenses, travelling and conveyance expenses, auditor's remuneration, legal fees, stationary and printing expenses, insurance expenses, communication expenses, repairs and maintenance expenses on building, machinery and others, advertising and publicity expenses, bank charges, loss on sale or discarding of assets, loss on account of foreign exchange fluctuations, project expenses written off, provision for impairment loss, provision for bad and doubtful debts and other expenses.

RESULTS OF OPERATIONS

The following table sets forth certain items derived from our Restated Consolidated Financial Statements for three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015:

Particulars	**Three months period ended June 30, 2017**		**Fiscal 2017**		**Fiscal 2016**		**Fiscal 2015**	
	₹ in million	***% of total revenue***	***₹ in million***	***% of total revenue***	***₹ in million***	***% of total revenue***	***₹ in million***	***% of total revenue***
INCOME								
Revenue from operations	892.28	98.49	3,253.87	97.75	2,904.06	99.27	2,754.17	99.20
Other income	13.71	1.51	74.75	2.25	21.50	0.73	22.09	0.80
Total revenue	**905.99**	**100.00**	**3,328.52**	**100.00**	**2,925.56**	**100.00**	**2,776.26**	**100.00**
EXPENSES								
Purchases of traded goods	17.30	1.91	58.31	1.75	43.95	1.50	43.68	1.57
Operative and other expenses	459.50	50.72	1,823.48	54.78	1,783.74	60.97	1,670.64	60.18
Changes in inventories	(3.54)	(0.39)	(4.75)	(0.14)	0.62	0.02	0.83	0.03
Employee benefits expenses	90.93	10.04	392.56	11.79	289.21	9.89	198.43	7.15
Finance cost	40.68	4.49	97.94	2.94	103.85	3.55	54.23	1.95
Depreciation and amortization (Net)	44.49	4.91	168.00	5.05	113.33	3.87	212.37	7.65
Administrative and other expenses	70.64	7.80	260.63	7.83	231.62	7.92	165.74	5.97
Total expenses	**720.00**	**79.47**	**2,796.17**	**84.00**	**2,566.32**	**87.72**	**2,345.92**	**84.50**
Profit before Tax	**185.99**	**20.53**	**532.45**	**16.00**	**359.24**	**12.28**	**430.34**	**15.50**
TAX EXPENSE								
Current tax	38.95	4.30	119.22	3.58	84.00	2.87	100.00	3.60

Particulars	Three months period ended June 30, 2017		Fiscal 2017		Fiscal 2016		Fiscal 2015	
	₹ in million	*% of total revenue*	*₹ in million*	*% of total revenue*	*₹ in million*	*% of total revenue*	*₹ in million*	*% of total revenue*
Tax in respect of earlier year	0.00	0.00	0.00	-	-	-	-	-
MAT credit entitlement	0.00	0.00	(410.00)	(12.32)	-	-	-	-
Deferred tax	2.29	0.25	207.49	6.23	(87.95)	(3.01)	84.82	3.06
Total tax expense	**41.24**	**4.55**	**(83.29)**	**(2.50)**	**(3.95)**	**(0.14)**	**184.82**	**6.66**
Profit for the period/year after tax (before share of profit / loss of the minority interest)	**144.75**	**15.98**	**615.74**	**18.50**	**363.19**	**12.41**	**245.52**	**8.84**
Share in (profit)/ loss of minority interest	(0.84)	(0.09)	9.89	0.30	12.64	0.43	11.81	0.43
Profit for the period / year ended, as restated	**143.91**	**15.88**	**625.63**	**18.80**	**375.83**	**12.85**	**257.33**	**9.27**

THREE MONTHS PERIOD ENDED JUNE 30, 2017

Our results from operations for the three months ended June 30, 2017 were particularly impacted by the following factors:

a. Commencement of in-patient services at Shalby Jaipur which added 41.78 million to our total revenue during the three months period ended June 30, 2017.

b. Shalby Indore and Shalby Jabalpur achieving positive EBITDA with a bed occupancy rate of 26.82% on 155 operational beds and 30.78% bed occupancy rate on 138 beds, respectively.

Revenue

Our total income was ₹ 905.99 million for the three months ended June 30, 2017, which consisted of revenue from operations of ₹ 892.28 million and other income of ₹ 13.71 million.

<u>Revenue from operations</u>

Our revenue from operations for the three months ended June 30, 2017 was ₹ 892.28 million which comprised of revenue from sale of medicines and medicare items of ₹ 22.54 million, revenue from sale of services of ₹ 867.73 million comprising income from inpatient discharge, outpatient discharge, dental care services, diagnostic services and clinical trial of ₹ 782.07 million, ₹ 64.13 million, ₹ 4.94 million, ₹ 13.14 million and ₹ 3.45 million, respectively and other operating revenue of ₹ 2.01 million.

The speciality wise revenue share for three months ended June 30, 2017 and last three years are as follows:

Specialties	Three months period ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Arthroplasty	61.54%	62.82%	66.05%	64.07%
Orthopaedics	5.97%	4.95%	5.15%	9.05%
Cardiac Sciences	7.30%	7.64%	6.26%	5.79%
General Medicine	6.07%	8.08%	7.89%	5.99%
General and Laparoscopy Surgery	2.50%	2.91%	2.46%	2.39%

<u>Other income</u>

Our other income for the three months ended June 30, 2017 was ₹ 13.71 million which consisted primarily of interest income of ₹ 3.84 million, rent income of ₹ 0.62 million, deferred income upon capital subsidy of ₹ 1.41 million, dividend income of ₹ 1.01 million and written back sundry balances of ₹ 5.76 million.

Expenses

Our total expenses for the three months ended June 30, 2017 were ₹ 720.00 million. Our total expenses as a percentage of total revenue was 79.47% for the three months ended June 30, 2017.

Operative and other expenses

Our operative and other expenses were ₹459.50 million for the three months ended June 30, 2017. Our operative and other expenses as a percentage of total revenue was 50.72% for the three months ended June 30, 2017. Operative and other expenses primarily comprised of cost of materials and consumables of ₹ 182.89 million, fees to doctors and consultants of ₹ 184.52 million, power, fuel and water charges of ₹ 23.07 million, housekeeping and catering expenses of ₹ 25.14 million and cost of attendants and security guards of ₹ 23.50 million.

Purchase of traded goods

Our expenditure in relation to purchases of traded goods were ₹17.30 million for the three months ended June 30, 2017, which amounted to 1.91% of the total revenue.

The change in inventories was ₹ (3.54) million for the three months ended June 30, 2017.

Employee benefits expenses

Our employee benefits expenses for the three months ended June 30, 2017 was ₹90.93 million. Employee benefits expenses as a percentage of total revenue was 10.04%. Employee benefits expenses comprised of expenses towards salary, wages and bonus of ₹ 86.04 million, contribution towards provident and other funds of ₹ 4.86 million and staff welfare and training expenses of ₹ 0.03 million.

Administrative and other expenses

Our administrative and other expenses for the three months ended June 30, 2017 were ₹70.64 million. Administrative and other expenses as a percentage of our total revenue was 7.80%. Administrative expenses primarily comprised of travelling and conveyance cost of ₹ 13.21 million, fees including legal fees of ₹6.28 million, stationary and printing expenses of ₹ 5.27 million, rent, rates and taxes of ₹ 5.70 million and communication expenses of ₹ 2.71 million, advertising and publicity expenses of ₹ 11.55 million, repairs and maintenance expenses towards building, machinery and others of ₹ 14.09 million. Other expenses include expenses towards books and periodicals, donation and guest houses expenses.

Finance cost:

Our finance cost for the three months ended June 30, 2017 was ₹40.68 million. Finance cost as a percentage of our total revenue was 4.49% and comprised of interest on borrowings of ₹ 39.92 million, other ancillary borrowing cost of ₹ 0.16 million and adjustment to interest cost on foreign currency translation of ₹ 0.60 million.

Depreciation and amortization:

Our depreciation and amortization expenses for the three months ended June 30, 2017 were ₹ 44.49 million. Depreciation and amortization expenses as a percentage of our revenue were 4.91%. Our depreciation and amortization expenses for the three months ended June 30, 2017 reflects depreciation of assets across hospitals.

Profit before tax

Our profit before tax for the three months ended June 30, 2017 was ₹ 185.99 million, which, as a percentage of our revenue was 20.53%.

Tax expenses

Tax expenses for the three months ended June 30, 2017 was ₹ 41.24 million comprised of current tax liability of ₹ 38.95 million and deferred tax of ₹ 2.29 million.

Profit after tax and before minority interest

Our profit after tax for the three months ended June 30, 2017 was ₹ 144.75 million, which, as a percentage of our revenue for the period was 15.98%.

Net profit after tax, as restated

Our net profit was ₹ 143.91 million for the three months ended June 30, 2017. As a percentage of total revenue, our net profit was 15.88%.

FISCAL 2017 COMPARED TO FISCAL 2016

The key highlights of our financial and operating metrics on a consolidated basis from Fiscal 2013 to Fiscal 2017, and for the three months period ended June 30, 2017, are set out in the table below:

Particulars	Three months period ended June 30, 2017(1)	Fiscal 2017(1)	Fiscal 2016(1)	Fiscal 2015(1)	Fiscal 2014(1)	Fiscal 2013(1)
Total bed capacity(2)	2,012	2,012	1,295	907	674	674
Number of operational beds(2)	841	781	823	593	455	373(4)
Revenue (in ₹ and million)	905.99	3,328.62	2,925.56	2,776.26	2,616.76	2,298.28
EBITDA margin (%)	28.85	22.24	19.11	24.50	24.20	18.45
Bed occupancy rate (%)*	33.76%	34.48%	31.75	40.95	39.62	49.03(4)
ARPOB (in ₹)(3)	36,720	33,032	34,173	39,904	39,349	40,838(4)
ALOS	3.88	3.99	4.14	4.03	3.96	4.10
Average RoCE (%)	3.66(5)	11.12	13.12	21.15	35.33	24.75(4)
Inpatient volume	6,258	24,704	20,528	17,147	16,609	15,348
Outpatient volume	47,956	166,519	152,921	128,821	125,981	110,919

(1) *Data in respect of Vrundavan Shalby has been considered until December 9, 2016, the date on which its operations were temporarily suspended by our Company.*

(2) *Total bed capacity and number of operational bed are as at the end of the relevant Fiscal or accounting period, as the case may be. Number of operational beds as on June 30, 2017 does not include Shalby Naroda and Shalby Surat which started providing in-patient services from July, 2017 and August, 2017, respectively..*

(3) *ARPOB is based on our Company's revenue from operations.*

(4) *Does not include data pertaining to Shalby Vapi since occupancy data for Shalby Vapi is not available for Fiscal 2013.*

(5) *Average ROCE not annualised.*

Our results of operations during Fiscal 2017 were primarily impacted by the following factors:

a. Shalby Jabalpur completing full year of operations and Shalby Indore becoming fully operational in March 2016;
b. Centralised sourcing of surgical instruments, drugs and other consumables through Griffin Mediquip LLP, which helped in expanding business and achieving economies of scale;
c. MAT credit entitlement; and
d. Temporary disruption on account of macro-economic factors such as demonetization of currency in November 2016.

Revenue

Our total revenue increased by 13.78%, from ₹2,925.56 million in Fiscal 2016 to ₹3,328.62 million in Fiscal 2017. This increase was due to Shalby Jabalpur completing full year of operations and Shalby Indore becoming fully operational in March 2016.

<u>Revenue from operations</u>

Revenue from operations increased by 12.05%, from ₹2,904.06 million in Fiscal 2016 to ₹3,253.87 million in Fiscal 2017. This was primarily due to a 20.34% increase in the in-patient volume from 20,528 in Fiscal 2016 to 24,704 in Fiscal 2017, resulting in a 8.60% growth in the bed occupancy rate, despite a decrease in the ALOS from 4.14 in Fiscal 2016 to 3.99 in Fiscal 2017.

Break-up of our revenue from operations for Fiscal 2017 and Fiscal 2016 is provided in the table below:

(₹ in million)

Particulars	Fiscal 2017	Fiscal 2016
Revenue from operations		
Sale of medicines and medicare items	79.38	69.62
Income from healthcare services		
▪ In-patient discharge (domestic)	2,697.73	2,443.10
▪ In-patient discharge (overseas)	138.92	128.09
▪ Out-patient discharge	213.12	151.55
Dental care services	37.05	37.47

Diagnostic services	52.25	53.71
Clinical trials	12.20	3.13
Other operating revenue-		
Allied services (ambulance, visitor passes, dormitory)	7.32	7.28
Sponsorship and event Orthotrend	15.90	10.11
TOTAL	**3,253.87**	**2,904.06**

Other income

Our other income increased by 247.67% from ₹21.50 million in Fiscal 2016 to ₹74.75 million in Fiscal 2017 primarily on account foreign exchange gains on buyers' credit and gains realized on the cross currency interest rate swap transactions by our Company and an increase in interest income received during Fiscal 2017.

Expenses

Total expenses increased by 8.96%, from ₹2,566.32 million in Fiscal 2016 to ₹2,796.17 million in Fiscal 2017. This increase was due to higher number of in-patients as well as out-patients during Fiscal 2017. However, as a percentage of total revenue our total expenses reduced from 87.72% in Fiscal 2016 to 84.00% in Fiscal 2017.

Operative and other expenses

Operative and other expenses increased by 2.23%, from ₹ 1,783.74 million in Fiscal 2016 to ₹1,823.48 million in Fiscal 2017. This increase was on account of an increase of 2.88% in fees to doctors and consultants on account of an increase in the total number of consultant doctors which was 288 as on March 31, 2017 compared to 245 as on March 31, 2016. The increase was on account of scaling up of operations in Shalby Indore and Shalby Jabalpur which resulted in an increase in the cost incurred towards housekeeping and catering, attendant and security services, power fuel and water. The increase in expenses towards the aforementioned components was partially set off by a decrease of 2.23% in cost of material and consumables being one of the largest components to our operative expenses. As a percentage of total revenue, the operative and other expenses decreased from 60.97% in Fiscal 2016 to 54.78% in Fiscal 2017.

Operative and other expenses comprised of: (i) cost of materials and consumables which reduced from ₹ 743.18 million in Fiscal 2016 to ₹ 726.57 million in Fiscal 2017; (ii) diagnostic expenses which reduced from ₹ 54.08 million in Fiscal 2016 to ₹ 51.97 million in Fiscal 2017; (iii) fees to doctors and consultants which increased from ₹ 758.49 million in Fiscal 2016 to ₹ 780.33 million in Fiscal 2017; (iv) power, fuel and other charges which increased from ₹67.94 million in Fiscal 2016 to ₹ 75.87 million in Fiscal 2017; (v) housekeeping and catering expenses which increased from ₹ 72.67 million in Fiscal 2016 to ₹ 84.93 million in Fiscal 2017; (vi) cost of attendants and security guards which increased from ₹ 69.47 million in Fiscal 2016 to ₹ 85.48 million in Fiscal 2017; (vii) linen and uniform costs which reduced from ₹ 7.20 million in Fiscal 2016 to ₹ 4.83 million in Fiscal 2017; and (viii) other operative expenses which increased from ₹ 10.71 million in Fiscal 2016 to ₹ 13.50 million in Fiscal 2017.

Employee benefits expenses

Employee benefits expenses increased by 35.74%, from ₹ 289.21 million in Fiscal 2016 to ₹ 392.56 million in Fiscal 2017. This was on account of increase in salary, wages and bonus from ₹273.19 million in Fiscal 2016 to ₹374.48 million in Fiscal 2017 and contribution to provident and other funds from ₹14.37 million in Fiscal 2016 to ₹ 17.80 million in Fiscal 2017. This was primarily on account of increase in the number of employees from 1,696 in Fiscal 2016 to 1,772 in Fiscal 2017 to support the increasing scale of operations at our existing hospitals.

Finance cost

Finance cost reduced by 5.69% from ₹103.85 million in Fiscal 2016 to ₹ 97.94 million in Fiscal 2017. This was on account of a decrease in the interest cost primarily due to the ongoing repayment, in part, of existing term loans, as well as our Company's efforts in obtaining reduced interest rates from lenders. The decrease is also attributable to the fact that most of the additional borrowing availed during Fiscal 2017 was towards the new hospitals at Jaipur and Naroda and the interest cost during construction of these hospitals has been capitalized.

Depreciation and amortisation expenses

Depreciation and amortisation expenses increased by 48.24%, from ₹ 113.33 million in Fiscal 2016 to ₹ 168.00 million in Fiscal 2017. This was due to increased depreciation due to installation of newer medical equipment at Krishna Shalby, Shalby Indore and Shalby Jabalpur, each of the aforementioned recorded a depreciation expense of ₹ 25.71 million, ₹ 61.76 million and ₹ 27.53 million respectively.

<u>Administrative and other expenses</u>

Administrative and other expenses increased by 12.52%, from ₹231.62 million in Fiscal 2016 to ₹260.63 million in Fiscal 2017. This was on account of increased spending on travelling and conveyance for better monitoring of operations throughout our continuously expanding network and an increased expenditure on advertising and publicity.

Repairs and maintenance expenses reduced by 3.25%, from ₹60.97 million in Fiscal 2016 to ₹58.99 million in Fiscal 2017 due to savings on the repairs and maintenance at Shalby SG to the tune of ₹10.62 million which set-off the increase in expenditure on repairs and maintenance at our comparatively newer hospitals at Indore and Jabalpur.

Advertising and publicity expenses increased by 10.95% from ₹41.20 million in Fiscal 2016 to ₹45.71 million in Fiscal 2017 on account of efforts by our Company to promote its new hospitals at Indore and Jabalpur and our Company's focus on advertising our expertise in multispecialty services.

Profit before tax

As a result of the foregoing factors, our profit before tax was ₹ 532.45 million in Fiscal 2017 as compared to a profit before tax of ₹ 359.24 million in Fiscal 2016 The increase in profit before tax was primarily due to the consistent performance of our established hospitals at Ahmedabad and a reduction in operating losses at the newly commissioned hospitals at Indore and Jabalpur which achieved operational breakeven.

Tax expenses

Our net tax expense was ₹(83.29) million in Fiscal 2017 as compared to ₹ (3.95) million in Fiscal 2016. Our tax expense for Fiscal 2017 comprised of current tax of ₹ 119.22 million and a deferred tax credit of ₹ 207.49 million, offset by a MAT credit entitlement of ₹(410.00) million . Our tax expense for Fiscal 2016 comprised of current tax of ₹ 84.00 million and a deferred tax of ₹ (87.95) million.

Restated profit after tax before share of profit/ (loss) in minority interest

Our PAT before share of profit/(loss) of minority interest increased by 69.54% from ₹ 363.19 million in Fiscal 2016 to ₹ 615.74 million in Fiscal 2017.

Share of loss of minority interest was ₹ 9.89 million in Fiscal 2017 as compared to a loss of ₹ 12.64 million in Fiscal 2016.

Net profit for the year, as restated

As a result of the factors mentioned above, net profit for the year, as restated, increased by 66.47% from ₹ 375.83 million in Fiscal 2016 to ₹ 625.63 million in Fiscal 2017.

FISCAL 2016 COMPARED TO FISCAL 2015

Our results of operations during Fiscal 2016 were primarily impacted by the following factors:

a. Commencement of operations of Shalby Jabalpur, Shalby Indore and Shalby Mohali which increased our total revenue but impacted our profits due to initial operating loss;
b. Increase in competition during Fiscal 2016 resulting in loss of established doctors to competitors; and
c. Temporary suspension of third party administrator tie-ups by our Company during Fiscal 2016 as part of negotiations.

Revenue

Our total revenue increased by 5.38%, from ₹2,776.26 million in Fiscal 2015 to ₹2,925.56 million in Fiscal 2016. This increase was primarily due to increase in our revenue from operations.

<u>Revenue from operations</u>

Revenue from operations increased by 5.44%, from ₹2,754.17 million in Fiscal 2015 to ₹ 2904.06 million in Fiscal 2016. This was primarily on account of commencement of operations of Shalby Indore and Shalby Mohali as well as Shalby Jabalpur completing one year of operations. These resulted in an increase in in-patient and out-patient volume during Fiscal 2016. Revenue from In-patient discharge (overseas) decreased from ₹186.52 million to ₹128.09 million in Fiscal 2015 to Fiscal 2016 due to disassociation of one of the leading spine surgeons in Africa from our Company.

Break-up of our revenue from operations for Fiscal 2016 and Fiscal 2015 is provided in the table below:

(₹ in million)

Particulars	Fiscal 2016	Fiscal 2015
Revenue from operations		
Sale of medicines and medicare items	69.62	70.25
Income from healthcare services		
▪ In-patient discharge (domestic)	2,443.10	2,246.91
▪ In-patient discharge (overseas)	128.09	186.52
▪ Out-patient discharge	151.55	132.85
Dental care services	37.47	41.10
Diagnostic services	53.71	59.52
Clinical trials	3.13	4.36
Other operating revenue-		
Allied services (ambulance, visitor passes, dormitory)	7.28	5.82
Sponsorship and event Orthotrend	10.11	6.84
TOTAL	**2,904.06**	**2,754.17**

Other income

Our other income decreased by 2.67% from ₹22.09 million in Fiscal 2015 to ₹ 21.50 million due to decrease in the foreign exchange fluctuation gains from ₹ 2.71 million in Fiscal 2015 to 'nil' in Fiscal 2016 which was partially offset by an increase in income from bank interest on account of increased fixed deposit in Fiscal 2016.

Expenses

Total expenses increased by 9.40%, from ₹2,345.92 million in Fiscal 2015 to ₹2,566.32 million in Fiscal 2016. This increase was primarily due to an increase in operative and other expenses as well as employee benefit expenses which was partially offset by a decrease in depreciation.

Operative and other expenses

Operative and other expenses increased by 6.77%, from ₹1,670.64 million in Fiscal 2015 to ₹1,783.74 million in Fiscal 2016. Operative and other expenses increased as result of increase in fees to doctors and consultants on account of increase in pay to existing doctors and addition of new doctors, increase in housekeeping expenses and security services on account of commencement of new hospitals, Shalby Indore and Shalby Jabalpur as well as acquisition of Shalby Mohali which was partially offset by a decrease in cost of materials and consumables and expenses towards linen and uniform. We commenced operations at new hospitals during Fiscal 2016 and majority of the cost incurred towards infrastructure and purchase of medical equipment is at the time of commencement of operations. However, there has been decline in costs of material and consumables. Total number of consultant doctors as on March 31, 2016 was 245 compared to 162 as on March 31, 2015 i.e 114 number of consultant doctors were added during the Fiscal 2016.

Operative and other expenses comprised of: (i) cost of materials and consumables which decreased from ₹ 744.17 million in Fiscal 2015 to ₹ 743.18 million in Fiscal 2016; (ii) fees to doctors and consultants which increased from ₹ 685.68 million in Fiscal 2015 to ₹ 758.49 million in Fiscal 2016; (iii) power, fuel and other charges which increased from ₹ 53.50 million in Fiscal 2015 to ₹ 67.94 million in Fiscal 2016; (iv) diagnostic expenses which increased from ₹ 49.61 million in Fiscal 2015 to ₹ 54.08 million in Fiscal 2016; (v) housekeeping and catering expenses which increased from ₹ 47.29 million in Fiscal 2015 to ₹ 72.67 million in Fiscal 2016; (vi) cost of attendants and security guards which increased from ₹ 58.72 million in Fiscal 2015 to ₹ 69.47 million in Fiscal 2016; (vii) linen and uniform costs which decreased from ₹ 26.70 million in Fiscal 2015 to ₹ 7.20 million in Fiscal 2016; and (viii) other operative expenses which increased from ₹ 4.97 million in Fiscal 2015 to ₹ 10.71 million in Fiscal 2016.

Employee benefits expenses

Employee benefits expenses increased by 45.75%, from ₹198.43 million in Fiscal 2015 to ₹289.21 million in Fiscal 2016. This was on account of increase in salary, wages and bonus from ₹191.57 million in Fiscal 2015 to ₹273.19 million in Fiscal 2016, contribution to provident and other funds from ₹6.74 million in Fiscal 2015 to ₹14.37 million in Fiscal 2016 and staff training and welfare expenses from ₹0.12 million in Fiscal 2015 to ₹1.65 million in Fiscal 2016. This was largely due to an increase in the salaries paid to our employees and also increase in number of employees to support the increased level of operations and on account of establishment of new hospitals.

Finance cost

Finance cost increased by 91.50%, from ₹ 54.23 million in Fiscal 2015 to ₹ 103.85 million in Fiscal 2016. This was on account of increase in total borrowings in Fiscal 2016 which stood at ₹ 2,207.72 million as on March 31, 2016 compared to ₹ 954.29 million as on March 31, 2015. The foreign currency debt increased from ₹546.99 million in Fiscal 2015 to ₹671.09 million in Fiscal 2016. Increased borrowing in Fiscal 2016 was on account for loans taken for Shalby Jabalpur and Shalby Indore and for acquisition of Shalby Mohali. Further, increase in finance cost was also on account of adjustment to interest cost on foreign currency loans resulting from adverse foreign exchange rates.

Depreciation and amortisation expenses

Depreciation and amortisation expenses decreased by 46.64%, from ₹212.37 million in Fiscal 2015 to ₹113.33 million in Fiscal 2016. This was primarily due to one-time amortization of goodwill in connection with acquisition of Hari Om Healthcare during Fiscal 2015 which was offset by an increase in depreciation and amortization expenses for Shalby Jabalpur and Shalby Indore which became operational during the year and recorded depreciation and amortization expense of ₹20.80 million and ₹27.07 million, respectively in Fiscal 2016.

Administrative and other expenses

Administrative and other expenses increased by 39.75%, from ₹165.74 million in Fiscal 2015 to ₹231.62 million in Fiscal 2016. This increase was primarily on account of increase in legal fees, travelling and conveyance expenses, repairs and maintenance expenses, advertising and publicity expenses and loss on foreign exchange fluctuations.

Legal expenses increased by 58.85%, from ₹17.52 million in Fiscal 2015 to ₹27.83 million in Fiscal 2016 due to payments made to legal consultants for strategic acquisitions and for acquiring various licences for the new hospitals, Shalby Indore and Shalby Jabalpur.

Travelling and conveyance expenses increased by 104.20%, from ₹19.30 million in Fiscal 2015 to ₹39.41 million in Fiscal 2016. This was primarily due to additional travelling expenses incurred towards set up of new hospitals during Fiscal 2016.

Repairs and maintenance expenses increased by 31.17%, from ₹ 46.48 million in Fiscal 2015 to ₹60.97 million in Fiscal 2016. This was primarily due to increase in repair and maintenance expenses on medical and engineering equipment of existing operational hospital units.

