



## API HOLDINGS LIMITED

Our Company was incorporated as 'API Holdings Private Limited', a private limited company under the Companies Act, 2013, and was granted a certificate of incorporation dated March 31, 2019 by the Registrar of Companies, Maharashtra at Mumbai ("Registrar of Companies"). Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on October 1, 2021 and a fresh certificate of incorporation dated October 28, 2021 was issued by the Registrar of Companies consequent to the change in the name of our Company to 'API Holdings Limited'. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" beginning on page 197.

**Registered and Corporate Office:** 902, 9<sup>th</sup> Floor, Raheja Plaza 1, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar West, Mumbai 400 086, Maharashtra, India; **Tel:** +91 22 6255 6255;

**Website:** www.apiholdings.in; **Contact Person:** Drashiti Shah, Company Secretary and Chief Compliance Officer;

**E-mail:** corporatesecretarial@apholdings.in; **Corporate Identity Number:** U60100MH2019PLC323444

### OUR COMPANY DOES NOT HAVE AN IDENTIFIABLE PROMOTER

**INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF API HOLDINGS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("ISSUE PRICE"), AGGREGATING TO ₹ 62,500 MILLION (THE "ISSUE"). THE ISSUE SHALL CONSTITUTE [●]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. OUR COMPANY MAY, IN CONSULTATION WITH THE BRLMS, CONSIDER A FURTHER ISSUE OF EQUITY SHARES BY WAY OF A PRIVATE PLACEMENT OF EQUITY SHARES FOR CASH CONSIDERATION AGGREGATING TO ₹ 12,500 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE AMOUNT RAISED PURSUANT TO THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE ISSUE SIZE, SUBJECT TO A MINIMUM ISSUE SIZE CONSTITUTING AT LEAST 10% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITION OF [●], A MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED, EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE 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 RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").**

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"), and such portion the "QIB Portion", provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts, and UPI ID in case of Retail Individual Bidders using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" beginning on page 748.

### RISKS 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 of our Company. The face value of the Equity Shares is ₹ 1 each. The Floor Price, Cap Price and Issue Price determined by our Company in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Issue Price" beginning on page 140, should not be considered 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 and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue 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 Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 43.

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) and 32 of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Issue Closing Date, see "Material Contracts and Documents for Inspection" beginning on page 774.

### BOOK RUNNING LEAD MANAGERS

BOOK RUNNING LEAD MANAGERS					REGISTRAR TO THE ISSUE
<b>kotak</b> Investment Banking	<b>Morgan Stanley</b>	<b>BoFA SECURITIES</b>	<b>citi</b>	<b>JM FINANCIAL</b>	<b>LINK Intime</b>
<b>Kotak Mahindra Capital Company Limited</b> 1 <sup>st</sup> Floor, 27 BKC Plot No. C-27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India Tel: +91 22 4336 0000 E-mail: api.ipo@kotak.com Website: www.investmentbank.kotak.com Investor Grievance ID: kmcrcdresal@kotak.com Contact Person: Ganesh Rane SEBI Registration Number: INM000008704	<b>Morgan Stanley India Company Private Limited</b> 18F, Tower 2, One World Centre, Plot 841, Jupiter Textile Miss Compound, Sanapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India Tel: +91 22 6118 1000 E-mail: apiholdingsipo@morganstanley.com Website: www.morganstanley.com Investor Grievance ID: investors_india@morganstanley.com Contact Person: Shantanu Tilak SEBI Registration Number: INM00001123	<b>BoFA Securities India Limited</b> Ground Floor, "A" Wing, One BKC, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India Tel: +91 22 6632 8000 E-mail: dg.api_ipo@bofa.com Website: www.ml-india.com Investor Grievance E-mail: dg.india_merchantbanking@bofa.com Contact Person: Samya Mittal / Ankita Aggarwal SEBI Registration No.: INM000011625	<b>Citigroup Global Markets India Private Limited</b> 1202, 12 <sup>th</sup> Floor, First International Financial Centre, G-Block, C 54 & 55, Bandra Kurla Complex, Bandra (East), Mumbai 400 098 Maharashtra, India Tel: +91 22 6175 9999 E-mail: apiholdings.ipo@citi.com Website: www.online.citibank.co.in/ rhtm/citigroupglobalscreen1.htm Investor Grievance ID: investors.cgmib@citi.com Contact Person: Harsh Agarwal SEBI Registration Number: INM000010718	<b>JM Financial Limited</b> 7 <sup>th</sup> Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India Tel: +91 22 6630 3030 E-mail: api.ipo@jmf.com Investor Grievance E-mail: grievance.ibd@jmf.com Website: www.jmf.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	<b>Link Intime India Private Limited</b> C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel: +91 22 4918 6000 E-mail: apiholdings@linkintime.co.in Website: www.linkintime.co.in Investor grievance ID: apiholdings@linkintime.co.in Contact Person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058

### BID/ISSUE PROGRAMME

<b>BID/ISSUE OPENS ON*</b>	[●]
<b>BID/ISSUE CLOSSES ON**</b>	[●]

\* Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

\*\* Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations.

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI Act, the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Regulations and Policies”, “History and Certain Corporate Matters”, “Statement of Possible Special Tax Benefits”, “Financial Information”, “Basis for Issue Price”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of Articles of Association” beginning on pages 146, 191, 197, 142, 250, 140, 708, 748 and 765 respectively shall have the meaning ascribed to them in the relevant section.

#### General Terms

Term	Description
“our Company”, “the Company”, “the Issuer”	API Holdings Limited, a public limited company incorporated under the Companies Act, 2013 and having its Registered and Corporate office at 902, 9 <sup>th</sup> Floor, Raheja Plaza I, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar West, Mumbai 400 086, Maharashtra, India
“we”, “us”, “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries on a consolidated basis