Advertising and publicity expenses increased by 132.51%, from ₹17.72 million in Fiscal 2015 to ₹41.20 million in Fiscal 2016 on account of advertising expenditure attributable to launch of new hospital units and expenditure towards additional marketing activities for the existing units, especially to boost the multi-specialty facet of our healthcare services.

Loss on foreign exchange fluctuation increased from Nil in Fiscal 2015 to ₹9.55 million in Fiscal 2016 as a result of cross currency interest rate swap transactions and addition in the foreign currency loans during Fiscal 2016.

Profit before tax

As a result of the foregoing factors, our profit before tax was ₹359.24 million in Fiscal 2016 as compared to a profit before tax of ₹ 430.34 million in Fiscal 2015.The decrease in profit before tax was primarily due to the above mentioned factors.

Tax expenses

Our net tax expense was ₹(3.95) million in Fiscal 2016 as compared to ₹184.82 million in Fiscal 2015. Our tax expense for Fiscal 2016 comprised of current tax of ₹ 84.00 million and a deferred tax of ₹ (87.95) million. Our tax expense for Fiscal 2015 comprised of current tax of ₹ 100.00 million and a deferred tax credit of ₹ 84.82 million.

Restated profit after tax before share of profit/ (loss) in minority interest

Our PAT before share of profit/(loss) of minority interest increased by 47.93% from ₹245.52 million in Fiscal 2015 to ₹363.19 million in Fiscal 2016.

Share of loss of minority interest was ₹12.64 million in Fiscal 2016 as compared to a loss of ₹11.81 million in Fiscal 2015.

Net profit for the year, as restated

As a result of the factors mentioned above, net profit for the year, as restated increased by 46.05% from ₹257.33 million in Fiscal 2015 to ₹375.83 million in Fiscal 2016.

LIQUIDITY AND CAPITAL RESOURCES

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations and bank loans and facilities. We have relied on cash from internal resources and loans from banks to finance the expansion of our business and operations.

The following table sets forth information on our investments and cash and bank balances as at the dates indicated:

(₹ in million)

	As at			
	June 30, 2017	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Cash and bank balances	134.60	158.70	160.71	309.97

CASH FLOWS

The following table sets forth certain information concerning our cash flows for the periods indicated:

(₹ in million)

	Three months period ended June 30, 2017	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**
Net cash generated from operating activities	496.98	691.74	45.68[(1)]	1,232.42
Net cash (used in) investing activities	(561.85)	(1,562.30)	(980.22)	(623.27)
Net cash generated from/(used in) financing activities	45.78	898.78	749.09	(389.91)
Cash and cash equivalents at the end of the period	98.28	117.37	89.15	274.60

(1) *Decrease in cash generated from operating activities during Fiscal 2016 is on account of trade payables being paid off during Fiscal 2016 and increase in short term and long term loans and advances given by our Company.*

Cash flow from operating activities

Net cash generated from operating activities for the three months period ended June 30, 2017 was ₹ 496.98 million, which consisted of a profit before taxation and exceptional items of ₹ 185.99 million as adjusted primarily for depreciation and amortisation expenses of ₹ 44.49 million, interest expenses of ₹ 41.42 million and interest income of ₹(3.84) million, which resulted in our operating profit before working capital changes of ₹ 264.14 million. This was further adjusted for changes in working capital and as a result, cash generated from operations before adjusting for direct taxes paid was ₹ 526.56 million for the three months period ended June 30, 2017. Movements in working capital were primarily on account of increase in long term loans and advances of ₹ 37.55 million, increase in trade and other receivables of ₹ 4.39 million, decrease in short term loans and advances of ₹ 32.24 million, increase in other current assets of ₹ 9.02 million, increase in trade payables of ₹54.91 million, increase in other current liabilities of ₹ 306.48 million and increase in other non-current liabilities of ₹ 4.68 million. Cash generated from operations of ₹ 526.56 million for the three months period ended June 30, 2017 was adjusted for direct taxes paid of ₹ 29.58 million resulting in a net cash generated from operating activities of ₹ 496.98 million.

Net cash generated from operating activities for Fiscal 2017 was ₹ 691.74 million, which consisted of a profit before taxation and exceptional items of ₹ 532.45 million as adjusted primarily for depreciation and amortisation expenses of ₹ 168.00 million and interest expenses of ₹ 99.56 million, which resulted in our operating profit before working capital changes of ₹ 769.58 million. This was further adjusted for changes in working capital and as a result, cash generated from operations before adjusting for direct taxes paid was ₹ 797.98 million for Fiscal 2017. Movements in working capital were primarily on account of increase in long term loans and advances of ₹ 93.99 million, increase in trade and other receivables of ₹ 73.60 million, increase in short term loans and advances of ₹ 31.29 million, decrease in other current assets of ₹ 3.38 million, increase in current liabilities of ₹ 299.50 million and decrease in other non-current liabilities of ₹ 7.02 million. Cash generated from operations of ₹ 797.98 million for Fiscal 2017 was adjusted for direct taxes paid of ₹ 106.24 million resulting in a net cash generated from operating activities of ₹ 691.74 million.

Net cash generated from operating activities for Fiscal 2016 was ₹ 45.68 million, which consisted of a profit before taxation and exceptional items of ₹ 359.24 million as adjusted primarily for depreciation and amortisation expenses of ₹ 113.33 million, interest expenses of ₹ 65.15 million and interest income of ₹(8.52) million, which resulted in our operating profit before working capital changes of ₹ 527.84 million. This was further adjusted for changes in working capital and as a result, cash generated from operations before adjusting for direct taxes paid was ₹146.98 million for Fiscal 2016. Movements in working capital were primarily on account of increase in long term loans and advances of ₹ 140.50 million, increase in trade and other receivables of ₹99.12 million, increase in short term loans and advances of ₹ 50.27 million, increase in other current assets of

₹ 34.99 million, decrease in trade payables of ₹146.34 million, increase in current liabilities of ₹ 120.90 million and decrease in other non-current liabilities of ₹19.77 million. Cash generated from operations of ₹ 146.98 million for Fiscal 2016 was adjusted for direct taxes paid of ₹ 101.30 million resulting in a net cash generated from operating activities of ₹ 45.68 million.

Net cash generated from operating activities for Fiscal 2015 was ₹ 1,232.42 million, which consisted of a profit before taxation and exceptional items of ₹ 430.34 million as adjusted primarily for depreciation and amortisation expenses of ₹ 212.37 million, interest expenses of ₹ 37.80 million, which resulted in our operating profit before working capital changes of ₹ 687.27 million. This was further adjusted for changes in working capital and as a result, cash generated from operations before adjusting for direct taxes paid was ₹ 1,346.84 million for Fiscal 2015. Movements in working capital were primarily on account of increase in long term loans and advances of ₹ 34.69 million, increase in trade and other receivables of ₹ 74.88 million, decrease in short term loans and advances of ₹ 261.82 million, decrease in other current assets of ₹ 21.26 million, increase in trade payables of ₹ 409.23 million, increase in current liabilities of ₹ 89.88 million and decrease in other non-current liabilities of ₹ 23.05 million. Cash generated from operations of ₹ 1,346.84 million for Fiscal 2016 was adjusted for direct taxes paid of ₹ 114.42 million resulting in a net cash generated from operating activities of ₹ 1,232.42 million.

Cash flow from investing activities

Net cash used in investing activities for the three months period ended June 30, 2017 primarily consisted of outflows in the form of purchase of fixed assets of ₹ 563.59 million. The net cash used in investing activities amounted to ₹ 561.85 million for the three months period ended June 30, 2017.

Net cash used in investing activities for Fiscal 2017 primarily consisted of outflows in the form of purchase of fixed assets of ₹ 1,581.30 million which was partially set off by interest received of ₹ 18.81 million and dividends received of ₹ 0.19 million. The net cash used in investing activities amounted to ₹ 1,562.30 million for Fiscal 2017.

Net cash used in investing activities for Fiscal 2016 primarily consisted of outflows in the form of purchase of fixed assets of ₹ 991.37 million which was partially set off by interest received of ₹ 8.50 million. The net cash used in investing activities amounted to ₹ 980.22 million for Fiscal 2016.

Net cash used in investing activities for Fiscal 2015 primarily consisted of outflows in the form of purchase of fixed assets of ₹ 634.34 million which was partially set off by interest received of ₹ 3.97 million, dividends received of ₹ 3.35 million and sale of investments of ₹ 3.75 million. The net cash used in investing activities amounted to ₹ 623.27 million for Fiscal 2015.

Cash flow from financing activities

Net cash flow from financing activities for the three months period ended June 30, 2017 primarily included inflow in the form of issue of share capital of ₹ 12.46 million and share premium on issue of ₹ 74.76 million and an outflow in the form of interest payment of ₹ 33.31 million. The net cash flow from financing activities amounted to ₹ 45.78 million for the three months period ended June 30, 2017.

Net cash flow from financing activities for Fiscal 2017 primarily included inflow in the form of borrowings availed of ₹ 1,010.81 million and outflows in the form of interest payment of ₹ 102.44 million and redemption of share capital of ₹ 12.36 million. The net cash flow from financing activities amounted to ₹ 898.78 million for Fiscal 2017.

Net cash flow from financing activities for Fiscal 2016 primarily included inflow in the form of borrowings availed of ₹ 1,291.36 million and outflows in the form of interest payment of ₹ 45.62 million and merger and consolidation adjustment of ₹ 494.84 million. The net cash flow from financing activities amounted to ₹ 749.09 million for Fiscal 2016.

Net cash flow from financing activities for Fiscal 2015primarily included inflow in the form of borrowings availed of ₹ 506.78 million and outflows in the form of interest payment of ₹ 34.77 million and merger and consolidation adjustment of ₹ 872.13 million. The net cash used in financing activities amounted to ₹ 389.91 million for Fiscal 2015.

CAPITAL EXPENDITURE

We have invested and capitalised, in aggregate, ₹ 5,937.95 million, ₹ 5,418.84 million, ₹ 4,003.39 million and ₹2,496.18 million on capital expenditure at the three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016, and Fiscal 2015, respectively. The following table sets out details of our capital expenditure for the three months period ended June 30, 2017, Fiscal 2017, Fiscal 2016 and Fiscal 2015:

(₹ *in million*)

	Three months ended June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Plant and machinery	208.11	181.21	190.01	91.03
Land (*including freehold land and leasehold land*)	862.45	866.86	886.72	509.54
Building	1,199.08	1,129.13	1 161.16	431.91
Medical equipment and Surgical Equipment	934.17	826.28	745.87	437.79
Intangible assets	1.44	1.66	3.63	3.40
Other fixed assets (*including air conditioners, furniture and fixtures, computers, vehicles, office equipment and electric installations*)	226.02	197.03	194.07	115.35
Total Capitalised[4] (A)	3,431.27	3,202.17	3,181.46	1,589.02
Capital work-in-progress including Intangible assets under development (B)	2,506.68	2,216.67	821.93	907.16
TOTAL INVESTED AND CAPITALISED (A+B)	**5,937.95[3]**	**5,418.84[2]**	**4,003.39[1]**	**2,496.18**

(1) *Increase in Fiscal 2016 is on account of capitalisation of Shalby Indore.*

(2) *Increase in Fiscal 2017 is on account of capital work in progress at the hospitals at Jaipur, Surat and Ahmedabad as well as the renovation at Shalby Mohali*

(3) *Increase in the three months period ended June 30, 2017 is on account of the capital work in progress at recently set-up operational hospitals, Shalby Jaipur, Shalby Naroda and Shalby Surat*

(4) *Net of depreciation.*

INDEBTEDNESS

As of June 30, 2017, we had aggregate outstanding indebtedness of ₹ 3,439.92 million and the effective interest rate ranges from 8.50% to 10.50%. Our borrowings are typically secured by a mortgage over the land and/or charge on the assets of the facility to which they relate and by a corporate guarantee or personal guarantee by the Promoter. Our loan agreements generally contain covenants, including, among others, limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, dividends and distributions, investments, transfers of ownership interests and certain changes in business. See "*Financial Indebtedness*" and "*Financial Statements*" on page 385 and page 217, respectively, for a description of our existing financing arrangements.

We intend to continue to utilize long-term debt towards our financing requirements based on business requirements and prevailing market conditions, based on our ability to borrow at competitive rates.

CONTRACTUAL OBLIGATIONS

The following table sets forth our contractual obligations and commitments to make future payments as of June 30, 2017:

(₹ *in million*)

Contractual obligations and commitments	Payment due by period			
	Less than 1 year	1-5 years	More than 5 years	Total
Long-term borrowings	330.61	1,689.81	829.35	2,849.77
Trade payables	444.66			444.66
Non-cancellable operating lease obligations	7.88			7.88
TOTAL	**783.15**	**1,689.81**	**829.35**	**3,302.31**

CONTINGENT LIABILITIES

Apart from the contingent liabilities set out in our financial statements, we do not have any other contingent liabilities. For details of our contingent liabilities, see "*Financial Statements*" on page 217.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

We have entered into and expect to continue to enter into transactions with our related parties. For details, see "*Related Party Transactions*" and "*Financial Statements*" on pages 215 and 217, respectively.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to market risks that are related to the normal course of our operations such as interest rate, credit risk, liquidity risk, foreign exchange risk, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Interest rate risk

We are exposed to interest rate risk on our bank borrowings and deposits with banks. The interest rate on our financial instruments is based on market rates. We monitor the movement of interest rates on an ongoing basis. Fluctuations in interest rates may accordingly impact our ability to borrow and also cost of borrowings.

Credit risk

Credit risk is the risk of a financial loss to us if a payer fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from payers. Our management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Our exposure to credit risk arises principally from our receivables under government schemes.

We do not grant credit to self-paying patients, without prior consent by appropriate internal authority. Self-paying patients are generally requested to place an initial deposit at the time of admission to our facilities and hospitals. An additional deposit is requested from such patients when the charges exceed a certain level.

As customary in any healthcare sector, we receive advance payments from the patients. We receive payments from third party administrators and insurance companies within 30 days in terms of the our contractual arrangements with them. We normally receive payments from government agencies within 30-45 days, however have experienced delays in receiving these payments occasionally due to reasons not attributable to us. As these are government agencies, our credit risk is minimal.

Liquidity risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they fall due. Our exposure to liquidity risk arises principally from our various payables, loans and borrowings. We maintain a level of cash and cash equivalents and bank facilities deemed adequate by our management to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they fall due.

Foreign exchange risk

While a substantial portion of our revenue and our expenditure are denominated in Indian Rupees, a portion of our revenue is generated from our international operations in Middle East and Africa. Further, we also purchase some of our medical equipment from foreign manufacturers, the price of which is denominated in USD and Euro.

Consequently, we are exposed to foreign exchange rate risk through our revenue for services provided outside India and sales of goods and purchases from overseas suppliers in various foreign currencies. Our exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows and payables. For further details refer "*Risk Factors – As we continue to expand our footprint internationally, we remain subject to a variety of risks relating to volatile economies, political instability, foreign currencies, and local laws.*" on page 29.

Inflation

In recent years, India has experienced fluctuations in inflation rates. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us. Any increase in cost and expenses on account of inflation are passed on to the customers through modest increase in our fees and charges.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as stated in "*Risk Factors"* on page 19, and "*Industry Overview*" on page 128, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Total turnover of each major industry segment in which the issuer operated

Our sole business segment is "Healthcare Services", and our Company does not have any publicly available data for the total turnover of healthcare services.

Status of any publicly announced new products or business segment

We have not publicly announced any new products or business segments.

Known trends or uncertainties:

Other than as disclosed in the section "*Risk Factors*" and *"Our Business"*, on pages 19 and 150 respectively, there are no known trends or uncertainties which may materially impact our financial statements.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Extent to which business is seasonal

We do not characterize our business as seasonal, though our income and profits varies from quarter to quarter depending on factors such as festivals.

Future changes relationships between costs and income:

Other than as disclosed in the section "*Risk Factors*" and "*Our Business*", on pages 19 and 150, respectively, we do not expect the future relationship between our costs and income to change materially.

Competitive conditions:

We are continually affected by the competitive conditions we operate in. For an overview of the industry we operate in, see "*Industry Overview*" on page 128. For a description of our competitive constraints, and its impact on our financial condition, see "*Risk Factors*" on page 19.

Significant dependence on suppliers or customers:

We rely on third-party suppliers and manufacturers for our equipment and drugs, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity. Further, any discontinuation or recall of existing equipment and drugs by the manufacturers could materially and adversely affect our business, financial condition, results of operations and cash flows, see section "*Risk Factors*" on page 19. We are dependent on a small set of equipment manufacturers for our high-end medical and diagnostic equipment needs. For details, see section *"Risk Factors"* on page 19.

We are not significantly dependent on any one or more patients in particular visiting our healthcare facilities. However, as a revenue stream, we are entirely dependent on patient footfall increasing across out network of facilities to be able to maintain our growth levels.

RESERVATIONS OR QUALIFICATIONS OR ADVERSE REMARKS OF AUDITORS IN THE LAST FIVE FISCALS

Reservations:

None

Qualifications:

Summary of Adjustment Items:

(as appeared in part (f) of Annexure – 4 to the Consolidated Financial Information, as restated)

For the year ending March 31, 2013

(a) "*In respect of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), during the financial year ended 31st March, 2013, such subsidiary company has made certain payments to some of its directors* without *any contractual obligation on the part of such subsidiary company which tantamount to*

payments in nature of loans and advances. The advances so made along with the debit balances amounting to ₹12.17 millions which stand receivable from directors, firm / company / trust in which its directors are interested would not be recovered and has become doubtful recovery especially in view of no recovery during the financial year ended 31st March, 2013. However appropriate provision has not been made for doubtful advances thus loss for the said financial year was understated and short term loans and advances were overstated by ₹12.17 millions."

For the year ending March 31, 2014

(a) *"The loans and advances includes advances amounting to ₹9.87 millions made by subsidiary company i.e. Vrundavan Shalby Hospitals Limited to relative of director, firm / company / trust in which director / relatives of directors are interested which could not be fully recovered and has become doubtful recovery. Such subsidiary company has not made appropriate provision for such doubtful advances which has resulted into over statement of group's profit by ₹9.87 millions and short term loans and advances were overstated by ₹9.87 millions."*

(b) *"In respect of the above said qualifications appearing in financial year ended 31st March, 2013 and 2014, provision of ₹12.17 millions has been made in restated consolidated financial statements and respective adjustment has been given in "Short Term Loans and Advances ". Further during the financial year ended 31st March 2014 and 2015, ₹2.30 millions and ₹0.54 millions has been recovered respectively and accordingly provision so made has been reversed in respective financial years. The balance bad debt / advances of ₹9.33 millions written off during financial year ended 31st March, 2015 has been adjusted against the balance amount of provision so made."*

Summary of Non Adjustment Items:

(as appeared in part (g) of Annexure 4 to the Consolidated Financial Information, as restated)

For the year ending March 31, 2013

(a) *"In respect of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), during the financial year ended 31st March, 2013, such subsidiary company has made certain payments to some of its directors without any contractual obligation on the part of such subsidiary company which tantamount to payments in nature of loans and advances. Such subsidiary company should have obtained the requisite approvals from the appropriate authorities prior to advances made. Such subsidiary company, however, has not obtained such approval which is not in compliance with the provisions of Section 295 of the Companies Act, 1956."*

For the year ending March 31, 2015

(a) *"In case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), it has been reported that such subsidiary company has carried the balances including adverse and stagnant balances of trade payables, trade receivables, loans and advances and borrowings from director as disclosed in the standalone financial statements of such subsidiary company. The same are subject to reconciliation and confirmation by respective parties. The management of such subsidiary company has informed that such subsidiary company has sent letters to all the vendors for balance confirmation. Accordingly, the impact of such non-reconciliation and non-adjustments, if any, on the consolidated profit for the year is not ascertained."*

(b) *"Observations in respect of proper records showing particulars of fixed assets, physical verification of assets and inventories and adequacy of internal controls as stated hereunder may have consequential effect on the consolidated financial statements for the year.*

(i) The respective entities have maintained proper records showing full particulars including quantitative details and situation of its fixed assets, except in case of two subsidiary companies namely Vrundavan Shalby Hospitals Limited and Kusha Healthcare Limited (such subsidiary companies) such records have not been maintained. The fixed assets have been physically verified by the management of the respective entities during the year at reasonable intervals and no material discrepancies were noticed on such verification, except in case of such subsidiary companies the documents substantiating physical verification of fixed assets were not made available for verification. In the absence of proper records with regard to fixed assets and documents substantiating physical verification of fixed assets, the opinion with regard to discrepancies if any could not be given in case of such subsidiary companies.

(ii) In our opinion and the opinion of the other auditors, physical verification of inventory has been conducted by the management of the respective entities at reasonable intervals, except in case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), the relevant documents substantiating physical verification of inventory were not made available. In our opinion and the opinion of the other auditors, according to the information and explanations given to us and to other auditors, the

procedures of physical verification of inventory followed by the management of the respective entities are reasonable and adequate in relation to the size of the company and the nature of its business, except in case of such subsidiary company, opinion with regard to adequacy of the procedures of physical verification of inventory in relation to size of the such subsidiary company and nature of its business could not be given. On the basis of examination of records of inventory by us and other auditors, in our opinion and the opinion of the other auditors, the respective entities are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material. However opinion with regard to discrepancies if any on physical verification could not be given in the absence of physical verification of inventory by such subsidiary company.

(iii) According to information and explanation given to us and other auditors; there is adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets, inventory and with regard to the sale of goods and services, except in case of one of the subsidiary companies i.e. Vrundavan Shalby Hospitals Limited (such subsidiary company), the internal control system with regard to inventory, fixed assets and with regard to sale of goods and services shows weaknesses which needs to be strengthened so as to commensurate with the size of the such subsidiary company and nature of its business. The internal control system with regard to expenditures on account of professional fees to paid to doctors and recording of the revenue from patients needs improvement in case of such subsidiary company. During the course of our audit and other auditor's audit, no major weakness in such internal control system has been observed, except in case of such subsidiary company there is continuing failure to correct major weaknesses in the internal control system."

***Summary of Non Adjustment Items*:**

*(**as appeared in Part (d) of Annexure – 4 to Standalone Financial Information, as restated**)*

(a) "CARO for the year ending March 31, 2013. According to information and explanation given to us and on the basis of an overall examination of the balance sheet of the company, we report that funds raised on short term basis have been used for long term investments (excluding deferred tax assets) to the extent of ₹13.25 millions."

(b) "CARO details of disputed dues which have not been deposited:

Nature of the dues and statute	Forum where Dispute is Pending	Period to which the Amount relates	Amount involved (₹ in Million)	Reported in the CARO for the year ended
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2010-11	24.61	31-Mar-13 31-Mar-14 31-Mar-15
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2011-12	13.43	31-Mar-14 31-Mar-15
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2012-13	2.06	31-Mar-15
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2009-10	52.60	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2010-11	63.13	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2011-12	74.91	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	F. Y. 2012-13	91.89	31-Mar-15 31-Mar-16 31-Mar-17
Demand Notice issued by Sales Tax Department - Sales Tax	Assistant Commissioner of Sales Tax	A. Y. 2013-14	101.26	31-Mar-16
Demand Notice issued by Asst. Commissioner of Income Tax - Income Tax Act, 1961	CIT (A)	A. Y. 2014-15	105.88	31-Mar-15 31-Mar-16 31-Mar-17

Nature of the dues and statute	Forum where Dispute is Pending	Period to which the Amount relates	Amount involved (₹ in Million)	Reported in the CARO for the year ended
Demand Notice issued by Dy. Commissioner of Income Tax-Income Tax Act, 1961	Dy. Commissioner of Income Tax	A. Y. 2014-2015	13.31	31- Mar – 17

(c) *"CARO for the year ending 31st March, 2017 and 2016: According to the information and explanations given to us and on the basis of our examination of the records of the Company provided to us, the title deeds of immovable properties are held in the name of the Company except freehold land and leasehold land aggregate amounting to ₹473.33 millions acquired pursuant to schemes of amalgamation in the nature of merger which is pending for registration in the name of the Company. Further as per information and explanations given to us all the existing buildings of the Company are either constructed on freehold / leasehold land or acquired pursuant to scheme of amalgamation in the nature of merger."*

***Matters of Emphasis*:**
(as appeared in Part 11 of Annexure – 5 to Consolidated Financial Information, as restated):

For the financial period ended June 30, 2017

(a) *"Subsequent to Balance Sheet date i.e. June 30, 2017, in case of one of the subsidiary companies i.e. VrundavanShalby Hospitals Limited ("such subsidiary company"), the proceeding u/s. 397-398 of the Companies Act, 1956, instituted by two shareholders of the company vide company petition no. 18/2015 (CA 14/2017) before Company Law Board and later upon order of Hon'ble High Court of Mumbai at Goa remanded back to Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench, has been disposed off vide order dated 18th August, 2017 in pursuance of final settlement arrived at between the parties to the dispute post filing the consent terms dated 14th July, 2017 before the appropriate authorities.*

(b) *"Pursuant toaforesaid settlement and consent terms dated 14/07/2017 filed before NCLT, the two shareholders, i.e. Dr.DigambarNaik and Mrs.MangalaNaik, agreed to transfer their balance entire 45% shareholding in the such subsidiary company i.e. 40,500 shares owned by Dr.DigambarNaik and 40,500 shares owned by Mrs.MangalaNaik, in favour of Shalby Ltd., at agreed total consideration of ` 4,68,00,000 to be paid by Shalby Ltd.Such subsidiary company, by virtue of such settlement and upon transfer of aforesaid shares,shall become wholly owned subsidiary Company of Shalby Limited. Further by virtue of settlement, the aforesaid two shareholders i.e.Dr. DigambarNaik and Mrs.MangalaNaik have agreed to settle all their rights, claims, entitlement as shareholders, directors or in any other capacity at a consideration referred above as full and final settlement. In view of such full and final settlement the amount of outstanding unsecured loan alongwith interest payable thereon by such subsidiary company is no longer payable to Dr.DigambarNaik and accordingly the same has been transferred to Statement of Profit and Loss for the quarter ended under the head "Sundry balances written back".*

(c) *"The Board of Directors of one of the subsidiary companyi.e. VrundavanShalby Hospitals Limited, had vide resolution deemed to be passed on 9th December, 2016 consented to suspend the operations of both Hospital of such subsidiary company located at Mapusa and Panjim. However in view of Settlement arrived at between the shareholders as more particularly described in above paragraph,the management now intends to resume operations at both the Hospitals. The management has already initiated the requisite procedures in this regard and therefore the financial statements for the quarter ended 30th June 2017 has been prepared on going concern basis."*

For the financial year 2016-17

(a) "*The Board of Directors of the one of Subsidiary company i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company") has vide circular resolution deemed to be passed on 9th December, 2016 consented to suspend the operations of both hospitals located at Mapusa and Panjim to surrender available licenses, bio medical authorisation and other licenses and approval of both hospitals, to close pharmacy with immediate effect and also to apply for cancellation of power connection. The personnel authorized to act upon are in the process of honouring the board resolution."*

(b) *"Reference is also invited to note 10(a)(i) above with the respect to legal proceedings pending final disposal. The Management of such Subsidiary company intends to resume operations if the event of verdict / award of such proceedings is favourable for infusing further funds so as to overcome the critical and financial constraints."*

(c) *"One of the subsidiary company i.e. Vrundavanv Shalby Hospital Limited had received an email correspondence dated 22th August,2016 from Dr. Digambar Surya Naik, stating the discrepancy of the outstanding balances due to him between books of accounts of the company and as per his own records, without providing any reconciliation and / or explanation, specifically the outstanding loan from Dr. Digambar Surya Naik. Since discrepancy raised by him, pertaining to such loan, could not be reconciled till date, the same is carried forward as it is."*

(d) *"Further, to the facts as above, the outstanding amount stated in email correspondence mentioned, also included fixed monthly professional fees payable to Dr. Digambar Surya Naik and his wife Dr. Mangla Digambar Naik on account of Non-Compete Clause entered by the Company with them. On appeal by Dr. Digambar Surya Naik to the Company Law Board to absolve him and his wife to work exclusively for the company, the Adjudicating Authority passed order in favour of the appellant vide its order dated 27th April, 2016."*

(e) *"In pursuance to such order, provision for non-compete professional fees for the period commencing from 1st January, 2015 to 31st March 2016 is not warranted and accordingly the same has been written back."*

For the financial year 2015 – 16

(as appeared in Part 10 of Annexure – 5 to Consolidated Financial Information, as restated)

(a) *"In the month of March, 2015 in case of one of the subsidiary company i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company"), a company petition No. 18/2015 u/s 397-398 read with Section 402-403 of the Companies Act, 1956 has been filed by two shareholders of such subsidiary company i.e. Dr. Digambar Surya Naik and Mrs. Mangala Digambar Naik against such subsidiary company and other shareholders of such subsidiary company before the Company Law Board, Mumbai Bench ('the CLB'). Vide Order dated 06th/10th April, 2015 passed by the CLB, the resolutions passed in the extra ordinary general meeting ('EOGM') held by such subsidiary company on 13th March, 2015 have been stayed. Resultantly, such subsidiary company is restrained from giving effect to the letter of offer of the Right Issue dated 03rd March, 2015 until the decision of the said company petition no. 18/2015. Subsequently, vide order dated 20th April, 2015 pursuant to Application No. 72/2015 in company Petition No. 18/2015, the CLB has permitted to hold fresh EOGM for consideration of right issue with condition that resolutions, if any, passed at the said EOGM shall be subject to approval of the CLB. Further, said company petition no. 18/2015 along with Company application No. 122 and 133/2015 have been disposed off by Company Law Board – New Delhi Bench (CLB) by order dated 25th/ 27th April, 2016 inter-alia directing the other shareholder of such Subsidiary Company i.e. Shalby Ltd. to purchase / acquire 81,000 equity shares of the such subsidiary Company held by two shareholders, i.e. Dr. Digambar Surya Naik and Mrs. Mangala Digambar Naik with prescribed method of valuation of shares. Shalby Limited has challenged said order dated 25th/27th April, 2016 of CLB before the Honorable High Court of Mumbai at Goa vide Company Appeal No. 1/2016. The Honorable High Court of Mumbai at Goa vide order dated 29th July, 2016 has stayed the order dated 25th/27th April, 2016 of CLB and further, said Honorable court has vide its order dated 22nd December, 2016 quashed and set aside the impugned order of Company Law Board dated 25th April, 2015 and remanded back to Company Law Board, Mumbai Bench (now NCLT) the said matter and directed to decide the said petition/ applications afresh after hearing parties in accordance with the law. Accordingly, the matter is subjudice at present."*

(b) "Pursuant to the notice of the board meeting of one of the subsidiary company i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company") held on 02nd June, 2015, one of the directors of the such subsidiary company, being the Petitioner of company Petition No. 18 /2015 has responded to said notice through his Advocate, raising several issues before the board which inter-alia the said company Petition are sub juduice. Though he has objected to convening of the said board meeting itself, while attending said meeting on 02nd June, 2015, he has expressed his dissent over the business of approval of financial statements for the financial year ended on 31st March, 2015 save and except the writing off effected through circular resolution (Refer Note 12). Accordingly, the Board of Directors of such subsidiary company have considered and approved said financial statements by majority in favour of approval of the said business."

(c) "Further, while attending the board meeting of one of subsidiary company i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company") held on 25th August, 2016, one of the directors of such subsidiary company i.e. Dr. Digambar Surya Naik has voiced his objections towards reappointment of present auditors and approval of audited financial statements and expressed his concern towards discrepancies in the accounts, though not specified. Further vide e-mail dated 22nd August, 2016, Dr. Digambar Surya Naik has only send the amount outstanding according to his records without providing any reconciliation and or explanation / information regarding the discrepancy of the

balances, if any, due to him and his relatives by the company. The same has hence not been considered in the present accounts."

Further, while attending the board meeting of one of subsidiary company i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company") held on 25th August, 2016, one of the directors of such subsidiary company i.e. Dr. Digambar Surya Naik has voiced his objections towards reappointment of present auditors and approval of audited financial statements and expressed his concern towards discrepancies in the accounts, though not specified. Further vide e-mail dated 22nd August, 2016, Dr. Digambar Surya Naik has only send the amount outstanding according to his records without providing any reconciliation and or explanation / information regarding the discrepancy of the balances, if any, due to him and his relatives by the company. The same has hence not been considered in the present accounts.

The Board of directors in the Board meeting referred above, approved the audited financial statements for the financial year ended 31st March, 2016 and reappointment of auditors for the financial year 2016-17 by majority decision and dissent of one of the Directors i.e. Dr. Digambar Surya Naik."

For the financial year 2014 – 15

(a) *Pursuant to Circular Resolution dated 20th January, 2015 passed by Board of Directors of one of the subsidiary company i.e. Vrundavan Shalby Hospital Limited ("such subsidiary company"), outstanding amount of ₹9.33 million which included the balances in the name of one of the directors the such subsidiary company i.e. Dr. Digambar Surya Naik and his relatives and associates had been written off in the books of account and the effect thereof has been given in the statement of Profit and Loss for the financial year."*

(b) *"One of the subsidiary companies of Parent Company i.e. Yogeshwar Healthcare Limited has closed it's principal operations since July, 2014, however such company has prepared it's accounts under going concern assumption basis since the management of such company, with financial and other support of the company, is looking for alternative business options. Meanwhile the company, has given it's assets comprising mainly of Cath Lab on lease to Parent Company."*

***Corrective Steps*:**

(as appeared in Part (f) and (g) of Annexure 4 to the Consolidated Financial Information, as restated)

(a) Majority of qualifications relate to one of our subsidiaries, VSHL, which is not a material subsidiary. Currently, there is a litigation pending before NCLT, Mumbai, and the operation of VSHL has been temporarily suspended on account thereof. Therefore, effectiveness of corrective steps cannot be measured at this juncture.

(b) Pursuant to the scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956, involving a merger of Shalby Surat Hospitals Private Limited and Kusha Healthcare Limited with our Company, approved by the order of the High Court of Gujarat on August 5, 2016 ("**Merger**"), the entire undertaking including properties, rights, obligations, debts, liabilities, duties, and assets of Kusha Healthcare Limited was transferred to our Company with effect from the appointed date for the merger *i.e.* April 1, 2015.

(c) The qualification in respect of Kusha Healthcare Limited for not maintaining proper records showing full particulars including quantitative details and situation of its fixed assets, and documents substantiating physical verification of fixed assets not being made available for verification to our Company, was prior to the Merger. Pursuant to the Merger, all the fixed assets of Kusha Healthcare Limited were transferred to our Company and subsequently, our Company has been compliant in preparing fixed asset register in this regard since the appointed date of the Merger, and documents substantiating physical verification of such fixed assets were made available for our verification. Therefore, the qualification in this respect, were not included in the audit report prepared by our Company for Fiscal ending March 31, 2016, and accordingly no further corrective measure in this respect is required.

***Corrective Steps*:**

(as appeared in Part (d) of Annexure-4 to the Standalone Financial Information, as restated)

(a) CARO for the year ending March 31, 2013 had an observation that the short term funds raised, used for long term purpose to the tune of ₹ 13.25 million was a temporary phenomena and amount involved was also meagre as compared internal accruals generated by our Company. The situation automatically got corrected with our Company's internal accruals no such instance exist now hence further corrective measures are not warranted.

(b) Tax demand raised by income tax and sales tax departments is successfully defended by our Company by representation through experts. Disputed dues which have not been deposited by our Company are considered by our Company as a contingent liability. As such disputed demand's liability is not crystalized hence payment of same is not warranted.

(c) Our Company has obtained opinion and advise from the subject matter expert in respect of such disputed tax liability relating to VAT and TDS and as per them the liability which may be crystallised is as mentioned below.

Name of the Statute	Nature of the Dues	Disputed Amount (₹ in Million)	Period to which the amount relates	Forum where dispute is pending	Remarks
Sales Tax	Demand Notice issued by Sales Tax Department	52.6 1	A. Y. 2009-10	Assistant Commissioner of Sales Tax	Against the disputed liability as per the management representation and the expert advice obtained by company, the contingent liability is ₹ 5.42 million.
Sales Tax	Demand Notice issued by Sales Tax Department	63.13	A. Y. 2010-11	Assistant Commissioner of Sales Tax	Against the disputed liability as per the management representation and the expert advice obtained by company, the contingent liability is ₹ 2.02 million.
Sales Tax	Demand Notice issued by Sales Tax Department	74.91	A. Y. 2011-12	Assistant Commissioner of Sales Tax	Against the disputed liability as per the management representation and the expert advice obtained by company, the contingent liability is ₹ 1.82 million.
Sales Tax	Demand Notice issued by Sales Tax Department	91.90	A. Y. 2012-13	Assistant Commissioner of Sales Tax	Against the disputed liability as per the management representation and the expert advice obtained by company, the contingent liability is ₹ 1.96 million.
Sales Tax	Demand Notice issued by Sales Tax Department	101.26	A. Y. 2013-14	Assistant Commissioner of Sales Tax	Against the disputed liability as per the management representation and the expert advice obtained by company, the contingent liability is ₹ 2.94 million.
Tax Deducted at Sources	Demand Notice issued by Tax Department	105.88	A. Y. 2014-15	CIT (A)	Against the disputed liability as per the management representation and the expert advice obtained by company, the contingent liability is ₹ 41.30 million including interest ₹ 21.18 million.

(d) Our Company has filed appeal before CIT(A) against the demand notices issued by the income tax authorities for A.Y. 2010-2011, 2011-2012 and 2012-2013 amounting to ₹ 24.61 million, ₹ 13.43 million and ₹ 2.06 million respectively. However, the income tax authorities has already adjusted such disputed income tax demands against other year's income tax refunds and hence not reproduced in above table.

(e) Our Company had three acquisitions in the nature of merger i.e Kusha Healthcare Limited, Hariom Healthcare Private Limited and Shalby Surat Hospitals Private Limited (earlier known as Rathi Essen Finance Company Private Limited) under high court orders, and applied for adjudication for assessing the stamp duty liability for transfer of assets under its name. Once adjudication orders are received our Company will get these assets transferred in its name.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2017, THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as stated below, no circumstances have arisen since June 30, 2017 as disclosed in this Red Herring Prospectus, which may materially and adversely affect or are likely to affect, our revenue and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months:

- Our Company started providing in-patient services at Shalby Naroda and Shalby Surat from July, 2017 and August, 2017, respectively.

- The National Pharmaceuticals Pricing Authority, Government of India, *vide* order August 16, 2017, has fixed a ceiling on the price that can be charged on orthopaedic knee implants. The imposition of this price ceiling will have a negative impact on our revenue from operations and profitability. For details, see "*Risk Factors – Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect our business and financial performance*" on page 44.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail loans in the ordinary course of business, primarily for the purposes of meeting working capital requirements, expansion of existing units, and purchase of hospital equipment. Our Company provides a guarantee in relation to these loans as and when required.

Set forth below is a brief summary of our aggregate borrowings as on October 31, 2017:

(₹ in million)

Nature of borrowing	Amount sanctioned	Amount outstanding as on October 31, 2017
Company (A)		
Term loan (including buyer's credit)		
Secured borrowings	3,572.50	3,169.55
Unsecured borrowings	500.00	300.00
Working capital facilities		
Secured borrowings	200.00	164.65
Unsecured borrowings	450.00	450.00
Vehicle loans (secured)	8.10	5.42
Total borrowings (A)	4,730.60	4,089.62
Subsidiaries (B)		
Term loan		
Secured borrowings	NIL	NIL
Unsecured borrowings	NIL	NIL
Working capital facilities		
Secured borrowings	NIL	NIL
Unsecured borrowings	NIL	NIL
Total borrowings (B)	NIL	NIL
Total borrowings (A+B)	4,730.60	4,089.62

Principal terms of the borrowings availed by us:

1. ***Interest***: The interest rate is typically the MCLR / base rate of a specified lender and spread per annum, or are of a fixed rate. The spread varies between different loans availed by us from different banks.

2. ***Tenor***: The tenor of the term loans availed by us ranges from 24 months to 10 years, and that of working capital loans ranges from 90 days to 12 months.

3. ***Security***: In terms of our borrowings where security needs to be created, we are typically required to:

   (a) Create security by way of hypothecation of our current and future current assets, including stocks and book debts;

   (b) Create equitable mortgage over our properties;

   (c) Personal guarantees issued by Dr Vikram Shah; and

   (d) Assign our insurance policies.

   Further, our vehicle loans are secured by way of a hypothecation over the vehicles procured through such loans.

   The aforesaid list is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us from time to time.

4. ***Re-payment***: While our term loans are not repayable on demand, our working capital facilities are typically repayable on demand. Some of our lenders have a right to modify or cancel the facilities without prior notice, and require immediate repayment of all outstanding amounts.

5. ***Events of Default***: Borrowing arrangements entered into by us contain certain events of default, including but not limited to:

   (a) Dr Vikram Shah, directly or indirectly, ceasing to hold 51% ownership in our Company, unless expressly waived by the concerned lender;

   (b) Creation of any further charge on the secured assets or providing any guarantees to other lenders without prior approval of the concerned lender;

(c) Violation of any term of the relevant agreement or any other borrowing agreement;

(d) Undertaking or permitting any other arrangements including mergers, amalgamations, consolidations, structuring, spin offs, hive offs, or any other corporate actions of similar nature;

(e) Change in Promoters' shareholding without the permission of the concerned lender;

(f) Change in the general line of business and scope of capital expenditure proposed to be funded by a facility, without prior permission of the concerned lender;

(g) Defaulting under any other facility document of any other lender, including the concerned lender;

(h) Declaration of dividend while an event of default subsists; and

(i) Utilisation of funds for purposes other than the sanctioned purpose.

6. ***Restrictive Covenants***: Certain borrowing arrangements entered into by us contain restrictive covenants, including:

(a) Change in capital structure of our Company including increase, reduction, purchase, buy-back, reorganisation, without prior permission of the concerned lender;

(b) Purchase or redemption of any of our issued shares without the prior permission of the concerned lender;

(c) Entering into any amalgamation, demerger, merger, reconstruction or any other corporate action of similar nature, without prior permission of the concerned lender;

(d) Making any investment, granting loans or giving any guarantee on behalf of any person, firm or company, without prior permission of the concerned lender;

(e) Amending or modify our Company's constitutional documents which may have a material adverse effect on the borrowing without prior permission of the concerned lender; and

(f) Selling, assigning, mortgaging, transferring, granting, leasing, creating a security over or otherwise disposing of any of the assets of the projects offered as a security in a particular loan, without prior permission of the concerned lender.

The aforesaid list is indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

For further details in relation to our financial indebtedness, see "*Financial Statements*" on page 217.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal litigation involving our Company, Subsidiaries, Directors, Promoters or Group Entities; (ii) actions by any statutory or regulatory authorities involving our Company, Subsidiaries, Directors, Promoters or Group Entities; or (iii) claim involving our Company, Subsidiaries, Directors, Promoters or Group Entities for any direct or indirect tax liabilities, respectively, on a consolidated basis.

Further, except as stated in this section, there are no (i) outstanding proceedings initiated for economic offences against our Company; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding this Red Herring Prospectus; (iv) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of this Red Herring Prospectus; (v) prosecutions filed (whether pending or not); compounding of offences or fines imposed under the Companies Act against our Company and Subsidiaries, in the last five years immediately preceding the year of this Red Herring Prospectus; (vi) litigation or legal action, pending or taken, against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding this Red Herring Prospectus; (vii) other pending litigations involving our Company, Subsidiaries, Directors, Promoters, Group Entities or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; or (viii) outstanding dues to creditors of our Company as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations; and (ix) outstanding dues to small scale undertakings and other creditors; and (x) overdues or defaults to banks or financial institutions by our Company.

*With respect to point (vii) above, our Board, in its meeting held on September 28, 2017, has adopted a policy for identification of material legal proceedings (“**Materiality Policy**”). For the purposes of disclosure, pursuant to the SEBI ICDR Regulations and the Materiality Policy, (i) all pending litigation involving our Company, Subsidiaries, Directors, Promoters and Group Entities, other than criminal proceedings and statutory or regulatory actions, would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of either 1% of the profit after taxes of our Company as per the Restated Consolidated Financial Statements, being ₹6.26 million, for the Fiscal Year ended March 31, 2017 or ₹5.00 million, whichever is lower, or (ii) pending proceedings involving the abovementioned persons whose outcome may have a bearing on the business, operations or prospects or reputation of our Company, are considered ‘material’, and disclosed in this Red Herring Prospectus.*

It is clarified that for the purposes of the above, pre-litigation notices (other than those issued by statutory or regulatory authorities) received by our Company, Subsidiaries, Directors, Promoters and the Group Entities shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of our Subsidiaries, Directors, Promoters and our Group Entities, as the case may be, is impleaded as a defendant in litigation proceedings before any judicial forum.

*Further, with respect to point (viii) above, our Board, in its meeting held on September 28, 2017, determined that outstanding dues to creditors in excess of 5% of our Company’s trade payables, being ₹36.80 million as per our Restated Consolidated Financial Statements for the Financial Year ended March 31, 2017, shall be considered as material dues (“**Material Dues**”). Details of outstanding dues to creditors including small scale undertakings as required under the SEBI ICDR Regulations have been disclosed on our website at www.shalby.org.*

Unless stated to the contrary, the information provided in this section is as of the date of this Red Herring Prospectus. All terms defined in a summary pertaining to a particular litigation shall be construed only in respect of the summary of the litigation where such term is used.

LITIGATION INVOLVING OUR COMPANY

(a) Outstanding criminal proceedings involving our Company

(i) Criminal proceedings against our Company

There are no criminal proceedings against our Company.

(ii) Criminal proceedings by our Company

1. Our Company has instituted a criminal proceeding under the provisions of the Negotiable Instruments Act, 1881. The criminal complaint has been lodged with the Chief Metropolitan Magistrate, Ahmedabad, against Vaibhav Mehta. The brief facts of the case are that Vaibhav Mehta’s father, Ashok Mehta, was admitted to SG Shalby for medical treatment. Upon completion of such treatment, our Company raised invoices on Vaibhav Mehta in respect of the services rendered to Ashok Kumar Mehta. While the aggregate outstanding amount of the invoices was ₹750,000, a sum of ₹300,000 was waived off by our Company. Accordingly, Vaibhav Mehta had issued three post-dated cheques to our Company, aggregating to ₹450,000, of which all the cheques bounced on account of insufficient funds. Subsequently, Vaibhav Mehta furnished undertakings, and issued post-dated cheques to our Company which were once again dishonoured, on account of insufficient funds. Hence, the complaint was lodged seeking that Vaibhav Mehta be summoned

by the Chief Metropolitan Magistrate, Ahmedabad, and tried in accordance with the provisions of the Negotiable Instruments Act, 1881. The matter is pending.

2. Our Company has instituted a criminal proceeding under the provisions of the Negotiable Instruments Act, 1881. The criminal complaint has been lodged with the Chief Metropolitan Magistrate, Ahmedabad, against Narendrakumar Modi. The brief facts of the case are that Narendrakumar Modi's wife, Bhartiben Narendrakumar Modi was admitted to SG Shalby for medical treatment. Upon completion of such treatment, our Company raised invoices for an aggregate amount of ₹1,026,967, on Narendrakumar Modi in respect of the services rendered to Bhartiben Narendrakumar Modi ("**Invoice Amount**"). While from the Invoice Amount, Narendrakumar Modi advanced a payment of ₹30,000 to our Company, he issued two cheques for the remaining amount of ₹996,967, of which one cheque was dishonoured on account of insufficient funds, and another, retained as security. Hence, the complaint was lodged seeking that Narendrakumar Modi be summoned by the Chief Metropolitan Magistrate, Ahmedabad, and tried in accordance with the provisions of the Negotiable Instruments Act, 1881. The matter is pending.

(b) Outstanding litigation involving our Company in accordance with the Materiality Policy

(i) Civil proceedings against our Company

1. Dr Pranav Shah ("**Dr Pranav**") has filed a petition dated September 7, 2017 under the Insolvency and Bankruptcy Code, 2016 ("**IB Code**"), before the NCLT, Ahmedabad Bench, seeking initiation of the corporate insolvency resolution process under section 9 of the IB Code against our Company ("**Petition**"). Dr Pranav has claimed that an amount of ₹4.09 million is owed to him under the consultancy agreements executed between him and our Company which remains unpaid. Our Company filed its response to the Petition on October 2, 2017, wherein our Company has claimed that Dr Pranav had breached the terms of the aforementioned consultancy agreements, and that there were no amounts due to Dr Pranav. In its response, our Company has also claimed that Dr Pranav owed our Company a sum of ₹7.78 million. In addition, our Company has also requested the NCLT, Ahmedabad Bench, by way of interlocutory application, to direct to dispute between our Company and Dr Pranav, for resolution through arbitration. Subsequently, Dr Pranav filed an objection to the said interloculatory application dated October 2, 2017 before the NCLT, Ahmedabad Bench, objecting our Company's request for resolution of the dispute by arbitration. The matter is pending.

2. Dr Mohamed Vadaliwala ("**Dr Mohamed**") has filed a complaint dated October 27, 2013 before the Consumer Disputes Redressal Commission of Gujarat State against our Company and Dr Vikram Shah, seeking damages amounting to ₹6.99 million for alleged medical negligence caused to Dr Mohamed during a knee surgery undertaken at SG Shalby. The brief facts of the case are that in January, 2011, Dr Mohamed consulted SG Shalby for undertaking a left-knee joint replacement procedure ("**Surgical Procedure**"). Dr Mohamed has alleged that prior to the undertaking of the Surgical Procedure, his laboratory test results revealed that his blood sugar levels were high and he should have been advised against undergoing the Surgical Procedure. Subsequent to the Surgical Procedure, Dr Mohamed has alleged that he had developed an infection in his left knee. Our Company has claimed that the Surgical Procedure was performed at SG Shalby by a team of doctors, following standard medical practices. Dr Mohamed has alleged that owing to his pre-existent illness of diabetes, an infection was caused to his left knee joint, leading to the amputation of his left leg in September, 2013. The matter is pending.

3. Paras Nayak has filed a complaint dated August 22, 2016 before the District Consumer Disputes Forum at Ahmedabad against our Company and Dr Rohit Damor, seeking damages amounting to ₹4.92 million for alleged medical negligence caused to Paras Nayak during a ligament repair surgery undertaken at SG Shalby. The brief facts of the case are that in July, 2015, Paras Nayak consulted SG Shalby for pain experienced by him in his left knee. On examination of the MRI Report, Paras Nayak was advised by Dr Rohit Damor to undergo a surgery to rectify a partial tear in Paras Nayak's posterior cruciate ligament. Upon completion of the surgery, Paras Nayak alleged that his left knee had been further weakened because Dr Rohit Damor performed the surgery on his anterior cruciate ligament. Paras Nayak, alleging that the surgery has further weakened him and that he is unable to continue his work, has filed the complaint against our Company and Dr Rohit Damor before the District Consumer Disputes Forum at Ahmedabad. During the surgery, it was identified by Dr Rohit Damor that the damage was not in the posterior cruciate ligament, but in the anterior cruciate ligament. After apprising Paras Nayak's relatives of this fact and duly obtaining their consent, Dr Rohit Damor performed the ligament repair surgery on Paras Nayak. The matter is pending.

4. Digambar S Naik and Mangala Naik ("**Petitioners**") had filed a petition before the Company Law Board, Mumbai Bench on March 10, 2015, against our Company alleging oppression and mismanagement on the

part of our Company, Dr Vikram Shah, and others. On August 12, 2011, our Company entered into an investment agreement with Vrundavan Hospital and Research Centre Private Limited, to acquire 55% equity stake in VSHL (now known as Vrundavan Shalby Hospitals Limited). Subsequently, on June 2, 2015, a meeting of the board of directors of VSHL was convened, whereby resolutions were passed to increase VSHL's authorised share capital, and to propose augmentation of resources by way of raising capital through rights issue of equity shares, for an amount not exceeding ₹75.20 million.

The Petitioners have alleged that the increase in authorised share capital of VSHL was done with the *mala fide* intention of altering the shareholding pattern of VSHL, and to dilute the equity stake held by the Petitioners. After a series of interim orders, it was finally held by the Company Law Board, New Delhi, that the conduct of our Company was oppressive, and against the interest of the Petitioners. It was further held by the Company Law Board that the Petitioners be given an exit option from VSHL, on fair valuation of the equity shares held by the Petitioners. This order was challenged by our Company by way of an appeal, filed before the High Court of Bombay at Goa, on the grounds that the Company Law Board, Delhi, did not have adequate jurisdiction to pass the order, and that the order was passed in contravention of the principles of natural justice, as the facts of the case were not analysed in depth. The High Court of Bombay at Goa, by way of an order dated May 6, 2016, had stayed the order of the Company Law Board, Delhi. Subsequently, by way of an order dated December 22, 2016, the High Court of Bombay at Goa directed the NCLT, Mumbai Bench (then Company Law Board, Mumbai Bench) to decide the abovementioned petition after affording afresh hearings to the Petitioners, our Company, Dr Vikram Shah, and other parties involved in the matter. By way of an affidavit dated February 28, 2017 filed with the NCLT, Mumbai Bench, our Company responded to the various allegations of oppression and mismanagement, levelled by the Petitioners against our Company. Subsequently, the Petitioners, our Company, Dr Vikram Shah and other parties involved in the above matter filed consent terms with the NCLT, Mumbai Bench ("**Consent Terms**"). As per the Consent Terms, the Petitioners agreed to transfer their entire shareholding in VSHL to our Company for a total consideration of ₹46.80 million. The Petitioners and our Company agreed to withdraw all other petitions filed in this matter. By way of an order dated July 14, 2017, passed by the NCLT, Mumbai Bench, the petition filed by the Petitioners was duly dismissed.