#### Company Related Terms

Term	Description
91Streets	91Streets Media Technologies Private Limited
Aarman Investment Agreements	Shareholders’ Agreement dated July 29, 2021 entered into by and amongst our Company, JM Financial Products Limited, Mathew Cyriac, Krushang Boria, Himanshu and Aarman Solutions Private Limited read with the share subscription agreement dated July 29, 2021
“Articles of Association” or “AoA”	Articles of association of our Company, as amended
Aknamed	Akna Medical Private Limited
Ascent	Ascent Health and Wellness Solutions Private Limited which merged with our Company pursuant to the Merger 2020
Ascent Wellness	Ascent Wellness and Pharma Solutions Private Limited
Associates	Associate companies of our Company, namely, Equinox Labs Limited, Impex Healthcare Private Limited and Marg ERP Limited
Aryan Wellness	Aryan Wellness Private Limited
API Holdings Restated SHA	Shareholders’ agreement dated September 27, 2021 entered into by and amongst our Company, Siddharth Shah, Harsh Parekh, Hardik Dedhia, Dharmil Sheth, Dhaval Shah, Dr. Bhaskar Prataprai Shah, Jasmine Bhaskar Shah, Arpi Siddharth Shah, Priyanka Bhaskar Shah, Evermed Holdings Pte. Ltd., B Capital Asia II, Ltd, B Capital Asia III, LLC, Bessemer India Capital Holdings II Ltd., Shivanand S. Mankekar Jt. Laxmi Shivanand Mankekar Jt. Kedar Shivanand Mankekar, Laxmi S. Mankekar Jt. Shivanand Shankar Mankekar Jt. Kedar Shivanand Mankekar, Shivanand Shankar Mankekar HUF, through its Karta, Mr. Shivanand S. Mankekar, Kedar Shivanand Mankekar Jt. Shivanand Shankar Mankekar, Eight Roads Ventures India III LP, F-Prime Capital Partners Healthcare Fund V LP, TIMF Holdings, Think Investments PCC, The Fundamentum Partnership Fund I, acting through its investment manager Mr. Sanjeev Aggarwal, KB Global Platform Fund Limited Partnership, acting through its General Partner, KB Investment Co., Ltd., CDPQ Private Equity Asia Pte. Ltd, J. M. Financial and Investment Consultancy Services Private Limited, JM Financial Products Limited, Orios Venture Partners Fund – I, acting through its investment manager Orios Advisors LLP, Orios Select Fund I, acting through its investment manager, Orios Advisors LLP, ORIOS FUND IIIa, a scheme of Orios Venture Partners Fund III, represented by its trustee Vistra ITCL (India) Limited and acting through its investment manager, Orios Advisors LLP, Orios Advisors LLP, Astarc Ventures Private Trust, Trifecta Venture Debt Fund – I, acting through its investment manager, Trifecta Capital VDF Management LLP, Trifecta Leaders Fund – I, Lightrock Growth Fund I S.A., SICAV-RAIF and acting on behalf of and for the account of the Lightrock Global Fund by its alternative investment fund manager LGT Capital Partners (Ireland) Limited, MacRitchie Investments Pte. Ltd., TPG Growth V SF Markets Pte. Ltd, Naspers Ventures B.V., Internet Fund VI Pte. Ltd., Ronak Kishor Morbia,

Term	Description
	Ramesh Jethalal Morbia, Kishor Jethalal Morbia, Kavita Kishor Morbia, Pradeep Vishanji Chheda, Dhanlaxmi Ramesh Morbia, Jayshree Pradip Morbia, Pradip Jethalal Morbia, Rashi Kishor Morbia, Ravi Pradip Morbia, Rinkle Apurva Ambavi, Twinkle Ramesh Morbia, Ramakant Sharma, Anuj Srivastava, Bina Jhaveri, Manju Singh, Siddharth Bagadia, Siddharth Bagadia, Rishabh Bagadia and Rekha Bagadia (in their capacity as a heir / successor of Late Mr. Bharatbhai J. Bagadia), Siddharth Kothari, Rita Vasudevan, Jisal Shah, Mahesh Shah, Dhaval Mehta, Bhavini Gala, Manish Sheth, Prasad Uno Family Trust, Shobha Agrawal, M/s. Siddhant Partners, Tulip Lab Private Limited, Elizabeth Mathew, Shalibhadra Navinchandra Shah, Navinchandra Bhogilal Shah, Deepika Navinchandra Shah, Saroj Mahesh Shah, Chetan Gopaldas Cholera, Aditya Puri, Deepak Vaidya, Chaitanya Vaidya, Dr. A Velumani, Kotak Pre-IPO Opportunities Fund and acting through its investment manager Kotak Investment Advisors Limited, Daksha Alpesh Sheth, Logx Ventures Partners LLP, Govinda Rajan Mehta, Harsh Vardhan Khandelwal, Suresh Ramchand Mandhyan, Kruti Bhavin Sheth, Shekhar Suresh Agrawal, Jaydeep Dahyalal Tank, Jaydeep Dahyalal Tank HUF, Pariakshit Dahyalal Tank, Rajesh Harilal Chauhan, Ashok Mohanlal Shah, Harshit Ashok Shah, Jawaharlal Mohanlal Shah, Pushpa Jawaharlal Shah, Sanket Sharad Mehta, Kunal Dilip Jhaveri, Reena Jatin Solanki, Sejal Bhavin Gandhi, Satvik Utkarsh Mehta, Sameer Lalitchandra Parekh, Utkarsh Vasantkumar Mehta, Beetle Ventures Private Limited, Zarina Yar Khan, Mayank Kapoor, Shaunak Joshi, Varun Vohra, Amaara Partners, RISA Partners, Steadview Capital Mauritius Limited, Amansa Investments Ltd., ApaH Opportunity Fund I, SARV Investments Limited, Janus Henderson Global Research Fund, Janus Henderson Emerging Markets Fund, Janus Henderson Investment Fund Series I – Janus Henderson Emerging Markets Opportunities Fund, Janus Henderson Global Research Portfolio, Janus Henderson Fund – Janus Henderson Emerging Markets Fund, Neuberger Berman Emerging Markets Equity Fund, Neuberger Berman Emerging Markets Equity Master Fund L.P., Orbimed Genesis FDI Ltd., Orbimed New Horizons FDI Ltd., Worldwide Healthcare Trust Plc, Ananth Sankaranarayanan Family Trust, Ananth Sankaranarayanan, Dream Incubator Inc., Times Internet Limited, Matrix Partners India Investment Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Ivy Icon Solutions LLP, Sudhir Singh, Anup Singh, Mahender Singh and Beta Oryx Limited
Ascent Historical Financial Statements	Audited special purpose consolidated financial statements of Ascent prepared in accordance with Ind AS which comprise the consolidated balance sheet as at March 31, 2020 and March 31, 2019, the consolidated statement of profit and loss (including other comprehensive income) for the years ended March 31, 2020 and March 31, 2019, the consolidated statement of changes in equity for the years ended March 31, 2020 and March 31, 2019 and the consolidated statement of cash flows for the years ended March 31, 2020 and March 31, 2019 and notes to the special purpose consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
“Audit Committee”	Audit committee of our Board, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in “Our Management – Committees of the Board” on page 236
“Auditors” or “Statutory Auditors”	Price Waterhouse Chartered Accountants LLP, the current statutory auditors of our Company
Axelia	Axelia Solutions Private Limited, which operates the PharmEasy marketplace
“Board” or “Board of Directors”	Board of directors of our Company and where applicable or implied by context, includes or a duly constituted committee thereof
Brand Usage Agreement	Brand usage agreement dated September 20, 2021 entered into by and amongst, our Subsidiary Threpsi Solutions Private Limited and our Company
CCD(s)	Compulsorily convertible debentures of our Company
CCD IV	CCD IV- Compulsorily convertible debentures of ₹ 4,443.31 each, allotted by our Company to Siddharth Shah on November 25, 2020
CCD V	CCD V - Compulsorily convertible debentures of ₹ 4,443.31 each, allotted by our Company to Harsh Parekh on November 25, 2020
CCD VI	CCD VI - Compulsorily convertible debentures of ₹ 4,443.31 each, allotted by our Company to Hardik Dedhia on November 25, 2020
CCD VII	CCD VII - Compulsorily convertible debentures of ₹ 4,443.31 each, allotted by our Company to Dhaval Shah on November 25, 2020
CCD VIII	CCD VIII – Compulsorily convertible debentures of ₹ 4,443.31 each, allotted by our Company to Dharmil Sheth on November 25, 2020
CCD IX	CCD IX - Compulsorily convertible debentures of ₹ 5,601 each, allotted by our Company to Ivy Icon Solutions LLP on January 25, 2021
CCD X	CCD X - Compulsorily convertible debentures of ₹ 2,000.33 each, allotted by our Company to Siddharth Shah on April 5, 2021
CCD XI	CCD XI- Compulsorily convertible debentures of ₹ 2,000.33 each, allotted by our Company to Hardik Dedhia on April 5, 2021