5. Our Company and the SMJH Trust have filed an appeal before the High Court of Madhya Pradesh against the Jabalpur Development Authority ("**JDA**"), seeking a revocation of the cancelation of the lease deed dated January 12, 2004, executed between the SMJH Trust and the JDA ("**Lease Deed**"). The dispute relates to the land on which Shalby Jabalpur has been constructed, a hospital presently being managed and operated by our Company, pursuant to the terms of the O&M agreement dated January 31, 2014, executed between our Company and the SMJH Trust ("**Jabalpur O&M Agreement**"). As per the terms of the Jabalpur O&M Agreement, our Company agreed to operate and manage a hospital located at Plot B in Scheme #5, Ahinsa Chowk, Kachnar City Road, Vijay Nagar, Jabalpur – 482 002, Madhya Pradesh, India ("**Disputed Land**"). The Disputed Land was leased out to the SMJH Trust by the JDA, by way of the Lease Deed, specifically for the purpose of providing educational services. In pursuance of the Lease Deed, the SMJH Trust commenced operating a nursing institute on the Disputed Land. For the purposes of providing practical training to its nursing and paramedical students, the SMJH Trust approached our Company to set up Shalby Jabalpur on the Disputed Land. The Lease Deed restricted the SMJH Trust from transferring the lease of the Disputed Land, or subletting it to any third person.

   On September 8, 2014, a public interest litigation was filed by Kamlesh Agrawal against the SMJH Trust and our Company in the High Court of Madhya Pradesh, alleging that the Disputed Land on which Shalby Jabalpur has been constructed, is being used for purposes other than educational use. The High Court of Madhya Pradesh, pursuant to an order dated October 8, 2014 directed the commissioner of the JDA or the chief executive officer of the JDA, as the case may be, to conduct inquiries and pass an appropriate order before December 31, 2014. In the meanwhile, the SMJH Trust filed a review petition on December 15, 2014, seeking a review of the order dated October 8, 2014, passed by the High Court of Madhya Pradesh, claiming that it was in the process of establishing a dental college on the Disputed Land, and that Shalby Jabalpur was being constructed to comply with regulations issued by the Dental Council of India, which require that dental colleges be supported by a hospital with a minimum capacity of 100 beds. In the review petition, the SMJH Trust also submitted that all permits to operate a dental college were obtained by it. The review petition was disposed by the High Court of Madhya Pradesh, pursuant to an order dated December 16, 2014, and the chief executive officer of the JDA was directed to enquire into the terms of the Lease Deed in accordance with the order dated October 8, 2014, and in the event the decision of the chief executive officer of the JDA is adverse to SMJH Trust's interest, the same shall not be given effect for a period of two weeks to enable SMJH Trust to take up the matter before an appropriate forum.

   By way of an order dated December 26, 2014, the JDA cancelled the Lease Deed on the ground that the SMJH Trust had violated the terms of the Lease Deed. Subsequently, the SMJH Trust filed a petition on

January 4, 2015 before the High Court of Madhya Pradesh against the JDA, seeking a stay on the order dated December 26, 2014 of the JDA in relation to the cancellation of the Lease Deed, and restraining the respondents from taking any coercive steps for implementing the order. Through an interim order dated January 8, 2015, the High Court of Madhya Pradesh directed the JDA to refrain from taking any coercive steps against the SMJH Trust. Subsequent to the passing of the interim order dated January 8, 2015, Shalby Jabalpur commenced operations in March, 2015. In an order dated October 13, 2015, the High Court of Madhya Pradesh noted that the SMJH Trust and our Company were not permitted to commence operations of Shalby Jabalpur, and the interim order dated January 8, 2015, merely restricted the JDA from undertaking coercive actions. Thereafter, by way of an order dated January 19, 2016, the High Court of Madhya Pradesh directed the SMJH Trust to seek a review of the Lease Deed before the Government of Madhya Pradesh in accordance with Section 74 of the Nagar Tatha Gram Nivesh Adhiniyam, 1973. We understand that the Government of Madhya Pradesh has issued a report which has been submitted to the High Court of Madhya Pradesh.

In the meanwhile, Kameshwar Sharma, Akhilesh Tripathi, Milindra Jain, the Municipal Corporation of Jabalpur, and the JDA, filed separate writ petitions and writ appeals in the High Court of Madhya Pradesh, either seeking that no commercial activity be undertaken on the Disputed Land, or the abovementioned order passed by the High Court of Madhya Pradesh on January 19, 2016, be set aside. Since the abovementioned writ petitions and writ appeals are all connected to the same matter, the High Court of Madhya Pradesh will be hearing the matters jointly with the writ petition filed by Kameshwar Sharma. The matter is pending.

6. A winding up petition dated September 24, 2016, has been filed by Rajesh Desai against our Company before the High Court of Gujarat, alleging non-payment of dues and seeking a payment of ₹4.18 million. The brief facts of the case is that Rajesh Desai was originally associated with Krishna Heart Institute, a hospital which was acquired by our Company from Yogeshwar Healthcare in the year 2012. As a part of the abovementioned acquisition, Rajesh Desai, a senior cardiothoracic surgeon was working with the Company as a freelancer. Subsequently, in March, 2015, Rajesh Desai ceased his association with our Company. While Rajesh Desai, in the abovementioned winding up petition has claimed that our Company owes him a sum of ₹4.18 million as unpaid professional fees in consideration of the services rendered by him, our Company has made a counterclaim stating that Rajesh Desai owes our Company a sum of ₹4.15 million, being payments which are over and above the professional fees paid by our Company to Rajesh Desai. Subsequently, Rajesh Desai filed a rejoinder application dated April 10, 2017 in the High Court of Gujarat, alleging that the contentions levelled by our Company are untrue and baseless. The matter is pending.

7. Please see "*Outstanding Litigation and Material Developments – Civil proceedings by our Company – 3*" on page 391 for details of the counter-claim made by Dr Sunil Thanvi against our Company, in the arbitration proceedings instituted by our Company against Dr Sunil Thanvi.

(ii) Civil proceedings by our Company

1. Our Company has instituted arbitration proceedings before the arbitral tribunal, comprising sole arbitrator Justice M S Parikh (Retired) ("**Arbitral Tribunal**"), against Viral Shah, pursuant to an order passed by the High Court of Gujarat on January 22, 2016, invoking the arbitration clause under the consultancy agreement dated August 28, 2008, executed between our Company and Viral Shah ("**Consultancy Agreement**"). The arbitral proceedings instituted by our Company seek damages amounting to approximately ₹213 million plus interest from Viral Shah, for his alleged breach of the terms of the Consultancy Agreement.

   Our Company has alleged that in accordance with the terms of the Consultancy Agreement, Viral Shah had *inter alia,* agreed to provide exclusive services to our Company for a period of 20 years from the date of execution of the Consultancy Agreement. Further, as penalty for premature termination of the Consultancy Agreement, our Company has alleged that Viral Shah had also agreed to pay our Company, a sum equal to five times his average earnings, in the quarter immediately preceding the premature termination of the Consultancy Agreement. In May 2015, our Company has alleged that Viral Shah failed to report to his regular duties with SG Shalby. In addition, our Company has alleged that Viral Shah has started a practice with Praveen Saxena, being another consultant formerly engaged by our Company, and is also rendering his services to a competitor of our Company. Viral Shah, has alleged that the transactions stemming from the Consultancy Agreement were purported to be conducted between our Company and Spine Clinic Ahmedabad Private Limited ("**Spine Clinic**"), a company floated by Viral Shah alongside Praveen Saxena and others. Accordingly, all claims by our Company should be against Spine Clinic, and not Viral Shah. Our Company has instituted the arbitration proceedings on the grounds of Viral Shah having breached the terms of the Consultancy Agreement. The proceedings are pending.

2. Our Company has instituted arbitration proceedings before the arbitral tribunal, comprising sole arbitrator Justice M S Parikh (Retired) ("**Arbitral Tribunal**"), against Praveen Saxena, pursuant to an order passed by the High Court of Gujarat on January 22, 2016, invoking the arbitration clause under the consultancy agreement dated August 28, 2008, executed between our Company and Praveen Saxena ("**Consultancy Agreement**"). The arbitral proceedings instituted by our Company seek damages amounting to approximately ₹26.37 million plus interest from Praveen Saxena, for his alleged breach of the terms of the Consultancy Agreement.

   Our Company has alleged that in accordance with the terms of the Consultancy Agreement, Praveen Saxena had *inter alia*, agreed to provide exclusive services to our Company for a period of 20 years from the date of execution of the Consultancy Agreement. Further, as penalty for premature termination of the Consultancy Agreement, our Company has alleged that Praveen Saxena had also agreed to pay our Company, a sum equal to five times his average earnings from SG Shalby, in the quarter immediately preceding the premature termination of the Consultancy Agreement. In May 2015, our Company has alleged that Praveen Saxena failed to report to his regular duties with SG Shalby. In addition, our Company has alleged that Praveen Saxena has started a practice with Viral Shah, and is also rendering his services to a competitor of SG Shalby. Praveen Saxena, in his counterclaim has alleged that the transactions stemming from the Consultancy Agreement were purported to be conducted between our Company and Spine Clinic Ahmedabad Private Limited ("**Spine Clinic**"), a company floated by Praveen Saxena alongside Viral Shah and others. Accordingly, all claims by our Company should be against Spine Clinic, and not Praveen Saxena. Our Company has instituted the arbitration proceedings on the grounds of Praveen Saxena having breached the terms of the Consultancy Agreement. The proceedings are pending.

3. Our Company has instituted arbitration proceedings before the arbitral tribunal comprising sole arbitrator Mr M T Unadkat ("**Arbitral Tribunal**") against Sunil Thanvi, pursuant to an order passed by the High Court of Gujarat on February 26, 2016, invoking the arbitration clause under the consultancy agreement dated November 16, 2013 executed between our Company and Sunil Thanvi ("**Consultancy Agreement**"). The arbitral proceedings instituted by our Company seek damages amounting to approximately ₹2.20 million plus legal costs and interest from Sunil Thanvi for his alleged breach of the terms of the Consultancy Agreement.

   Our Company has alleged that in accordance with the terms of the Consultancy Agreement, Sunil Thanvi had *inter alia*, agreed to offer his services as a full time consultant with our Company for a term of three years, commencing November 16, 2013. Further, as penalty for premature termination of the Consultancy Agreement, the terminating party agreed to pay a sum of ₹2.20 million to the other as compensation ("**Premature Termination Penalty**"). Our Company has alleged that by email dated March 19, 2015, Sunil Thanvi communicated his intention of terminating the Consultancy Agreement with immediate effect to our Company. Despite subsequent communications between our Company and Sunil Thanvi, our Company has alleged that Sunil Thanvi refused to make good the Premature Termination Penalty. Sunil Thanvi has also lodged a counterclaim against our Company with the Arbitral Tribunal alleging that our Company has failed to pay him variable professional fees which were guaranteed under the Consultancy Agreement. As per the Consultancy Agreement, Sunil Thanvi has alleged that he is entitled to receive variable professional fees on meeting fixed monthly revenue targets for our Company. Sunil Thanvi has sought a compensation of ₹29.11 million from our Company in his counterclaim. On February 25, 2017, our Company filed an application before the Arbitral Tribunal, seeking that the arbitrator recuse himself from the proceedings, owing to alleged partial and biased behaviour. The application was dismissed by the Arbitral Tribunal on March 8, 2017. Subsequently, our Company filed a miscellaneous civil application before the High Court of Gujarat, praying for the termination of the mandate of the Arbitral Tribunal, and for the appointment of a new arbitrator. Subsequently, our Company withdrew the miscellaneous civil application while keeping the right to raise objections at a later stage reserved. The proceedings are pending.

4. Our Company has filed a stay application dated December 6, 2012 before the Principal Civil Judge at Rural Ahmedabad against Bhavin Sheth, Himanshu Sharma, and ConsumerComplaints.in seeking damages amounting to ₹20 million. The brief facts of the case is that Bhavin Sheth and Himanshu Sharma were formerly employed as Medical Officer and Vice President (International and Telemedicine), respectively, of our Company. During their respective employments with our Company, Bhavin Sheth and Himanshu Sharma were *inter alia*, entrusted with the duty of managing certain email accounts created for, and operated by our Company, as well as the Company's social media page on Facebook. Upon the cessation of their respective employments with our Company, it was brought to our Company's knowledge that Bhavin Sheth and Himanshu Sharma, were illegally accessing certain of our Company's email accounts and disseminating patient related information to our Company's competitors.

This apart, our Company has also alleged that Bhavin Sheth, through an account created on Consumer Complaints In., has been publishing libellous and defamatory remarks against our Company, doctors, and other members of the staff. Based on these libellous and defamatory remarks published, our Company lodged a complaint with the Deputy Commissioner of Police, Crime Branch, Ahmedabad, on April 21, 2011. On the basis of our Company's complaints, Bhavin Sheth and Himanshu Sharma were both remanded to judicial custody, and subsequently released on bail. In light of the above facts, our Company has filed a stay application praying that the Principal Civil Judge, Rural Ahmedabad, restrain Bhavin Sheth and Himanshu Sharma from publishing any libellous and defamatory remarks against our Company, doctors, and staff. Further, the abovementioned stay application also prays that the Principal Civil Judge, Rural Ahmedabad, call upon Bhavin Sheth and Himanshu Sharma to delete all libellous and defamatory remarks published against our Company, doctors, and staff on Consumer Complaints In. The matter is pending.

5. Our Company has instituted arbitration proceedings before the Arbitral Tribunal, comprising sole arbitrator Justice C K Buch (Retired) against Indian Elevators, a proprietorship firm engaged in the business of installation of elevators. By way of an order dated April 30, 2015, Hari Om Healthcare was merged with our Company in accordance with the terms of a scheme of arrangement under Section 391 to Section 394 of the Companies Act, 1956. For details, see "*History and Certain Corporate Matters – Acquisition of Business, Mergers and Amalgamations*". During its existence, in the year 2014, Hari Om Healthcare had raised a purchase order on Indian Elevators for installation of six elevators in its premises. Of the six elevators for the purposes of which a purchase order was raised by Hari Om, Indian Elevators installed only four elevators, thereby committing a breach of the terms of the purchase orders. Subsequently, of the four installed elevators, several technical defects were observed which remained unrectified by Indian Elevators despite various oral and written correspondences. Our Company has initiated the arbitral proceedings seeking damages amounting to ₹8.37 million with interest from Indian Elevators. Subsequently, our Company amended the amount of damages being sought to ₹9.36 million. In response, Indian Elevators has made a counter claim of ₹3.15 million. The matter is pending.

(c) Actions by statutory or regulatory authorities against our Company

NIL

(d) Tax proceedings involving our Company

Nature of case	Number of cases	Amount involved (₹ in million)
Direct Tax	6	158.62
Indirect Tax	6	516.08

(e) Proceedings initiated against our Company for economic offences

As on the date of this Red Herring Prospectus, there are no proceedings that have been initiated against our Company for any economic offences.

(f) Material frauds against our Company

No material frauds have been committed against our Company during the past five years.

(g) Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or Companies Act, 2013

No inspections, inquiries or investigations have been initiated or conducted against our Company under the Companies Act, 1956 or the Companies Act, 2013 during the past five years.

(h) ***Outstanding litigation against any other person(s) or companies whose outcome could have an adverse effect on our Company***

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any person or company whose outcome could affect the operations or finances of our Company or have a material adverse effect on the position of our Company.

(i) ***Details of prosecutions filed (whether pending or not), fines imposed or compounding of offences effected in the last five years from the date of filing of this Red Herring Prospectus***

On June 20, 2013, our Company filed a compounding application before the Regional Director, Ministry of Corporate Affairs, Ahmedabad. The compounding application was filed for a condonation of delay of 69 days in filing Form 8 under Section 141 of the Companies Act, 1956, in respect of a credit facility of ₹2.99 million availed by our Company from HDFC Bank Limited. By way of an order passed on July 29, 2013, the Regional Director condoned our Company's application, and called upon our Company to deposit a sum of ₹4,000 with the RoC, and file a copy of the aforementioned order. Our Company has ensured compliance with the abovementioned order.

(j) ***Default and non-payment of statutory dues***

Except as disclosed below, there are no outstanding defaults in the payment of statutory dues as on the date of this Red Herring Prospectus:

Sr. No.	Particulars	Amount outstanding as on November 14, 2017
1.	Provident fund payable	₹42,517
2.	Labour welfare fund	₹2,240

Outstanding dues to small scale undertakings and any other creditors

In terms of the Materiality Policy, our Company considers outstanding dues to creditors in excess of ₹36.80 million as material dues.

As of June 30, 2017, as per our Restated Consolidated Financial Statements, we had 2,035 creditors to whom a total amount amounting to ₹950.70 million was outstanding. Of these, four material creditors in terms of the Materiality Policy and the total amount due to such material creditors was ₹370.80 million.

Further, our Company has not received any intimation from any of our creditors regarding their status as micro or small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.

Complete details of outstanding dues to our creditors as on June 30, 2017 are available at the website of our Company, www.shalby.org.

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.shalby.org, would be doing so at their own risk.

LITIGATION INVOLVING OUR SUBSIDIARIES

(a) ***Outstanding criminal proceedings involving our Subsidiaries***

(i) *Criminal proceedings against our Subsidiaries*

There are no criminal proceedings against our Subsidiaries as on the date of this Red Herring Prospectus.

(ii) *Criminal proceedings by our Subsidiaries*

There are no criminal proceedings filed by our Subsidiaries as on the date of this Red Herring Prospectus.

(b) Outstanding litigation involving our Subsidiaries in accordance with the Materiality Policy

(i) Civil proceedings against our Subsidiaries

Please see "*Outstanding Litigation and Material Developments – Civil proceedings against our Company – 4*" on page 391 for details of the petition filed before the Company Law Board, Mumbai, by Digambar Naik and Mangala Naik against VSHL, among other parties.

(ii) Civil proceedings by our Subsidiaries

There are no material civil proceedings filed by our Subsidiaries as on the date of this Red Herring Prospectus.

(c) Actions by statutory or regulatory authorities against our Subsidiaries

NIL

(d) Tax proceedings involving our Subsidiaries

Nature of case	Number of cases	Amount involved (₹ in million)
Direct Tax	NIL	NIL
Indirect Tax	2	3.35

(e) Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or Companies Act, 2013

No inspections, inquiries or investigations have been initiated or conducted against our Subsidiaries under the Companies Act, 1956 or the Companies Act, 2013 during the past five years from the date of filing of this Red Herring Prospectus.

(f) Details of prosecutions filed (whether pending or not), fines imposed or compounding of offences effected in the last five years

There have been no prosecutions, fines imposed or compounding of offences against any of our Subsidiaries during the last five years.

LITIGATION INVOLVING OUR DIRECTORS

(a) Outstanding criminal proceedings involving our Directors

(i) Criminal proceedings against our Directors

1. Pursuant to a criminal complaint filed by Sanjeev Dalvi with Mapusa Police Station against Sharad Bhatt, a notice was issued by the Mapusa Police Station, summoning Dr Vikram Shah. While the first information report filed by Sanjeev Dalvi named only Sharad Bhatt as an accused, Dr Vikram Shah was summoned in accordance with Section 41(a) of the Code of Criminal Procedure, 1973. In his response to the abovementioned notice, Dr Vikram Shah, *vide* a letter dated December 8, 2016, informed the Mapusa Police Station that since he is not on the board of directors of VSHL, nor has he performed any surgeries at Vrundavan Shalby, there is no requirement for summoning him. Since the issuance of the abovementioned reply, the Mapusa Police Station has not exchanged any communication with Dr Vikram Shah.

2. Pursuant to a criminal complaint filed by Sangitaben Joshi ("**Sangitaben**") with the District Sessions

Court, Amreli, summons dated December 27, 2015, were issued against Nilesh Sondarva, Rashmin Roy, Bhavin Desai, and Sandip Agrawal ("**Summons**"). The brief facts of the case are that on November 7, 2013, Sangitaben was operated for a tumour of her skin at Krishna Shalby by Nilesh Sondarva and Rashmin Roy. It has been alleged that due to the carelessness of the doctors treating Sangitaben at Krishna Shalby, Sangitaben's right leg was left infected. To treat the infection, Sangitaben was required to undergo another surgery on November 9, 2013, which was conducted by Bhavin Desai and Sandip Agrawal. Upon completion of the second surgery, Sangitaben was duly discharged from Krishna Shalby. In her complaint with the Amreli Police Station, Sangitaben has alleged that due to the surgeries performed on her, her right leg has been permanently damaged leaving her unable to walk. In response to the Summons, written statements of Dr Vikram Shah, Sandip Agrawal and Bhavin Desai were recorded by the Amreli Police Station, wherein it was stated that while undertaking the surgeries on Sangitaben, all prescribed surgical processes and standard medical protocols were followed. Further, it was also stated that both surgeries on Sangitaben were undertaken only after her relatives were duly apprised of the risks associated with performing such surgeries, and upon receiving their consent. Since the date of filing the abovementioned written statement, Dr Vikram Shah has not received any communication from the Amreli Police Station.

(ii) Criminal proceedings by our Directors

NIL

(b) Material outstanding litigation involving our Directors in accordance with the Materiality Policy

(i) Civil proceedings against our Directors

1. Please see "*Outstanding Litigation and Material Developments – Civil proceedings against our Company – 2*" on page 388 for details of the complaint filed before the Consumer Disputes Redressal Commission, by Dr Mohamed Vadaliwala against Dr Vikram Shah, among other parties.

2. Please see "*Outstanding Litigation and Material Developments – Civil proceedings against our Company – 4*" on page 388 for details of the petition filed before the Company Law Board, Mumbai, by Digambar Naik and Mangala Naik against Dr Vikram Shah, among other parties.

(ii) Civil proceedings by our Directors

NIL

(c) Actions by statutory or regulatory authorities against our Directors

NIL

(d) Tax proceedings involving our Directors

Nature of case	Number of cases	Amount involved (₹ in million)
Direct Tax	1	0.57
Indirect Tax	NIL	-

(e) Proceedings initiated against our Directors for economic offences

As on the date of this Red Herring Prospectus, there are no proceedings that have been initiated against our Directors for any economic offences.

LITIGATION INVOLVING OUR PROMOTERS

(a) Outstanding criminal proceedings involving our Promoters

(i) Criminal proceedings against our Promoters

1. Please see "*Outstanding Litigation and Material Developments – Criminal proceedings against our Directors – 1*" on page 394 for details of the summons issued to Dr Vikram Shah by the Mapusa Police Station under Section 41(a) of the Code of Criminal Procedure, 1973.

2. Please see "*Outstanding Litigation and Material Developments – Criminal proceedings against our Directors – 2*" on page 394 for details of the criminal complaint filed by Sangitaben Joshi with the District Sessions Court, Amreli.

(ii) Criminal proceedings by our Promoters

NIL

(b) Material outstanding litigation involving our Promoters in accordance with the Materiality Policy

(i) Civil proceedings against our Promoters

1. Please see "*Outstanding Litigation and Material Developments – Civil proceedings against our Company – 4*" on page 388 for details of the petition filed before the Company Law Board, Mumbai, by Digambar Naik and Mangala Naik, against Dr Vikram Shah, among other parties.

2. Please see "*Outstanding Litigation and Material Developments – Civil proceedings against our Company – 2*" on page 388 for details of the complaint filed before the Consumer Disputes Redressal Commission, by Dr Mohamed Vadaliwala against Dr Vikram Shah, among other parties.

(ii) Civil proceedings by our Promoters

NIL

(c) Actions by statutory or regulatory authorities against our Promoters

NIL

(d) ***Tax proceedings involving our Promoters***

Nature of case	Number of cases	Amount involved (₹ in million)
Direct Tax	5	43.45
Indirect Tax	NIL	-

(e) Litigation on legal action by any Ministry or Department of the Government of India or any statutory authority in the last five years

There is no litigation or legal action pending or taken by a ministry, department of the Government of India or statutory authority during the last five years preceding the date of this Red Herring Prospectus against our Promoters.

LITIGATION INVOLVING OUR GROUP ENTITIES

(a) Outstanding criminal proceedings involving our Group Entities

(i) Criminal proceedings against our Group Entities

NIL

(ii) Criminal proceedings by our Group Entities

1. Slaney Healthcare Private Limited ("**Slaney**") has filed a private complaint before the First Class Judicial Magistrate, Ujjain, against Ashok Malviya, the proprietor of A K Pharmaceuticals, and Vishal Malviya, Santhosh Pathak, and Tejas Shah, all former employees of Slaney ("**Former Employees**"). Slaney has alleged that A K Pharmaceuticals was engaged as a stockist in the year 2014. Initially, while all payments by A K Pharmaceuticals against supply of goods by Slaney were made in a timely manner, it was later discovered that A K Pharmaceuticals had defaulted in making payments to Slaney. On enquiry, it was identified that the Former Employees, upon colluding with Ashok Malviya, had floated A K Pharmaceuticals with a view to divert Slaney's business. Apart from levelling various criminal charges against Ashok Malviya and the Former Employees, by way of the abovementioned private complaint, Slaney has sought damages to the tune of ₹1.23 million. The matter is pending.

2. **Slaney** has filed a case under Section 138 of the Negotiable Instruments Act, 1881, before the Metropolitan Court, Ahmedabad, against Udit Upadhyay, the proprietor of Gangasagar Surgicals ("**Respondent**"). Slaney has alleged that a cheque of ₹1.22 million issued to it by the Respondent for goods purchased on credit was dishonoured. The matter is currently pending.

(b) Outstanding litigation involving our Group Entities in accordance with the Materiality Policy

(i) Civil proceedings against our Group Entities

NIL

(ii) Civil proceedings by our Group Entities

NIL

(c) Actions by statutory or regulatory authorities against our Group Entities

NIL

(d) Tax proceedings involving our Group Entities

Nature of case	Number of cases	Amount involved (₹ in million)
Direct Tax	NIL	-
Indirect Tax	NIL	-

MATERIAL DEVELOPMENTS SINCE JUNE 30, 2017

For details, please see: "*Management's Discussion and Analysis- Significant Developments after June 30, 2017, that may affect our future Results Of Operations*" on page 383.

GOVERNMENT AND OTHER APPROVALS

Our Company and our Subsidiaries have received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and / or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and our Subsidiaries undertake to obtain all material approvals, licenses and permissions required to operate our present business activities, including such material approvals, licenses and permissions as may be necessary to set up and operate our new hospitals and clinics. Unless otherwise stated, these approvals or licenses are valid as of the date of this Red Herring Prospectus and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see "Risk Factors" and "Regulations and Policies" on pages 19 and 171, respectively.

The objects clause of the respective memoranda of association enables our Company and our Subsidiaries to undertake their present business activities.

The approvals required to be obtained by us include the following:

APPROVALS IN RELATION TO THE OFFER

For details, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 404.

INCORPORATION DETAILS OF OUR COMPANY

(a) Certificate of incorporation dated August 30, 2004 issued by the RoC to our Company in our former name, being Shalby Hospital Private Limited.

(b) Fresh certificate of incorporation dated May 15, 2006 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of Shalby Hospital Public Limited.

(c) Fresh certificate of incorporation dated July 26, 2006 issued by the RoC to our Company consequent upon change of name to Shalby Hospitals Limited.

(d) Fresh certificate of incorporation dated February 13, 2008 issued by the RoC to our Company consequent upon change of name to Shalby Limited.

(e) Our Company's corporate identity number is U85110GJ2004PLC044667.

APPROVALS UNDER TAX LAWS

Our Company is required to register itself under various national tax laws, as well as state specific tax laws such as the IT Act, CST Act, state specific sales tax, excise, and value added tax legislations. Our Company is also required to pay service tax and state specific professional tax. Our Company has obtained necessary licenses and approvals from the appropriate regulatory and governing authorities, in relation to such tax laws.

APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

We operate multi-specialty hospitals and clinics with a focus on orthopaedics and joint replacements. For further information on our business operations, see "*Our Business – Overview*" on page 150. Depending on the model of a particular facility, our Company and Subsidiaries are required to obtain various approvals in relation to our business.

(a) Approvals in relation to our hospitals

The registrations and approvals obtained by our Company and our Indian Subsidiaries for operating multispecialty hospitals, include the following:

(i) Licenses under the Drugs and Cosmetics Act, 1940, and the rules thereunder, to sell, stock, and exhibit drugs by retail at our facilities;

(ii) Licenses under the Drugs and Cosmetics Act, 1940, and the rules thereunder, to establish and operate blood banks;

(iii) Licenses under the Transplantation of Human Organs Act, 1994, to facilitate transplantation of kidneys from living participants and cadavers;

(iv) Licenses under the Narcotic Drugs and Psychotropic Substances Act, 1985, for possessing and dealing with narcotics and psychotropic substances;

(v) Registrations under the Clinical Establishments (Registration and Regulation) Act, 2010, the Bombay Nursing Homes Registration Act, 1949, the Madhya Pradesh Upcharyagriha Tatha Rujopchar Sambandhi Sthapnaye (Registrikaran Tatha Anugyapan) Adhiniyam, 1973, or other relevant state legislations regulating private medical establishments, as applicable;

(vi) Registrations to operate medical diagnostic x-ray equipment and other radiation installations under the Atomic Energy Act, 1962, and the rules, regulations, and codes, issued thereunder;

(vii) Registrations to undertake genetic counselling, pre-natal diagnostic procedures, pre-natal diagnostic tests, and ultrasonography, under the Pre-natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994;

(viii) Consents to operate our facilities under the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981; and

(ix) Consents to handle biomedical wastes under the Biomedical Waste Management Rules, 2016.

(b) Approvals in relation to our clinics

We provide outpatient healthcare services through 42 domestic Outpatient Clinics as on the date of this Red Herring Prospectus, out of which three Outpatient Clinics are operated solely by us, and 39 are operated on the basis of revenue sharing arrangements with established healthcare service providers. In respect of our domestic Outpatient Clinics that are being operated under revenue sharing arrangements, the obligation of obtaining requisite licenses and registrations to operate such Outpatient Clinics lies with our third party partner. For details, see "*Our Business – Description of Business*" on page 158. In respect of the three Outpatient Clinics being solely operated by us, we are required to obtain the following licenses:

(i) license under the Gujarat Shops and Establishments Act, 1948, to provide outpatient healthcare services through our Outpatient Clinic in Ahmedabad.

However, our Company is yet to make applications for the aforementioned licenses required in respect of Outpatient Clinics. For further details, see "*Risk Factors – We are dependent on obtaining and maintaining certain governmental and regulatory licences and we have not obtained certain approvals, registrations and licences with respect to our operations in certain facilities including our hospitals and domestic Outpatient Clinics, and certain approvals for which we have made applications in the past, have been rejected. Our ability to operate out of such facilities or carry on the relevant activity / procedures in question, may be impeded as a result, thus adversely impacting our operations and revenue.*", on page 34.

(c) Registrations under employment laws

The registrations and approvals obtained by our Company and our Indian Subsidiaries under applicable labour laws, include the following:

(i) Letter of applicability issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;

(ii) Letter of applicability issued under the Employees' State Insurance Act, 1948;

(iii) Professional tax enrolment and registration certificates, as issued under applicable professional tax legislations prescribed by various States;

(iv) Certificates of registration, as issued under applicable shops and establishments legislations prescribed by various states;

(v) Tax registration certificates under various local, State, and Central legislations;

(vi) Approval under the Central Electricity Authority (Measures Relating to Safety and Electricity Supply) Regulations, 2010, for operation of diesel generator sets;

(vii) Building plan sanctions and occupancy certificates for construction and occupation of buildings;

(viii) Fire licenses / no-objection certificates from local fire safety authorities; and

(ix) Registration of ethics committee for clinical trials obtained from the Drugs Controller General (India).

PENDING APPROVALS

(a) Approvals for which applications have been made:

(i) Application dated June 20, 2017, filed with the District Excise Officer, Jaipur, for a license to possess and sell medicines containing opium in respect of Shalby Jaipur.

(b) Approvals which have expired and renewal applications have been made:

Sr. No.	Unit	Nature of licence	Date of expiry	Application date for renewal	Act / Rule
1.	SG Shalby	License to store, sell, and distribute food articles	March 31, 2017	April 17, 2017	Food Safety and Standards Act, 2006
2.	Shalby Mohali	Consent under the Biomedical Waste (Management and Handling) (Amendment) Rules, 2003	March 31, 2017	March 28, 2017	Biomedical Waste Management Rules, 2016, read with the Environment (Protection) Act, 1986

(c) Approvals for which no application has been made:

Our Company is yet to make applications for the following licenses that are required in respect of Outpatient Clinics that are solely operated by our Company, Shalby Naroda, and Shalby Mohali:

(i) license under the Gujarat Shops and Establishments Act, 1948, to provide outpatient healthcare services through our Outpatient Clinic in Ahmedabad; and

(ii) Consent to operate under the Air (Prevention and Control of Pollution) Act, 1981, and Water (Prevention and Control of Pollution) Act, 1974, for Shalby Mohali.

Further, in respect of Shalby Jabalpur, the SMJH Trust had made an application with the Municipal Corporation of Jabalpur, for a 'works completion certificate' in December, 2014, for Shalby Jabalpur's hospital building. By way of a letter dated December 19, 2014, the Municipal Corporation of Jabalpur refused to accept the application submitted by SMJH Trust, on the grounds of the public interest litigation, filed by Kamlesh Agrawal against the SMJH Trust in the High Court of Madhya Pradesh, being unresolved and pending. For details on the public interest litigation filed by Kamlesh Agrawal against the SMJH Trust in the High Court of Madhya Pradesh, see "*Risk Factors – Our O&M partner, SMJH Trust, has not perfected its leasehold rights upon the land on which Shalby Jabalpur has been constructed. Accordingly, our rights arising out of our O&M arrangement with the SMJH Trust in respect of Shalby Jabalpur may be impaired, thus adversely affecting our revenue, profits, and financial conditions*" page 20, and "*Outstanding Litigation and Material Developments – Litigation involving our Company – Outstanding litigation involving our Company in accordance with the Materiality Policy – Civil proceedings against our Company*" on page 388. For details on the risk associated with SMJH Trust's failure to obtain the 'works completion certificate' from the Municipal Corporation of Jabalpur, see "*Risk Factors - We are dependent on obtaining and maintaining certain governmental and regulatory licences and we have not obtained certain approvals, registrations and licences with respect to our operations in certain facilities including our hospitals and domestic Outpatient Clinics, and certain approvals for which we have made applications in the past, have been rejected. Our ability to operate out of such facilities or carry on the relevant activity / procedures in question, may be impeded as a result, thus adversely impacting our operations and revenue.*" on page 34.

INTELLECTUAL PROPERTY RIGHTS

(a) ***Our Company has obtained the following trademark registrations:***

Sr. No.	Trade mark	Trademark No.	Class	Certificate No.	Date of application	Date of expiry
1.	TECHNIQUE ZERO	2224617	44	1280186	October 24, 2011	October 24, 2021
2.	Keep Walking Get Going	2252481	42	1254684	December 19, 2011	December 19, 2021
3.	Keep Walking Get Going	2252482	44	1254683	December 19, 2011	December 19, 2021
4.	TECHNIQUE ZERO	2224614	5	1169180	October 24, 2011	October 24, 2021
5.	TECHNIQUE ZERO	2224615	10	1168852	October 24, 2011	October 24, 2021
6.	TECHNIQUE ZERO	2224616	42	1168868	October 24, 2011	October 24, 2021
7.	Shalby Home Care Be at Home...We are There.	2777107	5	1648433	July 19, 2014	July 19, 2024
8.	Shalby Home Care Be at Home...We are There.	2777108	10	1651139	July 19, 2014	July 19, 2024
9.	Shalby Home Care Be at Home...We are There.	2777110	44	1649210	July 19, 2014	July 19, 2024

Sr. No.	Trade mark	Trademark No.	Class	Certificate No.	Date of application	Date of expiry
10.	Shalby Home Care Be at Home...We are There.	2777111	44	1649602	July 19, 2014	July 19, 2024

(b) ***Our Subsidiaries, have obtained the following trademark registrations:***

NIL

(c) ***Trademarks applied for by our Company:***

Sr. No.	Trade mark	Class	Application number	Date of application	Status
1.	Keep Walking Get Going	5	2252479	December 19, 2011	Objected
2.	Keep Walking Get Going	10	2252480	December 19, 2011	Objected
3.	KEEP WALKING	5	2107861	March 1, 2011	Opposed
4.	KEEP WALKING	42	2107863	March 1, 2011	Opposed
5.	KEEP WALKING	44	2107864	March 1, 2011	Opposed
6.	Shalby Home Care Be at Home...We are There.	42	2777109	July 19, 2014	Before Acceptance
7.	SHALBY™ MULTI-SPECIALTY HOSPITALS	5	3642315	September 23, 2017	
8.	SHALBY™ MULTI-SPECIALTY HOSPITALS	10	3642316	September 23, 2017	
9.	SHALBY™ MULTI-SPECIALTY HOSPITALS	16	3642317	September 23, 2017	

Sr. No.	Trade mark	Class	Application number	Date of application	Status
10.	SHALBY MULTI-SPECIALTY HOSPITALS	35	3642318	September 23, 2017	
11.	SHALBY MULTI-SPECIALTY HOSPITALS	41	3642319	September 23, 2017	
12.	SHALBY MULTI-SPECIALTY HOSPITALS	42	3642320	September 23, 2017	
13.	SHALBY MULTI-SPECIALTY HOSPITALS	44	3642321	September 23, 2017	

(d) ***Trademarks applied for by our Subsidiaries:***

NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE OFFER

Our Board has approved the Fresh Issue pursuant to the resolution passed at the meeting held on March 6, 2017 and our Shareholders have approved the Fresh Issue pursuant to a resolution passed at the EGM held on March 30, 2017, under Section 62(1)(c) of the Companies Act, 2013. Further, the IPO Committee has approved this Red Herring Prospectus pursuant to its resolution dated November 24, 2017.

For details on the authorisations of the Selling Shareholder in relation to the Offer, see "*The Offer*" on page 76.

The Equity Shares being offered by the Selling Shareholder in the Offer have been held by him for a period of at least one year prior to the filing of the Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale in the Offer. The Selling Shareholder has also confirmed that he is the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated 8 June 2017 and 12 June 2017, respectively.

The Selling Shareholder has on his own account confirmed that he has not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by him are free from any lien, encumbrance, transfer restrictions or third party rights.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Entities, the persons in control of Zodiac and the Selling Shareholder have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Promoters, Directors, or persons in control of our Company are, or were associated as promoter, directors or persons in control with any company that is prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES WITH RESPECT TO WILFUL DEFAULTERS

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Individual Promoters, Directors, Group Entities, nor the Selling Shareholder have been identified 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. There are no violations of securities laws committed by them in the past or are pending against them.

ELIGIBILITY FOR THE OFFER

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), of which not more than 50 % of the net tangible assets are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150 million calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the year ended March 31, 2016; and
- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the Restated Consolidated Financial Statements included in this Red Herring Prospectus as at, and for the last five years ended Financial Year March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013, are set forth below:

(*₹ in million, unless otherwise stated*)

	Consolidated						Standalone					
	As at June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	As at June 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Pre-tax operating profit (1)	216.34	594.10	452.32	479.66	530.25	164.59	202.69	623.02	475.06	512.99	560.48	208.19
Net worth (2)	2,889.00	2,657.03	2,050.24	1,684.26	1,408.7	1,019.30	2,973.42	2,743.41	2,122.9	1,722.42	1,461.09	1,049.48
Net tangible asset (3)	3,197.57	2,967.20	2,056.04	1,630.78	1,333.18	928.97	3,293.41	3,065.04	2,138.94	1,826.46	1,476.94	1,037.89
Monetary asset (4)	98.28	117.37	89.15	274.6	55.36	23.54	96.86	115.82	82.64	261.33	49.55	15.66
Monetary asset as a percentage of the net assets (%)	3.07%	3.96%	4.34%	16.84%	4.15%	2.53%	2.94%	3.78%	3.86%	14.31%	3.35%	1.51%

Source: Restated Financial Statements

Note:

(1) Net Tangible Assets' means the sum of all net assets of Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India.

(2) 'Monetary Assets' comprises of cash and bank balances (including deposits up to maturity of 3 months from the reporting date)

(3) 'Pre – tax Operating Profits' has been calculated as the restated profit before tax but after adjusting other income of non-recurring nature, loss on sale of investment& fixed assets, lease rentals written off, interest income written off and finance costs.

(4) 'Net Worth' has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Financial Years 2016, 2015 and 2014 are the three most profitable years out of the immediately preceding five Financial Years in terms of our Restated Financial Statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE 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 THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, EDELWEISS FINANCIAL SERVICES LIMITED, IDFC BANK LIMITED AND IIFL HOLDINGS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT

INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, AND THE SELLING SHAREHOLDER IS PRIMARILY RESPONSIBLE FOR ALL STATEMENTS IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO HIMSELF IN CONNECTION WITH THE OFFER AND THE EQUITY SHARES OFFERED BY HIM IN THE OFFER, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 19, 2017, WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVEMENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:**

   (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC, FRAMED / ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOTED FOR COMPLIANCE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE COMPANY'S PROMOTERS (THE "PROMOTERS") HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA UNTIL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA**

(ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013, AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY, AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED / TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHILE MAKING THE OFFER. – COMPLIED WITH AND NOTED FOR COMPLIANCE

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF THE CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. – COMPLIED WITH

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. – COMPLIED WITH

16. **WE ENCLOSE THE STATEMENT ON PRICE INFORMATION ON PAST ISSUES HANDLED BY THE BRLMs (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER), AS PER THE FORMAT SPECIFIED BY THE SECURITIED AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR. – COMPLIED WITH**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS INCLUDED IN THE DRAFT RED HERRING PROSPECTUS AS CERTIFIED BY G. K. CHOKSI & CO (FIRM REGISTRATION NUMBER: FRN 101895W), CHARTERED ACCOUNTANTS, BY WAY OF A CERTIFICATE DATED MAY 19, 2017.**

18. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THECASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE**

The filing of this Red Herring Prospectus does not however, absolve our Company or any person who has authorised the issue of this Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in the Draft Red Herring Prospectus, this Red Herring Prospectus and Prospectus.

The filing of the Draft Red Herring Prospectus does not absolve the Selling Shareholder from any liability to the extent the statements made by him in respect of the Equity Shares being offered by him under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer have been complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholder, our Directors and the BRLMs

Our Company, the Directors, the Selling Shareholder and the BRLMs accept no responsibility for statements made otherwise than in this 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.shalby.org or the respective websites of our Subsidiaries, members of the Promoter Group or Group Entities, 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 to be entered into between the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, 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 (as per the Companies Act, 2013) and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group entities, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder and their respective group entities, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, public financial institutions as defined in Section 2(72) of the Companies Act, 2013, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in shares, permitted insurance companies and pension funds, Systemically Important NBFCs multilateral and bilateral development financial institutions, state industrial development corporations, and insurance funds set up and managed by the army, navy, or airforce of the Union of India, and insurance funds set up and managed by the Department of Posts, India) and Eligible NRIs and eligible FPIs (including FIIs). This Red Herring Prospectus does not, however, constitute an invitation to subscribe to, or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this 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 Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, our Group Entities or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any and applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of BSE

As required, a copy of the Draft Red Herring Prospectus had been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of the Draft Red Herring Prospectus, vide its in-principle approval dated June 8, 2017 is as under:

"BSE Limited ("**the Exchange**") has given vide its letter dated June 08, 2017 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this offer document has been cleared or approved by the Exchange. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

Disclaimer clause of the NSE

A copy of the Draft Red Herring Prospectus had been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of the Draft Red Herring Prospectus, vide its in-principle approval dated June 12, 2017 is as under:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/9126 dated June 12, 2017 permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Filing

A copy of the Draft Red Herring Prospectus had been filed with SEBI at Plot No. C 4-A, G Block, Near Bank of India, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India.

A copy of this Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at RoC Bhavan, Opposite Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380 013, Gujarat, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholder will forthwith repay without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid / Offer Closing Date. Further, the Selling Shareholder confirms that he shall extend all reasonable co-operation required by our Company, the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid / Offer Closing Date or such other timeline as prescribed by law.

The Selling Shareholder undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. All expenses in relation to the Offer other than listing fees (which shall be borne by our Company) shall be shared between our Company and the Selling Shareholder in accordance with applicable law.

Price information of past issues handled by the BRLMs

A. Edelweiss

1. Price information of past issues handled by Edelweiss Financial Services 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.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	Not applicable	Not applicable	Not Applicable
2.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	Not applicable	Not applicable	Not Applicable
3.	Prataap Snacks Limited	4,815.98	938.00^	October 5, 2017	1,270.00	25.12% [5.70%]	Not applicable	Not applicable
4.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	3.62% [6.25%]	Not applicable	Not applicable
5.	Cochin Shipyard Limited	14,429.30	432.00^	August 11, 2017	440.15	30.14% [3.04%]	30.96% [6.10%]	Not applicable
6.	Central Depository Services (India) Limited	5,239.91	149.00	June 30, 2017	250.00	127.92%; [5.84%]	128.86% [2.26%]	Not applicable
7.	Tejas Networks Limited	7,766.88	257.00	June 27, 2017	257.00	28.04%; [5.35%]	17.82% [3.80%]	Not applicable
8.	Avenue Supermarts Limited	18,700.00	299.00	March 21, 2017	600.00	145.08%; [-0.20%]	166.35% [5.88%]	264.38% [11.31%]
9.	BSE Limited	12,434.32	806.00	February 3, 2017	1,085.00	17.52%; [2.55%]	24.41%; [6.53%]	34.43% [15.72%]
10.	Sheela Foam Limited	5,100.00	730.00	December 9, 2016	860.00	30.23%; [-0.31%]	48.39% [8.02%]	86.65% [16.65%]

Source: www.nseindia.com

^Prataap Snacks Limited - Employee Discount of ₹ 90 per Equity Share to the Issue Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion. All calculations are based on the issue price of Rs. 938 per equity share

^ Cochin Shipyard Limited - Discount of Rs.21 per equity share was offered to retail bidders & eligible employees. All calculations are based on the offer price of Rs. 432 per equity share

Notes

1. *Based on date of listing.*
2. *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
4. *The Nifty 50 index is considered as the Benchmark Index*
5. *Not Applicable. – Period not completed*
6. *Disclosure in Table-1 restricted to 10 issues.*

2. Summary statement of price information of past issues handled by Edelweiss Financial Services 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%
2017-18*	7	1,91,633.93	-	-	-	1	3	1	-	-	-	-	-	-
2016 - 17	6	123,361.22	-	-	1	1	3	1	-	-	-	3	2	1
2015 - 16	7	56,157.83	-	-	3	-	2	2	-	-	4	-	1	2

**The information is as on the date of the document*

1. *Based on date of listing.*
2. *Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.*
3. *The Nifty 50 index is considered as the Benchmark Index.*

For the financial year 2017-18 – 7 issues have been completed. However, 5 issues have completed 30 days and only 3 issues have completed 90 days yet.
For the financial year 2016-17 – total 6 issues were completed and for the financial year 2015-16 total 7 issues were completed. However, disclosure under Table-1 is restricted to latest 10 issues.

B. IDFC

Table 1: Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Bank Limited:

Sr. No.	Issuer Name	Issue Size (Rs. Million)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date (Rs.)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark] – 180th calendar day from listing
1.	HPL Electric & Power Limited	3,610.00	202.00	October 04, 2016	190.00	-14.75% [-2.91%]	-51.19% [-6.72%]	-37.77% [5.34%]
2.	Shankara Building Products Limited	3,450.01	460.00	April 05, 2017	545.00	51.25% [0.51%]	81.25% [4.16%]	214.30%[5.08%]
3.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	50.07%[0.57%]	Not Available	Not Available
4.	The New India Assurance Company Limited	95,858.23	800.00*	November 13, 2017	748.90	Not Available	Not Available	Not Available
5.	Khadim India Limited	5430.57	750.00	November 14, 2017	730.00	Not Available	Not Available	Not Available
6.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	Not Available	Not Available	Not Available

** Offer Price was 770.00 per equity share after a discount of Rs. 30 per equity share to retail individual bidders and eligible employees.*

Notes:

i. *Source: www.nseindia.com and www.bseindia.com for the price information and prospectus/finalised basis of allotment for issue details.*
ii. *NSE was the designated stock exchange for the issue listed as item 1, 5 & 6 and BSE was the designated stock exchange for the issues listed as item 2, 3 & 4. Therefore price information and benchmark index values have been/will be shown only for designated stock exchange. NIFTY and SENSEX have been used as the benchmark indices.*
iii. *In case of reporting dates falling on a trading holiday, values for the trading day, immediately following the trading holiday have been considered.*

iv. Since 30, 90 and 180 calendar days, from listing date has not elapsed for The New India Assurance Company Limited, Khadim India Limited and HDFC Standard Life Insurance Company Limited, hence data for same is not available.

v. Since 90 and 180 calendar days, from listing date has not elapsed for Dixon Technologies (India) Limited, hence data for same is not available.

Table 2: Summary statement of disclosure Price information of past issues during current financial year and two financial years preceding the current financial year handled by IDFC Bank Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2017-2018*	5	197,681.67	-	-	-	2	-	-	-	-	-	1	-	-
2016-2017	1	3,610.00	-	-	1	-	-	-	-	1	-	-	-	-
2015-2016**	-	-	-	-	-	-	-	-	-	-	-	-	-	-

As on the date of RHP

*** From October 21, 2015, the date of registration under SEBI (Merchant Banker) Regulations 1992,*

Notes:

i. *Date of listing of equity shares has been considered for calculating total no. of IPOs in a particular financial year.*

ii. *The discount/premium has been/will be calculated based on the closing stock price.*

iii. *Since 30, 90 and 180 calendar days, from listing date has not elapsed for The New India Assurance Company Limited, Khadim India Limited & HDFC Standard Life Insurance Company Limited hence data for same is not available.*

iv. *Since 90 and 180 calendar days, from listing date has not elapsed for Dixon Technologies (India) Limited, hence data for same is not available.*

C. IIFL

Table 1

Sr. No.	Issue Name	Issue Size (in 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.	Dilip Buildcon Limited	6,539.77	219.00	August 11, 2016	240.00	+5.1%, [3.4%]	-3.9%, [-1.7%]	+20.3%, [+2.3%]
2.	RBL Bank Limited	12,129.67	225.00	August 31, 2016	274.20	+29.4%, [-1.5%]	59.8%, [-6.9%]	+107.9%, [+1.7%]
3.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	September 29, 2016	330.00	-7.6%, [-1.2%]	-11.6%, [-8.1%]	+11.3%, [+4.1%]
4.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.3%, [+0.3%]	+3.1%, [+4.0%]	NA

5.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2725.00	+50.8%, [+1.2%]	NA	NA
6.	Capacit'e Infraprojects Limited	4,000.00	250.00	September 25, 2017	399.00	+34.9%, [+3.3%]	NA	NA
7.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	NA	NA
8.	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	5.6%, [+1.9%]	NA	NA
9.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	NA	NA	NA
10.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	NA	NA	NA

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

Table 2: Summary Statement of Disclosure

Financial Year	Total No. of IPO's	Total Funds Raised	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		
		(in Rs. Mn)	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-16	4	17,330.46	-	-	3	-	-	1	-	-	3	1	-	-
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	7	187,177.71	-	-	2	1	1	1	-	-	-	-	-	-

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Track record of past issues handled by the BRLMs

For details regarding the track record of the Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs as set forth in the table below:

Sr. No.	Name of the BRLMs	Website
1.	Edelweiss	https://www.edelweissfin.com/web/edelweiss/track-record
2.	IDFC	http://www.idfcbank.com/wholesale-banking/investmentbanking/track-record-disclaimer.html
3.	IIFL	www.iiflcap.com

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Legal Counsel to our Company, Legal Counsel to the BRLMs, banker / lenders to our Company and our Subsidiaries, the BRLMs, the Syndicate Members, Bankers to the Offer and the Registrar to the Offer, and Frost & Sullivan, to act in their respective capacities, have been / will be obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, G. K. Choksi & Co., Chartered Accountants, have given their written consent for inclusion of their reports dated September 28, 2017, on the Restated Financial Statements of our Company and the statement of tax benefits dated November 17, 2017 in the form and context, included in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus for filing with SEBI.

Expert to the Offer

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

i) Our Company has received written consent from the Statutory Auditors namely, G. K. Choksi & Co., Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an "Expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated September 28, 2017 and the statement of tax benefits dated November 17, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "Expert" shall not be construed to mean an "expert" as defined under the Securities Act.