Term	Description
CCD XII	CCD XII- Compulsorily convertible debentures of ₹ 2,000.33 each, allotted by our Company to Harsh Parekh on April 5, 2021
CCD XIII	CCD XIII - Compulsorily convertible debentures of ₹ 2,000.33 each, allotted by our Company to Dhaval Shah on April 5,2021
CCD XIV	CCD XIV - Compulsorily convertible debentures of ₹ 2,000.33 each, allotted by our Company to Dharmil Sheth on April 5, 2021
“CFO” or “Chief Financial Officer”	Chief financial officer of our Company, namely, Chebolu Venkata Ramana Ram (Chebolu V. Ram)
Company Secretary and Chief Compliance Officer	Company secretary and chief compliance officer of our Company, namely, Drashti Shah
CCPS	Compulsorily convertible preference shares of our Company
CCPS I	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Ronak Morbia, Ramesh Jethalal Morbia, Dhanlaxmi Ramesh Morbia, Jayshree Pradip Morbia, Manjula Jethalal Morbia, Pradip Jethalal Morbia, Rashi Kishor Morbia, Rinkle Apurva Ambavi, Twinkle Ramesh Morbia, Kishor Jethalal Morbia, Kavita Kishor Morbia, Rohan Ramesh Morbia, Pradeep Vishanji Chheda, and The Fundamentum Partnership Fund I (acting through its investment manager Sanjeev Aggarwal) on August 27, 2020
CCPS II	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Siddharth Bagadia, Bharat Bagadia, J M Financial and Investment Consultancy Services Private Limited, Rita Vasudevan, TIMF Holdings, Jasmine Shah, Siddharth Shah, Arpi Mehta, Priyanka Shah, Dilip Mehta, Siddharth Kothari, Mahesh Shah, Shweta Mehta, Manish Sheth, and Jisal Shah on August 27, 2020
CCPS III	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Evermed Holdings Pte. Ltd, Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Siddharth Bagadia, Bharat Bagadia, J M Financial and Investment Consultancy Services Private Limited, Rita Vasudevan, TIMF Holdings, Lightstone Fund S.A.(for and on behalf of Lightstone Global Fund), MacRitchie Investments Pte. Ltd., Jasmine Shah, Siddharth Shah, Arpi Mehta, Priyanka Shah, Harsh Parekh, Hardik Dedhia, Dilip Mehta, Siddharth Kothari, Mahesh Shah, Shweta Mehta, Dhaval Mehta, Bhavini Gala, Manish Sheth, Jisal Shah, Bessemer India Capital Holdings II Ltd., Orios Venture Partners Fund-I (acting through its investment manager Orios Advisors LLP), Aarin Capital Partners, Medi Assist Healthcare Services Limited, Astarc Ventures Private Trust(acting through its trustee Growthseed Regent Private Limited), and Ramakant Sharma on August 27, 2020
CCPS IV	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Evermed Holdings Pte. Ltd, Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Lightstone Fund S.A. (for and on behalf of Lightstone Global Fund) and MacRitchie Investments Pte. Ltd on August 27, 2020
CCPS V	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Evermed Holdings Pte. Ltd, Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, Laxmi Shivanand Mankekar joint with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, Shivanand Shankar Mankekar (HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Siddharth Bagadia, Bharat Bagadia, JM Financial and Investment Consultancy Services Private Limited, Rita Vasudevan, TIMF Holdings, Lightstone Fund S.A(for and on behalf of Lightstone Global Fund), MacRitchie Investments Pte. Ltd., Jasmine Shah, Siddharth Shah, Arpi Mehta, Priyanka Shah, Harsh Parekh, Hardik Dedhia, Dilip Mehta, Siddharth Kothari, Mahesh Shah, Shweta Mehta, Dhaval Mehta, Bhavini Gala, Manish Sheth, Jisal Shah, Bessemer India Capital Holdings II and Orios Venture Partners Fund-I, a trust acting through its investment manager Orios Advisors LLP on August 27, 2020
CCPS VI	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Trifecta Venture Debt Fund-I (acting through its investment manager Trifecta Capital VDF Management LLP) on August 27, 2020
CCPS VII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Bennett Coleman and Company Limited on March 19, 2021
CCPS VIII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Evermed Holdings Pte. Ltd, Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, Shivanand