Offer expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, bidding charges, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees, filing fees, auditors fees and listing fees. For further details of Offer expenses, see "*Objects of the Offer*" on page 106.

Other than listing fees, which shall be borne by our Company, the fees and expenses relating to the Offer shall be shared among our Company and the Selling Shareholder, on a pro rata basis in proportion to the Equity Shares issued and Allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale.

Fees payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholder to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice / CAN / refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated May 10, 2017 entered into, between our Company, the Selling Shareholder and the Registrar to the Offer a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post / speed post / under certificate of posting.

The Selling Shareholder will reimburse our Company the expenses incurred in relation to his Equity Shares offered in the Offer for Sale.

IPO grading

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

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 87, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Entities and Subsidiaries of our Company

None of our Group Entities and Subsidiaries of our Company have undertaken a capital issue in the last three years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public / rights issue of our Company and / or listed Group Entities, Subsidiaries and associate companies of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Entities and Subsidiaries of our Company have undertaken any public or rights issue in the last 10 years preceding the date of this Red Herring Prospectus.

Outstanding debentures or bonds

There are no outstanding debentures or bonds issued by our Company as of the date of filing this Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Our Company does not have any outstanding Preference Shares or convertible instruments as of the date of filing this Red Herring Prospectus.

Partly paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

Stock market data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the Syndicate Agreement.

For details of the Offer expenses, see "*Objects of the Offer*" on page 106.

Commission payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBS, Registered Brokers, RTAs and CDPs see "*Objects of the Offer*" on page 106.

Redressal of investor grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholder provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

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 and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

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.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 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. There are no investor complaints pending on the date of filing this Red Herring Prospectus, and our Company has not received any investor complaint in the three years prior to the filing of this Red Herring Prospectus.

Our Company has appointed a Stakeholders' Relationship Committee comprising Shyamal Joshi, Umesh Menon and Dr

Vikram Shah as members. For details, see "*Our Management*" on page 187.

Our Company has also appointed Jayesh Patel, Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "*General Information*" on page 78.

There are no listed companies under the same management as our Company.

Changes in auditors

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

Capitalisation of reserves or profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 87.

Disposal of investor grievances by listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956

There are no listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, and therefore there are no investor complaints pending against our Company.

Revaluation of assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of this 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 Advices and other documents / certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and / or other authorities, as in force on the date of the Offer, and to the extent applicable, or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and / or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholder. All Offer related expenses other than listing fees (which will be borne by our Company) shall be shared, upon successful completion of the Offer, amongst our Company and the Selling Shareholder, on a pro rata basis in proportion to the Equity Shares issued and Allotted by our Company in the Fresh Issue and the Equity Shares sold by the Selling Shareholder in the Offer for Sale. The Selling Shareholder shall reimburse our Company for all expenses incurred by our Company in relation to the Offer for Sale on his behalf for his Equity Shares offered in the Offer for Sale.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of Articles of Association*" on page 468.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and Articles of Association and provisions of the Listing Regulations. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 216 and 468, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 each and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in all editions of Financial Express-English, all editions of Jansatta and Ahmedabad edition of Financial Express-Gujarati (each of which are widely circulated English, Hindi and Gujarati newspapers, respectively, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located), at least five Working Days prior to the Bid / Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations and the Articles of Association.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and / or consolidation / splitting, see "*Main Provisions of Articles of Association*" on page 468.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated August 26, 2016 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated August 19, 2016 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Mumbai.

Nomination Facility to Investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale / transfer / alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may, at any time give notice requiring any nominee to choose either to be himself or herself registered, or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may, thereafter, withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid / Offer Opening Date. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date, or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal shall be included in the same newspapers in which the post Offer advertisements have appeared.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid / Offer Closing Date and thereafter determines that it will proceed with an issue / offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid / Offer Programme

BID / OFFER OPENS ON	Tuesday, December 5, 2017[(1)]
BID / OFFER CLOSES ON	Thursday, December 7, 2017

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative date
Bid / Offer Closing Date	December 7, 2017
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about December 12, 2017
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Accounts	On or about December 13, 2017
Credit of Equity Shares to demat accounts of Allottees	On or about December 14, 2017
Commencement of trading of the Equity Shares on the Stock Exchange(s)	On or about December 15, 2017

The above timetable, other than the Bid / Offer Closing Date, is indicative, and does not constitute any obligation on our Company or the Selling Shareholder or the BRLMs.

Whilst our Company and the Selling Shareholder 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, the timetable may be extended due to various factors, such as extension of the Bid / Offer Period by our Company and the Selling Shareholder, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

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

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 Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid / Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders and Eligible Employees, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

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 would be rejected.

Due to limitation of time available for uploading the Bids on the Bid / Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid / Offer Closing Date. Any time mentioned in this 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 Monday to Friday (excluding any public / bank holiday). None among our Company, the Selling Shareholder, or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid / Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

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

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) for at least such percentage of the post Offer Equity Share Capital of our Company that will be at least ₹4,000 million calculated at the Offer Price, in terms of Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid / Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholder shall be liable to pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of an under subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will not be less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholder with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholder to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholder in the Offer.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 87 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares / debentures and on their consolidation / splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page 468.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Public Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] comprising of a Fresh Issue of up to [●] Equity Shares aggregating to ₹ 4,800 million by our Company and Offer of Sale of up to 1,000,000 Equity Shares aggregating to ₹[●] by the Selling Shareholder. The Offer comprises a Net Offer of up to [●] Equity Shares to the public and a reservation of up to 121,000 Equity Shares aggregating to ₹[●] million for Eligible Employees Bidding in the Employee Reservation Portion. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company and the Net Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment / allocation*(2)	Up to 121,000 Equity Shares available for allocation	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment / allocation	Up to [●]% of the Offer size The Employee Reservation Portion comprises approximately of [●]% of our Company's post-Offer paid-up Equity Share capital	Not more than 50% of the Net Offer. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment / allocation if respective category is oversubscribed*	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to `500,000 each	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares shall be allocated on a proportionate basis. For details see, "*Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 457
Mode of Bidding	ASBA only	ASBA only (3)	ASBA only	ASBA only
Minimum Bid	[●] Equity Shares	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares, in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] so that the Bid Amount does not exceed ₹500,000	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, in multiples of [●] Equity Shares, not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares, in multiples of [●] Equity Shares, so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form			
Bid Lot	[●] Equity Shares and in multiples thereof			
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			

Particulars	Eligible Employees	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Trading Lot	One Equity Share			
Who can apply[4]	Eligible Employees	Mutual Funds, Venture Capital Funds, AIFs, FVCIs, FPIs (other than Category III FPIs) public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India, and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III foreign portfolio investors, FIIs and their sub-accounts registered with the SEBI other than a sub-account which is foreign corporate or foreign individual	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)
Terms of Payment	The entire Bid Amount shall be payable on submission of Bid cum Application form (including for Anchor Investor). Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form[3]			

**Assuming full subscription in the Offer*

(1) *Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for the 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 price at which allocation is being made to other Anchor Investors. In case of undersubscription in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For details, see "Offer Procedure" on page 425*

(2) *Subject to valid Bids being received at or above the Offer Price, this Offer is being made in accordance with Rule 19(2)(b)(ii) of the SCRR and under the SEBI ICDR Regulations*

(3) *Anchor Investors are not permitted to use the ASBA process. Entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form to the members of the Syndicate. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 457.*

(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 would be required in the Bid cum Application Form, and such first Bidder would be deemed to have signed on behalf of the joint holders.*

(5) *Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 only in the event of an undersubscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.*

A total of up to 121,000 Equity Shares aggregating up to ₹[●] million shall be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Offer Price. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Offer. Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs, and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the Circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, and including SEBI Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, and SEBI Circular #SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 (the "**General Information Document**") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Our Company, the Selling Shareholder and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this 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 Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder may, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of undersubscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category (other than Anchor Investor Portion). 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidder in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to 121,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them above the Offer Price. However, the value of Allotment to any Eligible Employee shall not exceed ₹200,000, provided that in the case of an undersubscription in the Employee Reservation Portion, the unsubscribed portion may be Allotted on a proportionate basis, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee Bidding in the Employee Reservation Portion not exceeding ₹500,000.

Any unsubscribed Equity Shares in the Employee Reservation Portion will be added to the Net Offer. Undersubscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

The ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

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.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Category), FPIs, and multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors#	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form*

 # Anchor Investor Forms will be made available at the office of the BRLMs

Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB, where the Bidder has the ASBA bank account details of which were provided by the Bidder in his respective ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled "*Offer Procedure – Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 439, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion;
- Eligible Employees Bidding in the Employee Reservation Portion;
- Scientific and / or industrial research organizations in India, which are authorized to invest in equity shares; and
- Any other person eligible to Bid in this Offer, under the laws, rules, regulations, guidelines and polices applicable to them.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Members.

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs, nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLM), Promoter and Promoter Group can apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder 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. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account, may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivate instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter alia*, prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding in any company by any individual VCF or FVCI 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, initial 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 venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing a draft offer document with SEBI.

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.

Any application received from such category of investor(s) or application wherein a foreign address is provided by the depositories would be rejected.

Our Company, the Selling Shareholder 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 Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies and Systemically Important NBFCs

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), 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 or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) such other approval as may be required by the approval Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders and the Lead Managers reserves the right to reject any Bid without assigning any reason.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed ₹500,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.*, in pink colour form).

2. The Bid must be for a minimum of [●] Equity Shares and in the multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. The maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000.

3. Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 only in the event of an undersubscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.

4. Eligible Employees should mention their employee number at the relevant p lace in the Bid cum Application Form.

5. The Bidder should be an Eligible Employee as defined above. In case of joint Bids, the first Bidder shall be an Eligible Employee.

6. Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion.

7. Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.

8. Eligible Employees can apply at Cut-off Price.

9. Bid by Eligible Employees can be made also in the Net Offer and such Bids shall not be treated as multiple Bids.

10. If the aggregate demand in this category is less than, or equal to 121,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

11. Undersubscription, if any, in the Employee Reservation Portion will be added back to the Net Offer.

12. If the aggregate demand in this category is [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

13. Bids received from Eligible Employees under the Employee Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful Eligible Employees shall be made at the Offer Price. If the aggregate demand in this category is less than or equal to the Employee Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible Employees to the extent of their demand. In case the aggregate demand in this category is greater than the Employee Reservation Portion at or above the Offer Price, then the maximum number of Eligible Employees who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Eligible Employees by the minimum Bid Lot ("**Maximum Eligible Employees Allottees**"). The Allotment to the Eligible Employees will then be made in the following manner: (a) In the event the number of Eligible Employees who have submitted valid Bids in the Offer is equal to or less than the Maximum Eligible Employees Allottees, (i) all such Eligible Employees shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Employee Reservation Portion shall be Allotted on a proportionate basis to the Eligible Employees who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot). (b) In the event the number of Eligible Employees who have submitted valid Bids in the Offer is more than Maximum Eligible Employees Allottees, the Eligible Employees (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots. For the method of proportionate basis of allocation, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 457.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI Circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder 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, 2000 as amended are broadly set forth below:

(a) Equity shares of a company: the lower of 10% of the investee company's outstanding equity shares 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.

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 Selling Shareholder 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 (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the Indian army, navy, or air force, insurance funds set up by the Department of Posts, India, Systemically-Important NBFCs or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and / or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve 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 Selling Shareholder may, 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.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

General Instructions

***Do's*:**

1. Check if you are eligible to apply as per the terms of this Red Herring Prospectus, and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that you have mentioned the correct ASBA Account number 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;

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. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the bank account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. 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;

13. Instruct your respective banks to release the funds blocked in accordance with the ASBA process;

14. 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 investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI Circular 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;

15. Ensure that the Demographic Details with the Depositories are updated, true and correct in all respect;

16. 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;

17. Ensure that the category and the investor status is indicated clearly;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

20. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN 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 and PAN available in the Depository database; and

21. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit a Bid / revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

4. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders) and ₹500,000 (for Bids by Eligible Employees Bidding under the Employee Reservation Portion);

5. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

6. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;

7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

8. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

9. Do not submit the Bid for an amount more than funds available in your ASBA account.

10. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

11. 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;

12. 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);

13. Do not Bid for shares more than specified by respective Stock Exchanges for each category;

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

15. 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; and

16. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Anchor Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholder, in consultation with the BRLMs, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "Shalby Ltd Anchor – Escrow Account – R"

(b) In case of Non-Resident Anchor Investors: "Shalby Ltd Anchor – Escrow Account – NR"

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 Shareholder, 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, 2013, our Company shall, after registering this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial

Express-English, all editions of Jansatta and Ahmedabad edition of Financial Express-Gujarati (each of which are widely circulated English, Hindi and Gujarati newspapers, respectively, Gujarati being the regional language of Gujarat, where our Registered and Corporate Office is located). In the pre- Offer advertisement, we shall state the Bid / Offer Opening Date, the Bid / Offer Closing Date and the QIB Bid / Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

The above information is given for the benefit of Bidders. Our Company and the Selling Shareholder, our Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of thisRed 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.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholder and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid / Offer Closing Date will be taken;
- if Allotment is not made within the prescribed time period under applicable law, application money will be refunded / unblocked in the relevant ASBA Account within 15 days from the Bid / Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- Promoters' contribution, if required, shall be brought in advance before the Bid / Offer Opening Date;

- that if our Company and / or the Selling Shareholder do not proceed with the Offer after the Bid / Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid / Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- that it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid / Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the securities / refund orders to Eligible NRIs shall be despatched within specified time; and

- no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account / refunded on account of non-listing, undersubscription, etc.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes that the Selling Shareholder is the legal and beneficial owner of, and has full clear and marketable title to the Equity Shares being offered by him in the Offer. Further, the Selling Shareholder undertakes that:

- the Equity Shares being sold by him pursuant to the Offer have been held by him for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;

- the Equity Shares being sold by him pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances, and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;

- he shall provide appropriate instructions, and all reasonable cooperation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by him pursuant to the Offer;

- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer;

- that it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least three days prior to filing of this Red Herring Prospectus with the RoC;

- that it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer for Sale are available for transfer in the Offer for Sale, free and clear of any encumbrance, within the timelines specified under applicable law;

- that it shall not further transfer Equity Shares during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted and Equity Shares to be Allotted pursuant to the Offer;

- he shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within six Working Days from the Bid / Offer Closing Date of the Offer and in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer; and

- he shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling Shareholder along with our Company declare that all monies received out of the Offer for Sale shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Withdrawal of the Offer

Our Company, in consultation with the BRLM, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid / Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid / Offer Closing Date, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLM, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is filed with the RoC and the Stock Exchanges.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders / Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders / Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus / Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders / Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders / Applicants should note that investment in equity and equity related securities involves risk and Bidder / Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and / or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**") / Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders / Applicants should carefully read the entire RHP / Prospectus and the Bid cum Application Form / Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and / or overlap between the disclosure included in this document and the RHP / Prospectus, the disclosures in the RHP / Prospectus shall prevail. The RHP / Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLMs to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders / Applicants may see "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs / FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia*, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders / Applicants may refer to the RHP / Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia*, required to comply with the eligibility requirements in terms of Regulation 26 / Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders / Applicants may refer to the RHP / Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders / Applicants may refer to the RHP / Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid / Offer Opening Date, in case of an IPO and at least one Working Day before the Bid / Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders / Applicants should refer to the RHP / Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders / Applicants) and not more than ten Working Days. Bidders / Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP / Prospectus for details of the Bid / Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid / Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid / Issue Period may be extended by at least three Working Days, subject to the total Bid / Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders / Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

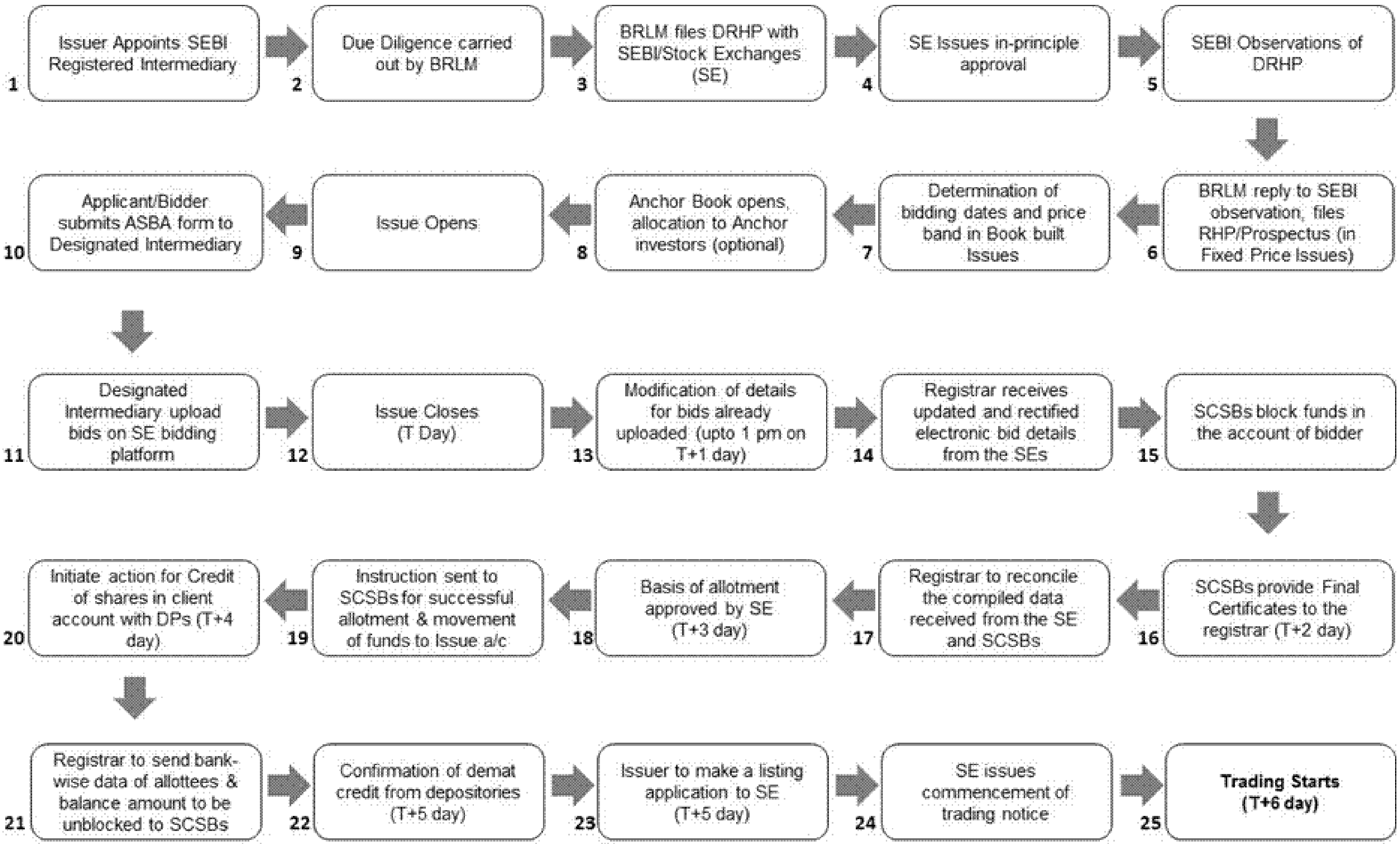
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

    i. Step 7 : Determination of Offer Date and Price

    ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits ASBA form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 Issue Closes (T Day)
13 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
14 Registrar receives updated and rectified electronic bid details from the SEs
15 SCSBs block funds in the account of bidder
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder / Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders / Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid / Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders / Applicants are requested to refer to the RHP / Prospectus for more details.

Subject to the above, an illustrative list of Bidders / Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids / Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder / Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form / Application Form as follows: "Name of sole or first Bidder / Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids / Applications by HUFs may be considered at par with Bids / Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder ("**NIBs**") category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Scientific organisations authorised in India to invest in the Equity Shares;
- Trusts / societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts / societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid / Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid / Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP / Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders / Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders / Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders / Applicants Bidding / applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders / Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders / Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form / Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM | **XYZ LIMITED - INITIAL PUBLIC ISSUE - R**
Address : .... Contact Details: .... CIN No................

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✔ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS | **PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)		Bank & Branch		Stamp & Signature of SCSB Branch
ASBA Bank A/c No.				
Received from Mr./Ms.				
Telephone / Mobile		Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No.

Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

Address : .... Contact Details: .... CIN No ....

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

TEAR HERE

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder

☐ Non-Institutional Bidder

☐ QIB

6. INVESTOR STATUS

- NRI Non-Resident Indian(s) (Repatriation basis)
- FII FII or Sub-account not a Corporate/Foreign Individual
- FIISA FII Sub-account Corporate/Individual
- FVCI Foreign Venture Capital Investor
- FPI Foreign Portfolio Investors
- OTH Others (Please Specify)________

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words) ________________

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date : ________________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)

2)

3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC ISSUE - NR

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms. ________________

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

ASBA Bank A/c No. ________________

Bank & Branch ________________

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders / Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders / Applicants should note that the name and address fields are compulsory and e-mail and / or telephone number / mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form / Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids / Applications**: In the case of Joint Bids/Applications, the Bids / Applications should be made in the name of the Bidder / Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder / Applicant would be required in the Bid cum Application Form / Application Form and such first Bidder / Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder / Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders / Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(d) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(e) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(f) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder / Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole / first Bidder / Applicant) provided in the Bid cum Application Form / Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids / Applications on behalf of the Central or State Government, Bids / Applications by officials appointed by the courts and Bids/Applications by Bidders / Applicants residing in Sikkim ("PAN Exempted Bidders / Applicants"). Consequently, all Bidders / Applicants, other than the PAN Exempted Bidders / Applicants, are required to disclose their PAN in the Bid cum Application Form / Application Form, irrespective of the Bid / Application Amount. A Bid cum Application Form / Application Form without PAN, except in case of Exempted Bidders / Applicants, is liable to be rejected. Bids / Applications by the Bidders / Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders / Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids / Applications by Bidders / Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the Circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS / APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders / Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form / Application Form. The DP ID and Client ID provided in the Bid cum Application Form / Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders / Applicants should ensure that the beneficiary account provided in the Bid cum Application Form / Application Form is active.

(c) Bidders / Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form / Application Form, the Bidder / Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder / Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.

(d) Bidders / Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders / Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus / RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid / Offer Opening Date in case of an IPO, and at least one Working Day before Bid / Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs / FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP / Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000. Bids by Employees must be for such number of shares to as to ensure that the Bid Amount less Discount (if applicable), payable by the Bidder does not exceed ₹500,000.

(b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(c) In case of a Bid by an Eligible Employee Bidding under the Employee Reservation Portion which exceeds ₹200,000, but does not exceed ₹500,000, may not be considered for allocation under the Non-Institutional Category. However, in case the Bid Amount exceeds ₹500,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount, then such Bid may be rejected if it is at the Cut-off Price.

(d) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(e) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP / Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.

(f) RIIs may revise their bids or withdraw their bids until the Bid / Offer Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.

(g) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(h) For Anchor Investors, if applicable, the Bid Amount shall be least ₹100 million . One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid / Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(i) A Bid cannot be submitted for more than the Offer size.

(j) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(k) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP / Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders / Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders / Applicants may refer to the RHP / Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder / Applicant may refer to the RHP / Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder / Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders / Applicants, such as NRIs and FPIs may not be allowed to Bid / Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders / Applicants are requested to refer to the RHP / Prospectus for more details.

(c) Bidders / Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders / Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP / Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.7.1 **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.

(b) Payments should be made either by direct credit, RTGS or NEFT.

(c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility, clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the Registered Brokers at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the Designated Branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid / Offer Closing Date.

4.1.7.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP / Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder / Applicant is required to sign the Bid cum Application Form / Application Form. Bidders / Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder / Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation / undertaking box in the Bid cum Application Form / Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form / Application Form.

(d) Bidders / Applicants must note that Bid cum Application Form / Application Form without signature of Bidder / Applicant and / or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Offer 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 / Applicant, Bid cum Application Form number, Bidders' / Applicants' 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 and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.
For further details, Bidder / Applicant may refer to the RHP / Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

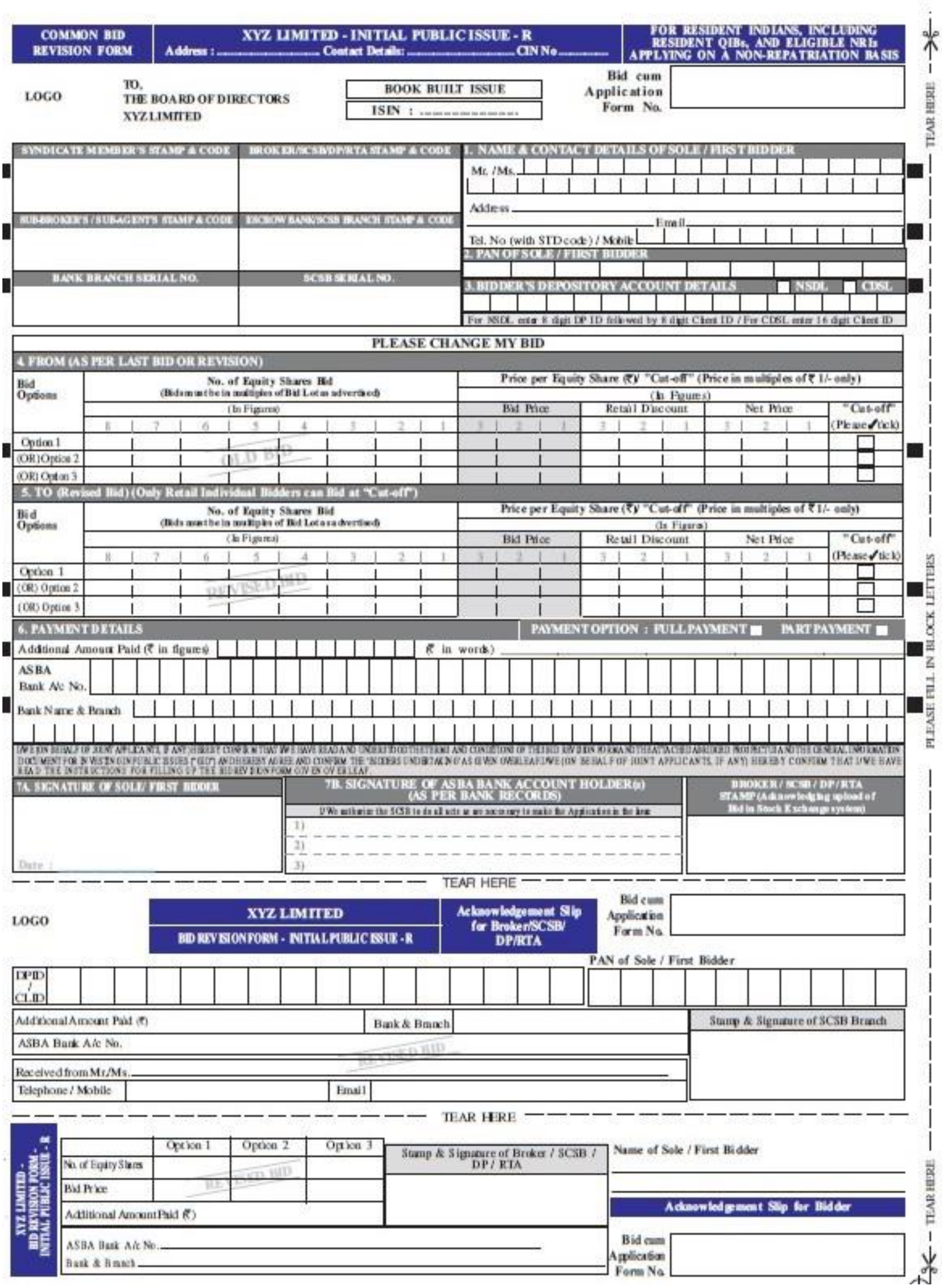
(a) During the Bid / Offer Period, any Bidder / Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids till the Bid / Offer Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder / Applicant can make this revision any number of times during the Bid / Offer Period. However, for any revision(s) in the Bid, the Bidders / Applicants will have to use the services of the same Designated Intermediary through which such Bidder / Applicant had placed the original Bid. Bidders / Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:


COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No.........

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✓ tick)

Option 1 / (OR) Option 2 / (OR) Option 3

OLD BID

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options | No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) | Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price, Retail Discount, Net Price, "Cut-off" (Please ✓ tick)

Option 1 / (OR) Option 2 / (OR) Option 3

REVISED BID

6. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

7A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1) 2) 3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹) | Bank & Branch | Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE / FIRST BIDDER / APPLICANTS, PAN OF SOLE / FIRST BIDDER / APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER / APPLICANT**

Bidders / Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder / Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder / Applicant has Bid for three options in the Bid cum Application Form and such Bidder / Applicant is changing only one of the options in the Revision Form, the Bidder / Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders / Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders / Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000 and Employees should ensure that the Bid Amount, subsequent to revision, does not exceed ₹500,000. In case the Bid Amount exceeds ₹200,000 (in the case of RIBs and Retail Individual Shareholders) or ₹500,000 (in the case of Employees) due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus / Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible. shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Employees Bidding in the Employee Reservation Portion who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders / Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders / Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder / Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder / Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP / Prospectus, provided that in case of a Bid by an Employee Bidding in the Employee Reservation Portion, a Bid exceeding ₹500,000 will be considered for allocation under the Non-institutional Category in terms of the Red Herring Prospectus / Prospectus. If, however, the Bidder / Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder / Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders / Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE / FIRST BIDDER/APPLICANT, PAN OF SOLE / FIRST BIDDER / APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER / APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.

(d) Applications by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹500,000 on a net basis.

(e) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(f) An application cannot be submitted for more than the Offer size.

(g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(h) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(i) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(j) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation, applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue

(b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM / APPLICATION FORM/REVISION FORM

4.4.1 **Bidders / Applicants may submit completed Bid cum application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Manager at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs

(a) Bidders / Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder / Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder / Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid / Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid / Offer Period, Bidders / Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.

(b) In case of Bidders / Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders / Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders / Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid / Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation / Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid / Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid / Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders / Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid / Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid / Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid / Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

i. the Bids accepted by the Designated Intermediary,

ii. the Bids uploaded by the Designated Intermediary, and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms / Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders / Applicants are advised to note that the Bids / Applications are liable to be rejected, which have been detailed at various places in this GID:-

(a) Bid / Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs;

(c) In case of partnership firms, Bid / Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids / Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;

(e) Bids / Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids / Applications by any person outside India, if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form / Application Forms except for Bids / Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids / Applications at a price less than the Floor Price & Bids / Applications at a price more than the Cap Price;

(k) Bids / Applications at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form / Application Forms do not tally with the amount payable for the value of the Equity Shares Bid / Applied for;

(m) Bids / Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Bids / Applications for shares more than the prescribed limit by each Stock Exchange for each category;

(o) Submission of more than five ASBA Forms / Application Forms per ASBA Account;

(p) Bids / Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(q) Multiple Bids / Applications as defined in this GID and the RHP / Prospectus;

(r) Bids not uploaded in the Stock Exchanges bidding system.

(s) Inadequate funds in the bank account to block the Bid / Application Amount specified in the ASBA Form / Application Form at the time of blocking such Bid / Application Amount in the bank account;

(t) Where no confirmation is received from SCSB for blocking of funds;

(u) Bids / Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(v) Bids / Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;

(w) Bids / Applications not uploaded on the terminals of the Stock Exchanges;

(x) Bids / Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form / Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders / Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder / Applicant may refer to the RHP / Prospectus.

(b) Undersubscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Offer, spill-over to the extent of such undersubscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an undersubscription applicable to the Issuer, Bidders / Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

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

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

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

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

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid / Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and / or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer, therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid / Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders / Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to RHP / Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any, will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

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

(b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders / Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance, allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Undersubscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the BRLMs, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN, within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 ALLOTMENT UNDER THE EMPLOYEE RESERVATION PORTION

Bids received from Eligible Employees under the Employee Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful Eligible Employees shall be made at the Offer Price. If the aggregate demand in this category is less than or equal to the Employee Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible Employees to the extent of their demand. In case the aggregate demand in this category is greater than the Employee Reservation Portion at or above the Offer Price, then the maximum number of Eligible Employees who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Eligible Employees by the minimum Bid Lot ("**Maximum Eligible Employees Allottees**"). The Allotment to the Eligible Employees will then be made in the following manner:

(a) In the event the number of Eligible Employees who have submitted valid Bids in the Offer is equal to or less than the Maximum Eligible Employees Allottees, (i) all such Eligible Employees shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Employee Reservation Portion shall be Allotted on a proportionate basis to the Eligible Employees who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of Eligible Employees who have submitted valid Bids in the Offer is more than Maximum Eligible Employees Allottees, the Eligible Employees (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.7 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders / Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders / Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders / Applicants Depository Account will be completed within six Working Days of the Bid / Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid / Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit of Equity Shares to the beneficiary account with Depositories, within six Working Days of the Bid / Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in / list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP / Prospectus. The Designated Stock Exchange may be as disclosed in the RHP / Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders / Applicants.

If such money is not refunded to the Bidders / Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP / Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid / Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of undersubscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may, on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid / Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, nor the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH**—National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.

(d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP / Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner / instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid / Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid / Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment / Allot / Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders / Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders / Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder / Applicant 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 SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form / ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders / Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders / Applicants except Anchor Investors

Term	Description
Banker(s) to the Offer / Escrow Collection Bank(s) / Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP / Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders / Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid / Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid / Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid / Offer Opening Date	Except in case of Anchor Investors (if applicable), the date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders / Applicants may refer to the RHP/Prospectus for the Bid / Offer Opening Date
Bid / Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders / Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid / Offer Period for QIBs one working day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP / Prospectus for the Bid/Offer Period
Bidder / Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP / Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder / Applicants should be construed to mean an Applicant
Book Built Process / Book Building Process / Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders / Applicants can submit the 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 websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP / Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid / Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	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 #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders / Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders / Applicants including the Bidder / Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html

Term	Description
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders / Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP / Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders / Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoter and immediate relatives of the promoter. For further details, Bidder / Applicant may refer to the RHP / Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NACH / NEFT / RTGS / direct credit in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder / Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue / Fixed Price Process / Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer / Company	The Issuer proposing the initial public offering / further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP / Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP / Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion

Term	Description
Non Institutional Investors or NIIs	All Bidders / Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP / Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP / Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid / Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus / RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid / Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP / Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of Circular #CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer / RTO	The Registrar to the Offer as disclosed in the RHP / Prospectus and Bid cum Application Form
Reserved Category / Categories	Categories of persons eligible for making application / Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders / Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders / RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and / or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)

Term	Description
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP / Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP / Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	"Working Day", means all days, other than second and fourth Saturdays of a month, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided that with reference to (a) announcement of Price Band; and (b) Bid / Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid / Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent, and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Consolidated FDI Policy superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect from August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been, and will not be registered under the Securities Act or any state securities laws in the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales are made.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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 Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

CONSTITUTION OF THE COMPANY

(a) *The Regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not inconsistent with these Articles.*

(b) *The Regulations for the management of the Company and for the observance of the members thereof, and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.*

1. DEFINITIONS

In the interpretation of these Articles, the following words and expressions shall have the following meaning unless repugnant to the subject or context.

(a) "**Act**" and any reference to any Section or provision thereof respectively means and includes the Companies Act, 2013, including any statutory amendments thereto, and the Rules made thereunder, and notified from time to time;

(b) "**ADRs**" mean American Depository Receipts representing ADSs;

(c) "**Annual General Meeting**" means an annual general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act;

(d) "**ADSs**" mean American Depository shares, each of which represents a certain number of Equity Shares;

(e) "**Articles**" mean these Articles of Association as adopted or as from time to time by the Company, and altered in accordance with the provisions of these Articles and the Act;

(f) "**Auditors**" mean and include those Persons appointed as such for the time being by the Company;

(g) "**Board**" or "**Board of Directors**" means the board of directors of the Company, as constituted from time to time, in accordance with Law, and the provisions of these Articles;

(h) "**Board Meeting**" means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles;

(i) "**Beneficial Owner**" means a beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act;

(j) "**Business Day**" means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Ahmedabad, Gujarat, India, and, in the context of a payment being made to, or from a scheduled commercial bank in a place other than India, in such other place;

(k) "**Capital**" **or** "**Share Capital**" means the share capital for the time being, raised or authorised to be raised, for the purposes of the Company;

(l) "**Chairman**" means such Person as is nominated or appointed in accordance with Article 30 herein below;

(m) "**Chief Executive Officer**" or "**CEO**" means an officer of the Company, who has been designated as such by it; "**Chief Financial Officer**" or "**CFO**" means an officer of the Company, who has been designated as such by it;

(n) "**Companies Act, 1956**" means the Companies Act, 1956 (Act I of 1956), as may be in force for the time being;

(o) "**Chief Operating Officer**" or "**COO**" means the chief operating officer of the Company providing timely operational information and assistance to the CEO, or any Person of whatsoever designation performing the functions of a chief operating officer;

(p) "**Company**" **or** "**this Company**" means **SHALBY LIMITED;**

(q) **“Committees”** means committees constituted by the Company, as laid out in Article 62 herein;

(r) “**Debenture**” includes debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not;

(s) “**Depositories Act**” means the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof;

(t) “**Depository**” means a Depository as defined in Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act;

(u) “**Director**” means any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with Law and the provisions of these Articles;

(v) “**Dividend**” includes interim dividends;

(w) “**Employees’ Stock Option**” means the option given to the directors (except Independent Directors), officers or employees of a company, or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares at a future date at a pre-determined price;

(x) “**E-voting**” means voting by electronic means as laid out in Article 36 herein;

(y) “**Equity Share Capital**” means the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis;

(z) “**Equity Share**” means fully paid -up equity shares having a par value of *₹10* (Rupees Ten) per equity share, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares;

(aa) “**Executor**” or “**Administrator**” means a Person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or Transfer the Equity Share or Equity Shares of the deceased Shareholder, and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963;

(bb) “**Extraordinary General Meeting**” means an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the Act;

(cc) “**Financial Year**” means any fiscal year of the Company, beginning on April 1 of each calendar year, and ending on March 31 of the following calendar year;

(dd) “**Fully Diluted Basis**” means, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into, or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof;

(ee) **“GDRs”** mean the registered Global Depositary Receipts, representing GDSs;

(ff) **“GDSs**” mean the Global Depository shares, each of which represents a certain number of Equity Shares;

(gg) **“General Meeting”** means an Annual General Meeting or Extraordinary General Meeting of holders of Equity Shares and any adjournment thereof;

(hh) “**Independent Director**” means an independent director as defined under the Act, and under Regulation 16(1)(b) of the Listing Regulations;

(ii) “**India**” means the Republic of India;

(jj) **“KMP”** means key managerial person as defined under the Companies Act, 2013;

(kk) “**Law**” means all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of, or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP, or any other generally accepted accounting principles;

(ll) “**Lien**” means any kind of security interest of whatsoever nature including any (i) mortgage, charge (whether fixed or floating), pledge, Lien, hypothecation, assignment, deed of trust, title retention, security interest, or other encumbrance of any kind securing or conferring ay priority of payment in respect of, any obligation of any Person;

(mm) “**Listing Regulations**” mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification or re-enactment thereof;

(nn) “**Managing Director**” shall have the meaning assigned to it under the Act;

(oo) “**MCA**” means the Ministry of Corporate Affairs, Government of India;

(pp) “**Members**” mean the duly registered holders in the Register of Shareholders, from time to time, of the Equity Shares of this Company;

(qq) “**Memorandum**” means the memorandum of association of the Company, as amended from time to time;

(rr) “**Office**” means the Registered Office for the time being of the Company;

(ss) “**Ordinary Resolution**” shall have the meaning assigned thereto under Section 114 of the Act;

(tt) “**Paid up**” shall include the amount credited as paid up;

(uu) “**Person**” means any natural Person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association, or other entity (whether registered or not and whether or not having separate legal personality);

(vv) “**Register of Shareholders**” means the Register of Shareholders to be kept pursuant to Section 88 of the Act;

(ww) “**Registrar**” means the Registrar of Companies, from time to time having jurisdiction over the Company;

(xx) “**Rules**” mean the rules made under the Act and notified from time to time;

(yy) “**Seal**” means the common seal(s) for the time being of the Company;

(zz) “**SEBI**” means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

(aaa) “**Secretary**” means a company secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980, and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act, and any other administrative duties;

(bbb) “**Securities**” mean any Equity Shares or any other securities, Debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares;

(ccc) “**Shareholder**” means any shareholder of the Company, from time to time;

(ddd) “**Shareholders’ Meeting**” means any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles;

(eee) “**Special Resolution**” shall have the meaning assigned to it under Section 114 of the Act;

(fff) “**Stock Exchanges**” mean the National Stock Exchange of India Limited, BSE Limited, or such other recognised stock exchange; and (ggg) "**Transfer**" means (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion, or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to, or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word "**Transferred**" shall be construed accordingly.

2. CONSTRUCTION

(a) In these Articles (unless the context requires otherwise):

(i) References to a Person shall, where the context permits, include such Person's respective successors, legal heirs and permitted assigns.

(ii) The descriptive headings of Articles are inserted solely for convenience of reference, and are not intended as complete or accurate descriptions of the content thereof, and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.

(iii) References to articles and sub-articles are references to Articles and sub-Articles of, and to these Articles unless otherwise stated, and references to these Articles include references to the Articles and sub-Articles herein.

(iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

(v) Wherever the words "include," "includes," or "including" is used in these Articles, such words shall be deemed to be followed by the words "without limitation".

(vi) The terms "hereof", "herein", "hereto", "hereunder" or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.

(vii) Unless otherwise specified, time periods within, or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences, and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made, or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business day following.

(viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).

(ix) Reference to statutory provisions shall be construed as meaning, and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.

(x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation, or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.

(xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.

(xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL AND VARIATION OF RIGHTS

(a) Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion, and on such terms and conditions and either at a premium, or at par and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person the option to call for, or be allotted shares of any class. The authorised, issued and paid up capital of the Company may be altered, subject to the provisions of the Act.

(b) The authorised Share Capital of the Company shall be such amount, and be divided into such shares as may from time to time, be provided in Clause V of Memorandum with the power to reclassify, sub divide, consolidate and increase, and with the power from time to time, to issue any shares of the original capital or any new capital, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.

(c) The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act and Law, from time to time.

(d) All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

(e) The Company may issue shares with differential rights (as to voting, dividend or otherwise) attached to them in pursuance of the provisions of the Act and rules made thereunder. The Board of Directors may issue such shares subject to such limits, and upon such terms and conditions, and with such rights and privileges attached thereto, as thought fit and as may be permitted by law.

(f) If at any time the Share Capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Section 106 and Section 107 of the Companies Act, 1956, or Section 48 of the Act, as the case may be, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

(g) To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least 2 (two)Persons holding at least one-third of the issued shares of the class in question.

Creation or issue of further shares ranking pari passu

(h) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Issuance of preference shares

(i) The Company may issue, from time to time, Redeemable Preference Shares as may be permissible to be issued as per the provisions of the Act and rules made thereunder, and for the time being in force and applicable to the Company.

(j) Subject to the provisions of the Articles, the Company shall have power to issue Preference Shares and the

Board may, subject to the provisions of the Act and Articles, exercise such powers as it thinks fit. Provided that the term "Preference Shares" in this Article has the same meaning as defined in explanation (ii) to section 43 of the Act.

Issuance of warrants

(k) Subject to the provisions of the Act and the approval of the Company in General Meeting, the Company may issue, with respect to any fully paid Shares, warrants stating that the bearer of the warrants is entitled to the Shares specified therein, and may provide coupons or otherwise, for payment of future dividends on the Shares specified in the warrants and may provide conditions for registering membership.

(l) Subject to the provisions of the Act and the approval of the Company in General Meeting, the Company may from time to time issue warrants, naked or otherwise, or issue coupons or other instruments and any combination of Equity Shares, Debentures, Preference Shares or any other instruments to such class of persons as the Board may deem fit with a right attached to the holders of such warrants or coupons or other instruments to subscribe to the Equity shares or other instruments within such time and at such price as the Board may decide as per the rules applicable from time to time.

5. COMMISSION

(a) The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

(b) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules made under sub-Section (6) of Section 40 of the Act.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

6. ADRS/GDRS

The Company shall, subject to applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms, and in such manner as the Board deems fit, including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

7. ALTERATION OF SHARE CAPITAL

(a) The Company may from time to time in General Meetings, and subject to the provisions of these Articles and Section 61 of the Act, alter the conditions of its Memorandum as follows. In achieving this, it may:

(i) increase its Share Capital by such amount as it thinks expedient;

(ii) consolidate and divide all, or any of its Share Capital into shares of larger amount than its existing shares;

(iii) sub-divide its existing shares into shares of smaller amount that is fixed by the Memorandum. However, in the event the Company carries out a subdivision, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as was in the case of the share from which the reduced share is derived; and

(iv) cancel any shares, which at the date of the passing of the resolution have not been taken, or agreed to be taken by the Person and diminish the amount of its Share Capital by the amount of the shares so cancelled.

(b) Subject to the provisions of Sections 66 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.

(c) A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

8. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act and the Companies Act, 1956, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law.

9. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Section 68, Section 69 and Section 70 of the Act and subject to compliance with applicable Law.

10. SHARE CERTIFICATES

(a) The Company shall issue, reissue and issue duplicate share certificates in accordance with the provisions of the Act and in a form and manner as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

(b) Every Person whose name is entered as a member in the register of members of the Company shall be entitled to receive within 2 (two) months after incorporation, in case of subscribers to the Memorandum, or after allotment, or within 1 (one) month after the application for the registration of Transfer or transmission, or within such other period as the conditions of issue shall be provided:

(i) 1 (one) certificate for all his shares without payment of any charges; or

(ii) several certificates, each for 1 (one) or more of his shares, upon payment of ₹20 (Indian Rupees Twenty) for each certificate after the first.

Every certificate shall be under the Seal, and shall specify the shares to which it relates to and the amount paid-up thereon.

In respect of any Equity Shares or other shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for the Equity Shares or other shares (as the case may be)to 1 (one) of several joint holders shall be sufficient delivery to all such holders.

(c) The Company shall permit the Shareholders for sub-division/consolidation of share certificates.

(d) If any share certificate be worn out, defaced, mutilated or torn, or if there be no further space on the back for endorsement of Transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof. 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 may deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹20 (Indian Rupees Twenty).

(e) Except as required under Law, no Person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided), any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

(f) The provisions of Articles 10(a) and 10(b) shall mutatis mutandis apply to debentures of the Company.

11. SHARES AT THE DISPOSAL OF THE DIRECTORS

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same, or any of them to Persons in such proportion, and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.

(b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.

(c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.

(d) In accordance with Section 46 and other applicable provisions of the Act and the Rules:

(i) Every Shareholder or allottee of shares shall be entitled without payment, to receive 1(one) or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or Persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other Person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other Person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a Person other than a Managing Director(s) or an executive Director(s). Particulars of every share certificate issued shall be entered in the Register of Shareholders against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rs. 2 (Rupees Two).

(ii) Every Shareholder shall be entitled, without payment, to 1(one) or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for 1 (one) or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of Transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 10 above and in respect of a Share or shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate and delivery of a share certificate to the first named joint holders shall be sufficient delivery to all such holders.

(iii) The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision, or an order of a competent court of Law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

(iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

12. UNDERWRITING AND BROKERAGE

(a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

(b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

13. CALLS ON SHARES

(a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares (whether on account of the nominal value of the shares, or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and the member shall pay the amount of every call so made on him to the Person and at the time and place appointed by the Board of Directors. Each member shall, subject to receiving 14 days' notice, pay to the company, at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed at the discretion of the Board.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(b) A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The Board making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board making such calls. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(c) Not less than 30 (thirty) days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.

(d) If by the terms of issue of any Share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the nominal value of the Share or by way of premium, every such amount or instalments shall be payable as if it were a call duly made by the Board, on which due notice had been given, and all the provisions contained herein, or in the terms of such issue, in respect of calls shall relate and apply to such amount or instalments accordingly.

(e) If the sum called in respect of a Share is not paid on or before the day appointed for payment thereof, the holder for the time being of the Share in respect of which the call shall have been made or the instalments shall fall due, shall pay interest for the same at the rate of 10% (ten percent) per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board shall also be at liberty to waive payment of that interest wholly or in part.

(f) The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a Share, become payable at a fixed time, whether on account of the amount of the Share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

(g) The Board, may, if it thinks fit, receive from any member willing to advance all of or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any part of the monies so advanced, the Board may (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% (twelve percent) per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect of such advances confer a right to the dividend or participate in profits. The Directors may at any time repay the amount so advanced.

(h) The members shall not be entitled to any voting rights in respect of the monies so paid by them until the same would, but for such payment, become presently payable.

(i) Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any Share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.

(j) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures.

14. COMPANY'S LIEN

Fully paid shares will be free from all Liens

(a) The fully paid shares will be free from all Liens, while in the case of partly paid shares, the Company's Lien, if any, will be restricted to monies called or payable at a fixed time in respect of such shares.

First and paramount Lien

(b) The Company shall have a first and paramount Lien—

(i) on every Share (not being a fully paid-up Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and
(ii) on all shares (not being fully paid shares) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

(c) The Company's Lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

Powers of the Company to sell the shares under Lien

(d) The Company may sell, in such manner as the Board of Directors thinks fit, any shares on which the Company has a Lien:
Provided that no sale shall be made—

(i) unless a sum in respect of which the Lien exists is presently payable; or

(ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the Lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the Person entitled thereto by reason of his death or insolvency.

(e) To give effect to any such sale, the Board of Directors may authorise some Person to Transfer the shares sold to the purchaser thereof.

(i) The purchaser shall be registered as the holder of the shares comprised in any such Transfer.
(ii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

(f) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the Lien exists as is presently payable.

(g) The residue, if any, shall, subject to a Lien for sums not presently payable as existed upon the shares before the sale, be paid to the Person entitled to the shares at the date of the sale.

15. FORFEITURE OF SHARES

(a) If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any Share liable to forfeiture and so far as the Law permits of any other Share.

(b) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Shareholders of the Company as a holder, or 1(one) of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors were present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

(c) The notice shall name a further day (not earlier than the expiration of 14 (fourteen) days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.

(d) If the requirements of any such notice as aforementioned are not complied with, any Share in respect of which the notice has been given, may at any time thereafter, but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

(e) When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

(f) A forfeited or surrendered Share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.

(g) A Person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all monies, which at the date of forfeiture is payable by him to the Company in respect of the Share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such monies due in respect of the shares.

(h) The forfeiture of a Share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.

(i) A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Share; (ii) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a Transfer of the Share in favour of the Person to whom the Share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the Share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

(j) The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a Share, becomes payable at a fixed time, whether, on account of the amount of the Share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.

(k) Upon any sale after forfeiture or for enforcing a Lien in purported exercise of the powers herein before given, the Directors may cause the purchaser‘s name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

16. FURTHER ISSUE OF SHARE CAPITAL

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article16(a)(i)a above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not dis-advantageous to the Shareholders and the Company;

(ii) to employees under a scheme of Employees' Stock Option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in Articles16(a)(i)(i)a or Article16(a)(i)b above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.

(b) The notice referred to in Article16(a)(i)(i)a shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Companies Act, 1956.

17. TRANSFER AND TRANSMISSION OF SHARES

(a) The Company shall maintain a "Register of Transfers" and shall record therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other security held in a material form.

(b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of Transfer of shares held in physical form shall be in writing. In case of Transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.

(c) An application for the registration of a Transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(d) Where the application is made by the transferor and relates to partly paid shares, the Transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the Transfer within 2 (two) weeks from the receipt of the notice.

(e) Every such instrument of Transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Shareholders in respect thereof.

(f) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the Transfer books, the Register of Shareholders and/or Register of Debenture-holders or any other security holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

(g) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the Transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of Transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a Transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a Lien on shares. Further, any contract or arrangement between 2 (two) or more Persons in respect of the Transfer shall be enforceable as a contract.

(h) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary Transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a Lien.

(i) Subject to the provisions of these Articles, any Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for Transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/Transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse Transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.

(j) (i) On the death of a Shareholder, the survivor or survivors, where the Shareholder was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognised by the Company as having any title to his interest in the shares. (ii) Nothing in sub-Article (i) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

(k) The executors or administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being 1 (one) of 2 (two) or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

(l) The Board shall not knowingly issue or register a Transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.

(m) Subject to the provisions of Articles, any Person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such Transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

(n) 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. If the Person aforesaid shall elect to Transfer the share, he shall testify his election by executing a Transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to Transfer and the registration of transfers of shares shall be applicable to any such notice or Transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or Transfer were a Transfer signed by that Shareholder.

(o) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

(p) Every instrument of Transfer shall be presented to the Company duly stamped for registration accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may require to show the title of the transferor, his right to Transfer the shares. Every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.

(i) Where any instrument of Transfer of shares has been received by the Company for registration and the Transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall Transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

(ii) In case of Transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

(q) Before the registration of a Transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of Transfer in accordance with the provisions of Section 56 of the Act.

(r) No fee shall be payable to the Company, in respect of the registration of Transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine Transfer receipts into denomination corresponding to the market unit of trading.