Term	Description
	Shankar Mankekar (HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar and JM Financial and Investment Consultancy Services Private Limited on August 27, 2020
CCPS IX	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Evermed Holdings Pte. Ltd, Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, Shivanand Shankar Mankekar(HUF) through its Karta- Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, Siddharth Bagadia, Bharat Bagadia, J M Financial and Investment Consultancy Services Private Limited, Rita Vasudevan, TIMF Holdings, Lightstone Fund S.A(for and on behalf of Lightstone Global Fund), MacRitchie Investments Pte. Ltd., Jasmine Shah, Siddharth Shah, Arpi Mehta, Priyanka Shah, Harsh Parekh, Hardik Dedhia, Dilip Mehta, Siddharth Kothari, Mahesh Shah, Shweta Mehta, Dhaval Mehta, Bhavini Gala, Manish Sheth, Jisal Shah, Bessemer India Capital Holdings II, Orios Venture Partners Fund-I (acting through its investment manager Orios Advisors LLP), MEMG Family Office LLP, Medi Assist Healthcare Services Limited, Ramakant Sharma, The Fundamentum Partnership Fund I(acting through its investment manager Sanjeev Aggarwal), Eight Roads Ventures India III LP, F-Prime Capital Partners Healthcare Fund V LP, Bina Jhaveri, Manju Singh, Anuj Srivastava, and Trifecta Venture Debt Fund-I(acting through its investment manager Trifecta capital VDF Management LLP) on August 27, 2020
CCPS X	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to TIMF Holdings on August 27, 2020
CCPS XI	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to TIMF Holdings, Bessemer India Capital Holdings II Ltd, The Fundamentum Partnership(acting through its investment manager Sanjeev Aggarwal), Eight Roads Ventures India III LP, F-Prime Capital Partners Healthcare Fund V LP, KB Global Platform Fund Limited(acting through its general partner KB Investment Co. Ltd.), and CDPQ Private Equity Asia Pte. Ltd on August 27, 2020
CCPS XII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Lightstone Fund S.A. (for and on behalf of Lightstone Global Fund) on September 29, 2020
CCPS XIII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to MacRitchie Investments Pte. Ltd on September 29, 2020
CCPS XIV	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Orios Select Fund I on September 29, 2020
CCPS XV	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Lightstone Fund S.A(for and on behalf of Lightstone Global Fund), The Fundamentum Partnership Fund I on November 19, 2020
CCPS XVI	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Prasad Uno Family Trust on January 25, 2021
CCPS XVI A	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Prasad Uno Family Trust on January 25, 2021
CCPS XVII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Matrix Partners India Investment Holdings II, LLC, Matrix Partners India Investment Holdings II Extension, LLC, Times Internet Limited and Dream Incubator Inc. on January 25, 2021
CCPS XVIII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Ananth Sankaranarayanan and Ananth Sankaranarayanan Family Trust on January 25, 2021
CCPS XIX	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to (a) Eight Roads Ventures India III LP on December 29, 2020; (b) F-Prime Capital Partners Healthcare Fund V LP on December 30, 2020; (c) TIMF Holdings on December 30, 2020; (d) Lightstone Fund S.A (for and on behalf of Lightstone Global Fund) on January 14, 2021; (e) MacRitchie Investments Pte. Ltd. on January 21, 2021; (f) TPG Growth V SF Markets Pte. Ltd on March 1, 2021; and (g) CDPQ Private Equity Asia Pte. Ltd on March 10, 2021
CCPS XX	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Naspers Venture B.V on April 5, 2021
CCPS XXI	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Shobha Surajratan Agrawal, Siddhant Partners (represented by Partner Prashant Singh) and Tulip Lab Private Limited on May 20, 2021
CCPS XXII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Internet Fund VI Pte. Ltd on July 1, 2021
CCPS XXIII	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Shalibhadra Navinchandra Shah, Navinchandra Bhogilal Shah, Deepika Navinchandra Shah, Saroj Mahesh Shah and Chetan Gopaldas Cholera on July 1, 2021

Term	Description
CCPS XXIV	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to (a) Kotak Pre-IPO Opportunities Fund on August 13, 2021; (b) Naspers Ventures B.V., TPG Growth V SF Markets Pte. Ltd., Macritchie Investments Pte. Ltd, Orios Fund IIIa, Orios Advisors LLP, TIMF Holdings, Think Investments PCC and B Capital Asia II, Ltd on August 21, 2021; (c) A. Velumani on September 2, 2021; (d) B Capital Asia II, Ltd. and B Capital Asia III, LLC on September 16, 2021
CCPS XXV	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to Daksha Alpesh Sheth, Ramakant Sharma, Logx Ventures Partners LLP, Govinda Rajan Mehta, Harsh Vardhan Khandelwal, Suresh Ramchand Mandhyan, Kruti Bhavin Sheth, Shekhar Suresh Agrawal, Shobha Agrawal, Jaydeep Dahyalal Tank, Jaydeep Dahyalal Tank HUF, Parikshit Dahyalal Tank, Rajesh Harilal Chauhan, Ashok Mohanlal Shah, Harshit Ashok Shah, Jawaharlal Mohanlal Shah, Pushpa Jawaharlal Shah, Sanket Sharad Mehta, Kunal Dilip Jhaveri, Astarc Ventures Private Trust, Reeta Jatin Solanki, Sejal Bhavin Gandhi, Satvik Utkarsh Mehta, Sameer Lalitchandra Parekh and Utkarsh Vasantkumar Mehta on September 16, 2021
CCPS XXVI	Compulsorily convertible preference shares of ₹ 10 each, allotted by our Company to (a) Amansa Investments Ltd., SARV Investments Limited, worldwide Healthcare Trust PLC and Steadview Capital Mauritius Limited on October 9, 2021 (b) ApaH Opportunity Fund I, Neuberger Berman Emerging Markets Equity Fund, and Neuberger Berman Emerging Markets Equity Master Fund L.P. on October 13, 2021
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in “Our Management – Committees of the Board” on page 236
Director(s)	Directors on our Board, as on the date of this Draft Red Herring Prospectus
Equity Shares	Equity shares of face value of ₹ 1 each of our Company
ESOP Plan 2020	API Holdings Limited – Employee Stock Option Plan 2020, as amended from time to time
Executive Directors	Executive directors on our Board, as on the date of this Draft Red Herring Prospectus. For details of the Executive Directors, see “Our Management – Our Board of Directors” beginning on page 227
Financial Information	Collectively, the Restated Consolidated Financial Information and the Pro Forma Consolidated Financial Information
“Financial Year ended March 31, 2020” or “Fiscal 2020” or “Financial Year 2020”	12 month and one day period ended March 31 of the year. Includes period from March 31, 2019 to March 31, 2020 because our Company was incorporated on March 31, 2019
Founders	Collectively, Siddharth Shah, Harsh Parekh, Hardik Dedhia, Dharmil Sheth and Dhaval Shah
Historical Financial Statements	Collectively, the Ascent Historical Financial Statements, Medlife Historical Financial Statements and Thyrocare Historical Financial Statements
Independent Directors	Independent directors on our Board, as on the date of this Draft Red Herring Prospectus
IPO Committee	IPO committee of our Board
“Key Managerial Personnel” or “KMP”	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and as described in “Our Management – Key Managerial Personnel” on page 242
Licensing Agreement	Amended and restated licensing and services agreement dated July 29, 2021 entered into by and between our subsidiary, Threpsi and Axelia.
Logistics Agreement	Logistics Service Agreement dated September 9, 2021 between Axelia Solutions Private Limited and our Company
Mahaveer Medi-Sales	Mahaveer Medi-Sales Private Limited
“Managing Director and Chief Executive Officer” or “MD and CEO”	Co-founder, managing director and chief executive officer of our Company, namely, Siddharth Shah
Material Subsidiaries	Aryan Wellness Private Limited, D.C. Agencies Private Limited, Mahaveer Medi-Sales Private Limited, Medlife Wellness Retail Private Limited and Threpsi Solutions Private Limited
Materiality Policy	The policy adopted by our Board on October 28, 2021 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Medlife	Medlife International Private Limited, which merged with our Company pursuant to the Medlife Merger
Medlife Historical Financial Statements	Audited consolidated financial statements of Medlife which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of profit and loss, including other comprehensive income/(loss), the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended March 31, 2021