(s) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any Transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Shareholders), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such Transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

(t) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the Transfer or transmission by operation of Law to other Securities of the Company.

18. CAPITALISATION OF PROFITS

(a) (i) The Company in general meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in sub-Article(ii) amongst the Shareholders who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to other applicable provisions, either in or towards: (A) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; (B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Shareholders in the proportions aforesaid; (C) partly in the way specified in sub-Article(A) and partly in that specified in sub-Article(B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares; (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

(b) (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.(ii) The Board shall have power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorise any Person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such Shareholders.

(c) The Company, in a General Meeting, may subject to the provisions of the Act, resolve that any profits or surplus moneys arising from the realization, and when permitted by law any appreciation in value of the capital assets of the Company, be utilized wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the Company or of any other Company or by paying up any amount for the time being unpaid on any shares of the Company or in any one or more of such ways. The Board of Directors shall give effect to such direction, and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon trust for the persons entitled thereto as may deem expedient to the Board of Directors. Where required, the Board of Directors shall comply with Section 39 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled.

19. DEMATERIALIZATION OF SECURITIES

(a) De-materialization: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or re-materialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

(b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

(c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

(d) Options for investors:

Subject to the provision of Section 29 of the Act, every Person subscribing to securities offered by the Company shall have the option to receive security certificates, hold, or deal in the securities with a depository. Such a Person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a Person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(e) Securities in depositories to be in fungible form:

All securities held by a depository shall be in electronic form and the certificates in respect thereof shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

(f) Rights of depositories and beneficial owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting Transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

(g) Every Person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

(h) Service of documents - Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

(i) Transfer of securities - Nothing contained in Section 56 of the Act or these Articles shall apply to Transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

(j) Allotment of securities dealt with in a depository - Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

(k) Distinctive numbers of securities held in a depository - Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.

(l) Register and Index of Beneficial owners - The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles with details of shares held in physical and dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.

(m) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository.

(n) Save as herein otherwise provided, the Company shall be entitled to treat the Person whose name appears on the register of members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any *benami* trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person, whether or not it shall have express or implied notice thereof.

20. NOMINATION BY SECURITIES HOLDERS

(a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.

(b) Where the Securities of the Company are held by more than 1 (one) Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.

(c) The Company shall not be bound to register more than three persons as the holders of any share. The joint holders of any share shall be liable severally as well as jointly for and in respect of all instalments, calls and other payments which ought to be made in respect of partly paid-up shares.

(d) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such

Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.

(e) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

(f) The transmission of Securities of the Company by the holders of such Securities and Transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

21. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a Transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

22. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

23. BORROWING POWERS

(a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to Transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other Person permitted by applicable law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.

(d) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

24. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

(a) The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.

(b) The holders of stock may Transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(c) The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(d) Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

25. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of 1(one) Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be an Extraordinary General Meetings.

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

26. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

(a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.

(b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in Person or by proxy and pursuant to Section 146 of the Act, the Auditor of the Company is mandated, unless otherwise exempted by the Company, to attend either by himself or his authorised representative, who shall also be a qualified auditor, any General Meeting of the Company and shall have the right to be heard at such General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

27. NOTICE OF GENERAL MEETINGS

(a) <u>Number of days' notice of General Meeting to be given</u>: Pursuant to Section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty-eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

(i) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,

(ii) Auditor or Auditors of the Company, and

(iii) all Directors.

(b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

(c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either Personally or electronically or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.

(d) Special business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

(e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

(f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

(g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

(h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

28. REQUISITION OF EXTRAORDINARY GENERAL MEETING

(a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

(b) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any 2(two) members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

(c) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by 1(one) or more requisitionists.

(d) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within 3 (three) months from the date of the delivery of the requisition as aforesaid.

(e) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.

(f) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.

(g) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.

(h) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

29. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

30. CHAIRMAN OF THE GENERAL MEETING

The chairman of the Board shall be entitled to take the chair at every General Meeting ("**Chairman**"), whether Annual or Extraordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect 1(one) of them as Chairman. If no Director be present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect 1 (one) of their number to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

31. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

32. QUESTIONS AT GENERAL MEETING HOW DECIDED

(a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, or voting is carried out electronically, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

(b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.

(c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than 48(forty-eight) hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.

(d) Where a poll is to be taken, the Chairman of the meeting shall appoint 2(two)scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.

(e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.

(f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

(g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

(h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

33. PASSING RESOLUTIONS BY POSTAL BALLOT

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.

(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

34. VOTES OF MEMBERS

(a) Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(i) on a show of hands, every member present in Person shall have 1(one) vote; and

(ii) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity Share Capital of the Company.

(b) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.

(c) In the case of joint holders, the vote of the senior who tenders a vote, whether in Person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

(d) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

(e) Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

(f) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.

(g) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive and every vote not disallowed at such meeting shall be valid for all purposes.

35. PROXY

(a) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power a authority, shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

(b) An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105 of the Act.

(c) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the Transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or Transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

36. E-VOTING

The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

(a) Company will follow the following procedure namely:

(i) The notices of the meeting shall be sent to all the members, auditors of the Company, or Directors either

a. by registered post or speed post; or

b. through electronic means like registered e-mail id; or

c. through courier service.

d. the notice shall also be placed on the website of the Company, if any and of the agency forthwith after it is sent to the members.

(ii) The notice of the meeting shall clearly mention that:

a. the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means;

b. the facility of voting, either through electronic voting system of ballot or polling paper shall also be made available at the meeting and that the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;

c. that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

(b) The notice shall clearly indicate the process and manner for voting by electronic means and indicate the time schedule including the time period during which the votes may be cast by remote e-voting and shall also provide the login ID and specify the process and manner for generating or receiving password and casting of vote in a secure manner.

(c) The Company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting but at least 21(twenty one) days before the date of the general meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the Office is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, *inter alia*, the following matters, namely:

(i) statement that the business may be transacted through voting by electronic means;

(ii) the date and time of commencement of remote e-voting;

(iii) the date and time of end of remote e-voting;

(iv) a cut-off date;

(v) the manner in which Persons who have acquired shares and become members of the Company after the dispatch of notice may obtain login ID and password;

(vi) the statement that:

a. remote e-voting shall not be allowed beyond the said date and time;

b. the manner in which the Company shall provide for voting by members present at the meeting;

c. a member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting; and

d. a Person whose name is recorded in the register of members or the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.

(vii) website address of the Company and of the agency where notice of the meeting is displayed; and

(viii) name, designation, address, e-mail id and phone number of the Persons responsible to address the grievances connected with facility for voting by electronic means.

(d) The facility for remote e-voting shall remain open for not less than 3 (three) days and shall close at 5:00 PM on the date preceding the date of the general meeting.

(e) During the period when facility for remote e-voting is provided, the Shareholders of the Company, holding shares in either the physical form or the dematerialised form, as on the cut-off date, may opt for remote e-voting.

Provided that once the vote on a resolution is cast by a Shareholder, he shall not be allowed to change it subsequently or cast the vote again. Provided further that a shareholder may participate in a general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.

(f) At the end of the remote e-voting period, the facility shall forthwith be blocked.

Provided that the Company opts to provide the same electronic voting system as used during remote e-voting during the general meeting, the said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting only by the Shareholders attending the meeting and who have not exercised their right to vote through remote e-voting.

(g) The Board shall appoint 1 (one) scrutinizer, who may be Chartered Accountant in practice or Cost Accountant in practice, or Company Secretary in practice or an advocate, but not in employment of the Company and is a Person of repute who, in the opinion of the Board can scrutinize the remote e-voting process in a fair and transparent manner. The scrutinizer is required to be willing, to be appointed and should also be available for the purpose of ascertaining the requisite majority.

(h) The Chairman shall at the general meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, as provided in this Article 36, with the assistance of the scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.

(i) The scrutinizer shall, immediately after the conclusion of remote e-voting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2(two) witnesses not in the employment of the Company and make, not later than 3(three) days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the Chairman or a Person authorised by the Chairman in writing who shall countersign the same.

(j) The scrutinizers shall maintain a register either manually or electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or Client ID of the Shareholders, numbers of shares held by them, nominal value of such shares and whether the shares have differential voting rights.

(k) The register and all other papers relating to voting by electronic means shall remain in the safe custody of the scrutinizers until the Chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall hand over the register and other related papers to the Company.

(l) The result declared along with the report of the scrutiniser shall be placed on the website of the Company and on the website of the agency immediately after the result is declared by the Chairman.

(m) Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

37. BOARD OF DIRECTORS

(a) Until otherwise determined by Special Resolution of the number of Directors of the Company shall not be less than 3 (three) or more than 12 (twelve).

(b) The Company in General Meeting may from time to time increase or reduce the number of Directors within the limits fixed by Article 51.

(c) The following Persons shall be the First Directors of the Company.

(i) Dr Vikram Indrajit Shah; and

(ii) Dr Darshini Vikram Shah.

(d) The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Regulations.

38. ADDITIONAL DIRECTORS

Subject to provisions of Article 511, the Board may appoint any Person other than a Person who fails to get appointed as a director in a general meeting, as an additional director, who shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

39. ALTERNATE DIRECTORS

The Board may, appoint a Person, not being a Person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India.

40. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Regulation 17 of the Listing Regulations.

41. NOMINEE DIRECTORS

(a) Whenever the Board enter into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company, 1(one) or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee Director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

(b) The nominee Director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee Director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee Director is an officer of any of the lenders, the sittings fees in relation to such nominee Director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

(c) Any expenditure that may be incurred by the lenders or the nominee Director in connection with the appointment or Directorship shall be borne by the Company.

(d) The nominee Director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

(e) The nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

(f) If at any time, the nominee Director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

42. CASUAL VACANCY

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles, be filled by the Board at a meeting of the Board.

43. WOMAN DIRECTOR

The Company shall have such number of Woman Director (s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

44. REMUNERATION OF DIRECTORS

(a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by 1 (one) way and partly by the other, subject to the limits prescribed under the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(b) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.

(c) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.

(d) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.

(e) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of Employees' Stock Options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any Employees' Stock Options.

45. POWERS OF THE BOARD TO KEEP A FOREIGN REGISTER

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

46. SIGNING OF CHEQUES, HUNDIES, ETC.

(a) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and in such manner as the Board of Directors shall from time to time by resolution determine.

(b) Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

47. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 51 hereof, the continuing Directors not being less than 3 (three) may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

48. VACATION OF OFFICE BY DIRECTOR

(a) Subject to relevant provisions of Sections 167 of the Act, the office of a Director, shall ipso facto be vacated if:

(i) he incurs any of the disqualifications specified under Section 164 of the Act; or

(ii) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6(six) months and that the office shall be vacated by the director even if he has filed an appeal against the order of such court; or

(iii) he absents himself from all the meetings of the Board of Directors held during a period of 12 (twelve) months with or without seeking leave of absence of the Board; or

(iv) he, having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or

(v) he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or

(vi) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184; or

(vii) he becomes disqualified by an order of the court; or

(viii) he is removed pursuant to the provisions of the Act.

(b) Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar in such manner, within such time and in such form as may be prescribed and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the Company.

49. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not 3 (three) or a multiple of 3 (three) then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

50. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

(a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:

(i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;

(ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

(iii) he is not qualified or is disqualified for appointment;

(iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

51. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 49 and Section 149 and 152 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of 3 (three) directors and maximum of fifteen directors, and by a Special Resolution increase the number to more than fifteen directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The Person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

52. REGISTER OF DIRECTORS ETC.

(a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

(b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

53. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any Company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

54. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time Director or executive Director or manager of the Company. The Managing Director(s) or the whole time Director(s) manager or executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time Director(s) or manager or executive Director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time Director or executive Director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

55. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s)/whole time Director(s)/executive Director(s)/manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/whole time Director(s)/executive Director(s)/manager, and if he ceases to hold the office of a Managing Director(s)/whole time Director(s)/executive Director(s)/ manager he shall ipso facto and immediately cease to be a Director.

56. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s)/whole time Director(s)/executive Director(s)/manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

57. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time Director(s)/executive Director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time Director(s)/executive Director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

58. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

(a) The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

(i) to make calls on Shareholders in respect of money unpaid on their shares;

(ii) to authorise buy-back of securities under Section 68 of the Act;

(iii) to issue securities, including debentures, whether in or outside India;

(iv) to borrow money(ies);

(v) to invest the funds of the Company;

(vi) to grant loans or give guarantee or provide security in respect of loans;

(vii) to approve financial statements and the Board's report;

(viii) to diversify the business of the Company;

(ix) to approve amalgamation, merger or reconstruction;

(x) to take over a company or acquire a controlling or substantial stake in another company;

(xi) fees/ compensation payable to non-executive Directors including independent Directors of the Company; and

(xii) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations.

(b) The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any Person permitted by Law the powers specified in sub-Articles (d) to (f) above.

(c) The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Act.

(d) In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

(i) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

(ii) to borrow money; and

(iii) any such other matter as may be prescribed under the Act, the Listing Regulations and other applicable provisions of Law.

59. PROCEEDINGS OF THE BOARD OF DIRECTORS

(a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between 2 (two) consecutive Board Meetings. Meetings shall be held in Ahmedabad, Gujarat, India or such a place as may be decided by the Board.

(b) The participation of Directors in a meeting of the Board may be either in Person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.

(c) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

(d) (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii)If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the directors present may choose 1(one) of their number to be Chairperson of the meeting.

(e) The Company Secretary shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.

(f) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.

(g) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by 1 (one) independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

(h) At any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

60. QUORUM FOR BOARD MEETING

(a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be at least 3(three)Directors the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

(b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

61. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

(a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.

(b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.

(c) The Board of Directors may, at any time and from time to time by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit. Such power of attorney maybe made in favour the members, Directors, nominees, or managers of our Company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Directors. Such power of attorney may contain powers for the protection or convenience of persons dealing with such attorneys as the persons granting such attorneys may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all / or any of the powers, authorities and directions for the time being vested in them.

62. COMMITTEES AND DELEGATION BY THE BOARD

(a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive Director(s) or manager or the Chief Executive Officer of the Company. The Managing Director(s), the executive Director(s) or the manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

(b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

(c) The meetings and proceedings of any such Committee of the Board consisting of 2 (two) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

(d) A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose 1 (one) of their members to be Chairperson of the meeting.

(e) A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

(f) All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any 1(one) or more of such directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such Person had been duly appointed and was qualified to be a director.

(g) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

63. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

64. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

65. OFFICERS

(a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

(b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.

(c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

(d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.

(e) The Board shall appoint with the approval of the Chairman and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as Persons who will be appointed to the posts of senior executive management.

66. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become Personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

67. THE SECRETARY

(a) The Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.

(b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

68. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

(i) Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive Directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

(a) on terms approved by the Board;

(b) which includes each Director as a policyholder;

(c) is from an internationally recognised insurer approved by the Board; and

69. SEAL

(a) The Board shall provide for the safe custody of the seal.

(b) The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or any one of the KMP, or such other Person as the Board may appoint for the purpose; and those 1 (one) director or KMP or other Person aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

70. DIVIDENDS AND RESERVE

(a) The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

(b) Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.

(c) (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

(d) (i)Subject to the rights of Persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

(e) The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

(f) (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that 1(one) of the joint holders who is first named on the register of Shareholders, or to such Person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.

(g) Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

(h) Notice of any dividend that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act.

(i) No dividend shall bear interest against the Company.

71. RELATED PARTY TRANSACTIONS

(a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a ‘related party’ with respect to: :

(i) sale, purchase or supply of any goods or materials;

(ii) selling or otherwise disposing of, or buying, property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such Director's or its relative's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the Company:

without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.

(b) No Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.

(c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.

(d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

(e) The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.

(f) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.

(g) The term 'related party' shall have the same meaning as ascribed to it under the Act.

(h) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

Subject to the Provision of Section 188 of Act, Non-executive Director of the Company will eligible for fees with respect to the Consultancy and Advisory services provided by the Non-Executive Directors to the Company.

72. ACCOUNTS

(a) The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.

(b) Where the Board decides to keep all or any of the Books of Accounts at any place other that the office of the Company the Company shall within (seven) days of the decision file with the Register a notice in writing given the full address of that other place.

(c) The Company shall preserve in good order the Book/s of Account relating or period of not less 8 (eight) years preceding the current year together with the vouchers relevant to any entry in such books of Account.

(d) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board.

(e) The Directors shall from time to time, in accordance with Sections 129,133 and 134 of the Act, cause to be laid before the Company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.

(f) A Copy of every Balance Sheet and statement of profit and loss (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Act as the Company may deem fit, shall not less than 21(twenty-one) days before the Meeting at which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every Person entitled thereto pursuant to the provisions of the Section 136 of the Act provided this Article shall not require a copy of the documents to be sent to any Person of whose address the Company is not aware of or to more than 1(one) of the joint holders of any shares.

73. DOCUMENTS AND NOTICES

(a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either Personally or by sending it by post to him to his registered address.

(b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of 48(forty eight) hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.

(c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Shareholders in respect of the Share.

(d) Every Person, who by operation of Law, Transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.

(e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.

(f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.

(g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

74. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

(a) To the Shareholders of the Company as provided by these Articles.

(b) To the Persons entitled to a share in consequence of the death or insolvency of a Shareholder.

(c) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

75. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

76. UNPAID OR UNCLAIMED DIVIDEND

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, Transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend of SHALBY LIMITED".

(b) Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such Transfer, shall be transferred by the Company to the Fund established under sub-Section (1) of Section 125 of the Act, viz. "Unpaid Dividend of SHALBY LIMITED" and the Company shall send a statement in the prescribed form of the details of such Transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such Transfer.

(c) All shares in respect of which unpaid or unclaimed dividend have been transferred under sub-section (5) of Section 124 of the Act shall also be transferred by the Company in the name of "Investor Education and Protection Fund" along with a statement containing such details as prescribed under the Act.

(d) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

If any shares stands in the name of 2 (two) or more Persons, the Person first named in the register shall, as regards payment of dividend or bonus or service of notice and all or any other matters connected with the Company, except voting at meetings be treated as the holders of the shares but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and call due in respect of such shares and for all the other incidence thereof according to the Company's Regulations.

77. CAPITALIZATION OF PROFITS

(a) The Company may in a General Meeting, upon recommendation of the Board, resolve:

(i) That it is desirable to capitalise any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or ; and

(ii) That such sum be accordingly set free for distribution in the manner specified in sub-Article(b) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

(b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-Article(c) either in or towards:

(i) Paying up any amount for the time being unpaid on shares held by such members respectively ; or

(ii) Paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid ; or

(iii) Partly in the way specified in sub-Article(i) and partly in that specified in sub-Article(ii).

(c) A share premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

<u>Powers of Directors for declaration of Bonus</u>

(d) Whenever such a resolution as aforesaid shall have been passed by the Board shall :

(i) make all appropriations and applications of the undistributed profits to be capitalised thereby and issue of fully paid shares or debentures, if any ; and

(ii) generally do all acts and things required to give effect thereto.

(e) The Board shall have full power :

(i) to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction ; and also

(ii) to authorise any Person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised or the amounts or any part of the amounts remaining unpaid on the shares.

(f) Any agreement made under such authority shall be effective and binding on all such members.

78. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

Subject to the provisions of Chapter XX of the Act and rules made thereunder:

(a) If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability

79. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

(a) Subject to the provisions of Section 197 of the Act every Director, manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.

(b) Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or which may incur by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

80. DIRECTORS ETC., NOT LIABLE FOR CERTAIN ACTS

Subject to the provisions of Section 197 of the Act, no Director, Manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any money(ies), Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

81. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of Shareholders, books of accounts and the minutes of the meetings of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than 2(two) hours in each day as the Board determines, for the inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

82. SECRECY

(a) No member shall be entitled to visit or inspect the Company‘s works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company‘s trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.

(b) Every Director, Managing Director, Manager, Secretary, Auditor, trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other Person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the Persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

83. DUTIES OF OFFICERS TO OBSERVE SECRECY

Every Director, Managing Directors, Manager, Secretary, Auditor, trustee, members of committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors or by a resolution of the Company in a General Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the Government to require or to hold an investigation into the Company's affairs.

MISCELLANEOUS

Directors, Officers, etc. bound by "Secrecy Clause":

84. The Managing Director and every Director, Manager, Auditor, Member of a Committee, KMP, Officer, Servant, Accountant or other person employed in the business of the Company, shall pledge himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall always be bound not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by a Court of Law or by the person to whom such matters relate and except in so far as may be necessary in order to comply with any of the provisions in these Articles contained.

Directors and others right to indemnity:

85. Subject to the provisions of the Act, it shall be the duty of the Directors to indemnify, out of the funds of the Company, the Managing Director/Deputy Managing Director/Whole Time Director, every Director and Key Managerial

Personnel of the Company, in relation to all costs, losses and expenses (including traveling expenses) which they may incur or become liable to incur by reason of any contract entered into or act or deed done by him as such Managing Director/Deputy Managing Director/Whole Time Director, Director and Key Managerial Personnel in any way in the discharge of his duties. The amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

Directors and other Officers not responsible for acts of others:

86. Subject to the provisions of the Act, no Director, Managing Director, Deputy Managing Director, Key Managerial Personnel or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities, or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatsoever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid / Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated May 19, 2017, executed amongst our Company, the Selling Shareholder and the BRLMs.

2. Cash Escrow Agreement dated November 24, 2017 executed amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, Bankers to the Offer.

3. Share Escrow Agreement dated November 24, 2017 executed amongst the Selling Shareholder, our Company and the Escrow Agent.

4. Syndicate Agreement dated November 24, 2017 executed amongst our Company, the Selling Shareholder, the BRLMs and the Syndicate Members.

5. Underwriting Agreement dated [●] executed amongst our Company, the Selling Shareholder and the Underwriters.

6. Registrar Agreement dated May 10, 2017, executed amongst our Company, the Selling Shareholder and the Registrar to the Offer.

7. Monitoring Agency Agreement dated November 24, 2017, executed amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated August 30, 2004 issued by the RoC to our Company in our former name, being Shalby Hospital Private Limited.

3. Fresh certificate of incorporation dated May 15, 2006 issued by the RoC to our Company, consequent upon conversion to a public company in the name of Shalby Hospital Public Limited.

4. Fresh certificate of incorporation dated July 26, 2006 issued by the RoC to our Company consequent upon change of name to Shalby Hospitals Limited.

5. Fresh certificate of incorporation dated February 13, 2008 issued by the RoC to our Company consequent upon change of name to Shalby Limited.

6. Resolution of the Board of Directors dated March 6, 2017 in relation to the Offer and other related matters.

7. Shareholders' resolution dated March 30, 2017 in relation to this Offer and other related matters.

8. Letter of consent dated May 19, 2017, issued by the Selling Shareholder approving the Offer for Sale.

9. Resolution of the Board / IPO Committee dated May 19, 2017, approving the Draft Red Herring Prospectus.

10. Resolution of the Board / IPO Committee dated November 24, 2017 approving the Red Herring Prospectus.

11. The examination reports of the Statutory Auditor dated September 28, 2017, in relation to our Company's Restated Standalone Financial Statements and Restated Consolidated Financial Statements.

12. Copies of the annual reports of our Company for the Financial Years 2013, 2014, 2015, 2016 and 2017.

13. Consent from the Statutory Auditors namely, G.K. Choksi & Co., Chartered Accountants, to include their

name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Red Herring Prospectus and as an “Expert” as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Standalone Financial Statements and Restated Consolidated Financial Statements, each dated September 28, 2017 and the statement of tax benefits dated November 17, 2017, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

14. The Statement of Tax Benefits dated November 17, 2017 from the Statutory Auditors.

15. Consent of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Legal Counsel to our Company, Legal Counsel to the BRLMs, bankers / lenders to our Company, the BRLMs, the Syndicate Members, Escrow Collection Bank(s), Bankers to the Offer, the Registrar to the Offer, Monitoring Agency, as referred to, in their specific capacities.

16. Due Diligence Certificate dated May 19, 2017 addressed to SEBI from the BRLMs.

17. Consent from Frost & Sullivan, dated May 16, 2017 in relation to the industry report titled “Independent Market Assessment of Indian Healthcare Industry for IPO” dated May 16, 2017.

18. In principle listing approvals dated June 8, 2017, and June 12, 2017, issued by BSE and NSE respectively.

19. Copy of scheme of arrangement between our Company and Yogeshwar Healthcare.

20. Copy of scheme of amalgamation between our Company and Hari Om Healthcare.

21. Copy of scheme of amalgamation between our Company, Shalby Surat and Kusha Healthcare.

22. Copy of scheme of arrangement between our Company and Kamesh Hospital.

23. Tripartite agreement dated August 26, 2016 between our Company, NSDL and the Registrar to the Offer.

24. Tripartite agreement dated August 19, 2016 between our Company, CDSL and the Registrar to the Offer.

25. Consultancy agreement dated January 28, 2016, executed between our Company and Dr Vikram Shah.

26. Consultancy agreement dated February 5, 2014, executed between our Company and Dr Darshini Shah.

27. Letter of appointment dated October 5, 2013 issued by our Company to Shanay Shah.

28. Letter of appointment dated August 8, 2012 issued by our Company to Ravi Bhandari.

29. Letter of appointment dated April 18, 2016 issued by our Company to Shantilal Kothari.

30. SEBI observation letter bearing #SEBI/HO/CFD/DIL-I1/OWP/16502/2017 dated July 14, 2017.

31. Letter of personal guarantee dated October 9, 2014 from Dr Vikram Shah to HDFC Bank Limited.

32. Letter of personal guarantee dated December 17, 2014 from Dr Vikram Shah to HDFC Bank Limited.

33. Letter of continuing guarantee dated January 20, 2016 from Dr Vikram Shah to HDFC Bank Limited.

Any of the contracts or documents mentioned in this 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, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations or guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

__________________________	**Dr Vikram Shah** *(Chairman and Managing Director)*
__________________________	**Dr Darshini Shah** *(Non-Executive, Non- Independent Director)*
__________________________	**Shyamal Joshi** *(Non-Executive, Non-Independent Director)*
__________________________	**Umesh Menon** *(Non-Executive, Independent Director)*
__________________________	**Ashok Bhatia** *(Non-Executive, Independent Director)*
__________________________	**Tej Malhotra** *(Non-Executive, Independent Director)*

SIGNED BY CHIEF FINANCIAL OFFICER

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Shantilal Kothari
(*Chief Financial Officer*)
Place: Ahmedabad
Date: November 24, 2017

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements, disclosures and undertakings made by him in this Red Herring Prospectus in relation to himself and the Equity Shares being offered by him in the Offer for Sale are true and correct.

Signed by the Selling Shareholder

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Dr Vikram Shah

Place: Ahmedabad
Date: November 24, 2017