Term	Description
Medlife Wellness	Medlife Wellness Retail Private Limited
Medlife Merger	Scheme of Amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company, approved by the Regional Director, Ministry of Corporate Affairs, Mumbai, vide its order dated September 24, 2021
Merger 2020	Scheme of Amalgamation between Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company, approved by the National Company Law Tribunal, Mumbai bench, vide its order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), which was made effective on August 27, 2020
“Memorandum of Association” or “MoA”	Memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and as described in “Our Management- Committees of the Board” on page 236
Non-Executive Directors	Non-executive director(s) on our Board, as on the date of this Draft Red Herring Prospectus, and as described in “Our Management – Our Board of Directors” on page 227
Nuclear	Nuclear Healthcare Limited
Preference Shares	Preference shares of our Company, comprising CCPS I, CCPS II, CCPS III, CCPS IV, CCPS V, CCPS VI, CCPS VII, CCPS VIII, CCPS IX, CCPS X, CCPS XI, CCPS XII, CCPS XIII, CCPS XIV, CCPS XV, CCPS XVI, CCPS XVI A, CCPS XVII, CCPS XVIII, CCPS XIX, CCPS XX, CCPS XXI, CCPS XXII, CCPS XXIII, CCPS XXIV, CCPS XXV and CCPS XXVI
Pro Forma Consolidated Financial Information	The pro forma consolidated financial information presented in “Financial Information” beginning on page 367
Prosus	Naspers Ventures B.V.
RedSeer	RedSeer Management Consulting Private Limited
RedSeer Report	Report titled “Report on the Healthtech market in India” dated November 7, 2021 issued by RedSeer
Registered and Corporate Office	902, 9 <sup>th</sup> Floor, Raheja Plaza 1, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar West, Mumbai 400 086, Maharashtra, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Maharashtra at Mumbai
Restated Consolidated Financial Information	Restated consolidated financial information of the Group as at and for the period ended June 30, 2021, as at and for the year ended March 31, 2021 and as at and for the period ended March 31, 2020 comprising the restated consolidated statement of assets and liabilities as at June 30, 2021, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss for the period ended June 30, 2021 and for the year ended March 31, 2021 and for the period from March 31, 2019, being the date of incorporation of our Company, to March 31, 2020, the restated consolidated statement of changes in equity for the period ended June 30, 2021 and for the year ended March 31, 2021 and for the period ended March 31, 2020 and the restated consolidated statement of cash flows for the ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020, together with the basis of preparation, significant accounting policies and notes to restated consolidated financial information for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 and statement of adjustments to audited consolidated financial statements as at June 30, 2021, March 31, 2021, March 31, 2020 and for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020, restated in accordance with the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time
Shareholders	Shareholders of our Company from time to time
Stakeholders’ Relationship Committee	Stakeholders’ relationship committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “Our Management - Committees of the Board” on page 236
“Subsidiaries” or “Our Subsidiaries”	The following subsidiaries of our Company: <ul style="list-style-type: none"> <li>• Threpsi Solutions Private Limited;</li> <li>• Aycon Graph Connect Private Limited;</li> <li>• ARZT and Health Private Limited;</li> <li>• Akna Medical Private Limited;</li> <li>• Docon Technologies Private Limited;</li> </ul>

Term	Description
	<ul style="list-style-type: none"> <li>• AHWSPL India Private Limited;</li> <li>• Instinct Innovations Private Limited;</li> <li>• Ayro Retail Solutions Private Limited;</li> <li>• Ascent Wellness and Pharma Solutions Private Limited;</li> <li>• Avighna Medicare Private Limited;</li> <li>• D. C. Agencies Private Limited;</li> <li>• Desai Pharma Distributors Private Limited;</li> <li>• Eastern Agencies Healthcare Private Limited;</li> <li>• VPI Medisales Private Limited;</li> <li>• Aarush Tirupati Enterprise Private Limited;</li> <li>• AKP Healthcare Private Limited;</li> <li>• Aryan Wellness Private Limited;</li> <li>• Aushad Pharma Distributors Private Limited;</li> <li>• Dial Health Drug Supplies Private Limited;</li> <li>• Mahaveer Medi-Sales Private Limited;</li> <li>• Reenav Pharma Private Limited;</li> <li>• Venkatesh Medico Private Limited;</li> <li>• Muthu Pharma Private Limited;</li> <li>• Pearl Medicals Private Limited;</li> <li>• Rau and Co Pharma Private Limited;</li> <li>• Shell Pharmaceuticals Private Limited;</li> <li>• Medlife Wellness Retail Private Limited;</li> <li>• Metarain Distributors Private Limited;</li> <li>• Allumer Medical Private Limited;</li> <li>• Shreeji Distributors Pharma Private Limited;</li> <li>• Vardhman Health Specialities Private Limited;</li> <li>• Cosaintis Products Private Limited;</li> <li>• Healthchain Private Limited;</li> <li>• Supplythis Technologies Private Limited;</li> <li>• Thyrocare Technologies Limited; and</li> <li>• Nuclear Healthcare Limited</li> </ul>
Temasek	MacRitchie Investments Pte. Ltd.
Thea	Thea Technologies Private Limited
Threpsi	Threpsi Solutions Private Limited
Thyrocare	Our listed subsidiary, Thyrocare Technologies Limited
Thyrocare Historical Financial Statements	The audited financial statements of Thyrocare Technologies Limited which comprise the statement of assets and liabilities as at three months ended June 30, 2021, years ended March 31, 2021 and March 31, 2020 and the statement of profit and loss for the three months ended June 30, 2021 and the years ended March 31, 2021 and March 31, 2020 and the statement of cash flows for the three months ended June 30, 2021 and the years ended March 31, 2021 and March 31, 2020
TPG	TPG Growth V SF Markets Pte. Ltd.

### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
“Allot” or “Allotment” or “Allotted”	Unless the context otherwise requires, allotment of the Equity Shares pursuant to Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted

Term	Description
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the BRLMs during the Anchor Investor Bid/Issue Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Issue Period	One Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Issue Period and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to the 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 the domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
“Application Supported by Blocked Amount” or “ASBA”	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	Collectively, Escrow Collection Bank(s), Public Issue Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Issue as described in “ <i>Issue Procedure</i> ” beginning on page 748
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation.

Term	Description
	Our Company in consultation with the BRLMs may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Issue Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Issue Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application 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 XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
“Book Running Lead Managers” or “BRLMs” or “Book Runners”	The book running lead managers to the Issue, namely, Kotak Mahindra Capital Company Limited, Morgan Stanley India Company Private Limited, BofA Securities India Limited, Citigroup Global Markets India Private Limited and JM Financial Limited,
Broker Centres	The 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 the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“CAN” or “Confirmation of Allocation Note”	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Issue Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the BRLMs, the Bankers to the Issue and Registrar to the Issue, <i>inter alia</i> , for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Citigroup	Citigroup Global Markets India Private Limited
Client ID	The client identification number maintained with one of the Depositories in relation to 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 from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Issue Price, finalised by our Company in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders’ address, name of the Bidders’ father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the 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 funds from the Escrow Account(s) are transferred to the Public Issue Account(s) or the Refund Account(s), as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Issue Account(s) and /or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with

Term	Description
	the Designated Stock Exchange, following which the Equity Shares may be Allotted to successful Bidders in the Issue
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs, Non-Institutional Bidders and Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
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), as updated from time to time
Designated Stock Exchange	[●]
“Draft Red Herring Prospectus” or “DRHP”	This draft red herring prospectus dated November 8, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue and includes any addenda or corrigenda thereto
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Accounts will be opened, in this case being [●]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“General Information Document” or “GID”	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
“Issue” or “Issue Size”	The initial public offer of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating to ₹ 62,500 million  Our Company may, in consultation with the BRLMs, consider further issue of Equity Shares by way of a private placement of Equity Shares for cash consideration aggregating to ₹ 12,500 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company
Issue Agreement	Agreement dated November 8, 2021 entered amongst our Company and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Issue
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, which will be decided by our Company in consultation with the BRLMs, in terms of the Red Herring Prospectus and the Prospectus.  The Issue Price will be decided by our Company in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “Objects of the Issue” beginning on page 128
JMFL	JM Financial Limited
Kotak	Kotak Mahindra Capital Company Limited

Term	Description
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency
Morgan Stanley	Morgan Stanley India Company Private Limited
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Net Proceeds	Proceeds of the Issue less the Issue expenses. For further details regarding the use of the Net Proceeds and the Issue expenses, see “Objects of the Issue” beginning on page 128
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
“Non-Institutional Bidders” or “Non-Institutional Investors”	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue 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 Issue Price
Non-Resident	Person resident outside India, as defined under FEMA
Pre-IPO Placement	The further issue of Equity Shares by way of a private placement of Equity Shares for cash consideration aggregating to ₹ 12,500 million, which may be undertaken by our Company, in consultation with the BRLMs, to be completed prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. In the event such private placement is completed, the relevant details will be included in the Red Herring Prospectus.  If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue Size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company subject to compliance with Rule 19(2)(b) of the SCRR
Price Band	The 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 Issue will be decided by our Company in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/Issue Opening Date, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company in consultation with the BRLMs, will finalise the Issue 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, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto
Public Issue Account(s)	The ‘no-lien’ and ‘non-interest bearing’ bank account(s) to be opened with the Public Issue Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	The bank which is a clearing member and registered with the SEBI as a banker to an issue under the SEBI BTI Regulations and with which the Public Issue Account(s) will be opened, in this case being [●]
QIB Portion	The portion of the Issue (including the Anchor Investor Portion) being not less than 75% of the Issue comprising [●] Equity Shares which shall be allotted to QIBs (including Anchor Investors), on a proportionate basis, (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors)
“Qualified Institutional Buyers” or “QIBs” or “QIB Bidders”	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
“Red Herring Prospectus” or “RHP”	The red herring prospectus to be issued by our Company 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 Issue Price and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with which the Refund Account will be opened, in this case being [●]

Term	Description
Registered Brokers	Stock brokers registered under the SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated November 2, 2021 entered by and amongst our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue
“Registrar and Share Transfer Agents” or “RTAs”	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
“Registrar to the Issue” or “Registrar”	Link Intime India Private Limited
“Retail Individual Bidder(s)” or “RIB(s)”	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Issue being not more than 10% of the Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.  QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until Bid/Issue Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> , or at such other websites as may be prescribed by SEBI from time to time.  In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> as updated from time to time.  In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> ) respectively, as updated from time to time
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms
Sponsor Bank	[●], being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
“Syndicate” or “Members of the Syndicate”	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the BRLMs, the Registrar and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.  In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmld=43</a> ) respectively, as updated from time to time.
UPI PIN	Password to authenticate UPI transaction
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Issue
Wilful Defaulter	A company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes any company whose director or promoter is categorised as such
Working Day	All days on which commercial banks in Mumbai are open for business provided however, with reference to (a) announcement of Price Band and (b) Bid/Issue Period, the term Working Day 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/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

### Technical/Industry Related Terms or Abbreviations

Term	Description
Active Pharmacy	A pharmacy that has transacted at least once using technology from Retailio during the relevant period as an active pharmacy for such period
CAGR	Compound annual growth rate
Annual Transacting Users	Unique users with at least one successful transaction in any particular period of 12 months
CRM	Customer relationship management
DIFOT	Delivery in full and on time
EMR	Electronic medical records
ERP	Enterprise resource planning
FMCG	Fast moving consumer goods
GMV	(i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio, grossed up for applicable taxes (excluding Retailio IP GMV)
OPD	Outpatient department
OTC	Over-the-counter medication
Private label products	Medical products procured by Company from contract manufacturers and sold by Company under our own brands
Pro Forma GMV	Pro Forma GMV is an operational metric and includes the GMV contribution from our acquisitions of Ascent, Medlife, Aknamed and Thyrocare as if these were acquired on April 1, 2020.
Retailio IP GMV	Revenue from sale of products from distribution to chemists/institutions grossed up for applicable taxes.
Retailio 3P GMV	Retailio 3P GMV is the GMV of products transacted using Retailio, grossed up for applicable taxes (excluding Retailio IP GMV).
SKU	Stock keeping unit



Term	Description
Tier II and Tier III Cities	Indian cities classified under “Y” and “Z” pursuant to Office Memorandum (No. 2/5/2014-E.II(B) dated July 21, 2015 issued by the Ministry of Finance, Government of India

### Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIFs	Alternative Investment Funds
AGM	Annual general meeting
BSE	BSE Limited
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPI(s)	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	Companies Act, 1956, along with the relevant rules framed thereunder
Companies Act or Companies Act, 2013	Companies Act, 2013, along with the relevant rules framed thereunder
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP/ Depository Participant	Depository participant as defined under the Depositories Act
DP ID	Depository Participant Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Restated loss for the year, before depreciation and amortisation expense, tax expense/ (credit) , finance cost and other income
EGM	Extraordinary General Meeting
EPS	Earnings per share
FDI	Foreign direct investment
FCNR Account	FCNR Account Foreign Currency Non Resident (Bank) account established in accordance with FEMA
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FEMA Regulations	FEMA Non-debt Instruments Rules, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 and the Foreign Exchange Management (Debt Instruments) Regulations, 2019, as applicable
“Financial Year”/ “Fiscal”/ “Fiscal Year”/ “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year.
FIR	First information report
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
Gazette	Gazette of India
GDP	Gross domestic product
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and services tax

Term	Description
HUF	Hindu Undivided Family
HNI	High net worth individual
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP/ IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended
IPC	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	Income Tax Act, 1961
MCA	Ministry of Corporate Affairs, Government of India
MIB	Ministry of Information and Broadcasting, Government of India
MICR	Magnetic Ink Character Recognition
Mutual Funds	Mutual funds registered under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCLT Mumbai	National Company Law Tribunal, Special Bench at Mumbai
NEFT	National Electronic Funds Transfer
NRI	Person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 or an overseas citizen of India cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
NRE Account	Non-resident external rupee account
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA and which was de-recognised through the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003). OCBs are not allowed to invest in the Issue
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price / Earnings ratio
PAN	Permanent Account Number allotted under the IT Act
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act

<b>Term</b>	<b>Description</b>
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
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, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEBSE Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933
U.S./USA/United States	The United States of America including its territories and possessions, any State of the United States, and the District of Columbia
USD or US\$	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations

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

### Certain Conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable and all references to the “US”, “U.S.” “USA” or “United States” are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

### Financial Information

Unless stated otherwise or the context otherwise requires, the financial information in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information. Certain financial information has also been derived from the Pro Forma Consolidated Financial Information. We have also included in this Draft Red Herring Prospectus the Ascent Historical Financial Statements, Medlife Historical Financial Statements and the Thyrocare Historical Financial Statements.

Our Company was incorporated on March 31, 2019. Accordingly, we have included in this Draft Red Herring Prospectus the Restated Consolidated Financial Information for the three months ended June 30, 2021, the Fiscal ended March 31, 2021 and the one year and one day period ended March 31, 2020. References to “Fiscal 2021” are to the 12-month period ended March 31, 2021 and references to “Fiscal 2020” are to the period from March 31, 2019 to March 31, 2020. Please also note that, pursuant to an order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), the NCLT Mumbai approved the scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited with our Company and their respective shareholders, as a result of which the ongoing businesses of these entities were amalgamated into our Company, the transferor entities were dissolved, and our Company was the surviving entity. The amalgamation is effective from August 27, 2020. 91Streets has been determined to be the acquirer for accounting purposes. As a result, upon consummation of the Scheme, the historical financial statements of 91Streets became the historical financial statements of our Company. Our Company has been identified as the entity giving effect to the above scheme of amalgamation. For further details on such amalgamation, see “*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years*” beginning on page 217.

Subsequently, we acquired Medlife International Private Limited and its subsidiaries in Fiscal 2021 and in Fiscal 2022, we acquired (a) Thyrocare Technologies Limited together with subsidiary Nueclear Healthcare Limited and its associate Equinox Labs Private Limited; and (b) Akna Medical Private Limited, together with its subsidiaries, Vardhman Health Specialities Private Limited, Shreeji Distributors Pharma Private Limited, Supplythis Technologies Private Limited, Healthchain Private Limited, Allumer Medical Private Limited, Cosaintis Products Private Limited and pharmaceutical business of Novogene Life Sciences Private Limited. For details in relation to these acquisitions, see “*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years*” beginning on page 217.

Accordingly, we have disclosed the following financial information in this Draft Red Herring Prospectus to enable the Investors to have a complete understanding of the financial performance of the Group:

- A. Restated Consolidated Financial Information of the Group as at and for the three month period ended June 30, 2021, as at and for the year ended March 31, 2021 and as at and for the period ended March 31, 2020 comprises the restated consolidated statement of assets and liabilities as at June 30, 2021, March 31, 2021 and March 31, 2020, the restated consolidated statement of profit and loss for the three months ended June 30, 2021 and for the year ended March 31, 2021 and for the period from March 31, 2019, being the date of incorporation of our Company, to March 31, 2020, the restated consolidated statement of changes in equity for the three months ended June 30, 2021 and for the year ended March 31, 2021 and for the period ended March 31, 2020 and the restated consolidated statement of cash flows for the three months ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020, together with the basis of preparation, significant accounting policies and notes to restated consolidated financial information for the three months ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 and statement of adjustments to audited consolidated financial statements as at June 30, 2021, March 31, 2021, March 31, 2020 and for the three months ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020, restated in accordance with the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

- B. Pro Forma Consolidated Financial Information on page 367, which comprises the pro forma consolidated balance sheet as at June 30, 2021 and March 31, 2021, pro forma consolidated statement of profit and loss for the three months ended June 30, 2021 and year ended March 31, 2021, read with the notes to the Pro Forma Consolidated Financial Information to reflect the direct acquisitions of Ascent Health and Wellness Solutions Private Limited, Medlife International Private Limited, Thyrocare Technologies Limited and Akna Medical Private Limited and indirect acquisition of Vardhman Health Specialities Private Limited and Shreeji Distributors Pharma Private Limited through Akna Medical Private Limited and Novogene Life Sciences Private Limited through Vardhman Health Specialities Private Limited. The pro-forma consolidated balance sheet as at March 31, 2021 and June 30, 2021 has been prepared, as if the acquisitions have taken place on March 31, 2021 and June 30, 2021 respectively, the pro forma consolidated statement of profit and loss for the three months ended June 30, 2021 has been prepared as if the acquisitions have taken place on April 1, 2021 and the pro forma consolidated statement of profit and loss for the year ended March 31, 2021 has been prepared as if the acquisitions have taken place on April 1, 2020. For further details, see “*Financial Information – Pro Forma Consolidated Financial Information*” on page 367; “*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*” on page 217; and “*Risk Factors - The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the acquisition of various businesses is not indicative of our future financial condition or results of operations and may also not be indicative of our actual results of operations*” on page 52.
- C. Audited consolidated financial statements of following entities for historical periods until the respective acquisitions:
1. the Ascent Historical Financial Statements for the years ended March 31, 2020 and March 31, 2019;
  2. the Medlife Historical Financial Statements for the year ended March 31, 2021; and
  3. the Thyrocare Historical Financial Statements for the three months ended June 30, 2021 and the years ended March 31, 2021 and March 31, 2020

The above-mentioned financial information shall be read in conjunction with the Restated Consolidated Financial Information.

We have also included in this Draft Red Herring Prospectus, the Ascent Historical Financial Statements, Medlife Historical Financial Statements and Thyrocare Historical Financial Statements (to be read in conjunction with the Restated Consolidated Financial Information). For further details, see “*Financial Information – Historical Financial Statements*” on page 420; “*History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years*” on page 217.

For further information on our Company’s financial information, see “*Financial Information*” beginning on page 250.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references in this Draft Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial information included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial information. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*” on page 70. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage or amounts (excluding certain operational metrics), with respect to the financial information of our Company in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditional and Results of Operations*” beginning on pages 43, 162 and 687, respectively, and elsewhere this Draft Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies in India or elsewhere.

## Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “lakh”, “million” and “crores” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

## Exchange Rates

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

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

Currency	As at			
	June 30, 2021	March 31, 2021	March 31, 2020	March 31, 2019*
1 US\$	74.37	73.50	75.39	69.17

Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in), as applicable.

\* Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus have been obtained or derived from the RedSeer Report, which has been paid for and commissioned by our Company in connection with the Issue from RedSeer which was appointed by our Company vide engagement letter dated June 1, 2021. The RedSeer Report will be available on the website of our Company at <https://www.apiholdings.in/>. For risks in relation to commissioned reports, see “Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from industry reports commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks” on page 66.

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

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “Risk Factors” beginning on page 43. Accordingly, investment decisions should not be based solely on such information.

## Disclaimer of RedSeer Report

This Draft Red Herring Prospectus contains data and statistics from certain reports and the RedSeer Report, which is subject to the following disclaimer:

*“The market information in the Report on the Healthcare Market in India is arrived at by employing an integrated research methodology which includes secondary and primary research. Our primary research work includes surveys and in-depth interviews of consumers, customers and other relevant ecosystem participants, and consultations with market participants and experts. In addition to the primary research, quantitative market information is also derived based on data from trusted portals and industry publications. Therefore, the information is subject to limitations of, among others, secondary statistics and primary research, and accordingly the findings do not purport to be exhaustive. RedSeer’s estimates and assumptions are based on varying levels of quantitative and qualitative analyses from various sources, including industry journals, company reports and information in the public domain. RedSeer’s research has been conducted with a broad perspective on the industry and will not necessarily reflect the performance of individual companies in the industry. RedSeer shall not be liable for any loss suffered by any person on account of reliance on the information contained in this Report.*

*While RedSeer has taken due care and caution in preparing this Report based on information obtained from sources generally believed to be reliable, its accuracy, completeness and underlying assumptions are subject to limitations like interpretations of market scenarios across sources, data availability amongst others. Therefore, reliance should not be placed on this Report for making any investment decision.*

*Forecasts, estimates and other forward-looking statements contained in the Report are inherently uncertain and could fluctuate due to changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Additionally, the COVID-19 pandemic has significantly affected economic activity in general and it is yet to be fully abated. The forecasts, estimates and other forward-looking statements in the Report depend on factors like the recovery of the economy, evolution of consumer sentiments, the competitive environment, amongst others, leading to significant uncertainty, all of which cannot be reasonably and accurately accounted for. Actual results and future events could differ materially from such forecasts, estimates, or such statements.*

*The Report is not a recommendation to invest/disinvest in any entity covered in the Report and the Report should not be construed as investment advice within the meaning of any law or regulation.*

*Without limiting the generality of the foregoing, nothing in this Report should be construed as RedSeer providing or intending to provide any services in jurisdictions where it does not have the necessary permission and/or registration to carry out its business activities in this regard”.*

#### **Notice to Prospective Investors in the United States**

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and (b) outside the United States in an offshore transaction in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

#### **Notice to Prospective Investors in the European Economic Area**

This Draft Red Herring Prospectus has been prepared on the basis that all offers of Equity shares in Member States of the European Economic Area (“**EEA**”) (each a “**Member State**”) will be made pursuant to an exemption under the Prospectus Regulation (as defined below), as applicable to each Member State, from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129. Accordingly, any person making or intending to make an offer to the public within the EEA of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLMs to produce a prospectus for such offer pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. None of our Company and the BRLMs have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLMs which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the Issue and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

## Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) (“**Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the BRLMs will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

## Notice to Prospective Investors in the United Kingdom

This Draft Red Herring Prospectus has been prepared on the basis that all offers to the public of Equity Shares will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression “UK Prospectus Regulation” means Prospectus Regulation (EU) 2017/1129, as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. Accordingly, any person making or intending to make an offer to the public within the United Kingdom of Equity Shares which are the subject of the placement contemplated in this Draft Red Herring Prospectus should only do so in circumstances in which no obligation arises for our Company or any of the BRLMs to produce a prospectus for such offer pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. None of our Company, the BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Draft Red Herring Prospectus.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Issue and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares.

## Information to Distributors

Solely for the purposes of the product governance requirements contained within the FCA Handbook Product Intervention and Product Governance Sourcebook (“**PROD**”) (the “**UK MiFIR Product Governance Rules**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any ‘manufacturer’ (for the purposes of the UK Product Governance Rules) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of: (a) investors who meet the criteria of professional clients as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); (b) eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”); and (c) retail clients who do not meet the definition of professional client under (b) or eligible counterparty per (c); and (ii) eligible for distribution through all distribution channels (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the BRLMs will only procure investors who meet the criteria of professional clients and eligible counterparties.



For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of COBS 9A and COBS 10A respectively; or (b) a recommendation to any investor or group of investors to invest in, or purchase or take any other action whatsoever with respect to the Equity Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact, and/ or regarding our expected financial condition and results of operations, business, strategies, objectives, plans, goals and prospects are “forward-looking statements”.

These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “likely to”, “seek to”, “shall”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. All forward-looking statements whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and/ or 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. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Continued growth of digital healthcare industry and the increased acceptance of digital healthcare services by consumers;
- Failure by the PharmEasy marketplace to operate successfully;
- Maintaining our brand and reputation among participants on our platform and the media;
- Limited operating history, including in digital healthcare industry, and have made recent significant acquisitions, which makes it difficult to evaluate the risks and challenges;
- We are subject to extensive and evolving applicable healthcare regulatory requirements;

Changing regulations in India could lead to new compliance requirements that are uncertain. 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*” beginning on pages 43, 162 and 687, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. None of our Company, our Directors, the BRLMs, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements of SEBI, our Company shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Issue.

## SUMMARY OF THIS DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue and is neither exhaustive nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Our Principal Shareholders”, “Financial Information”, “Outstanding Litigation and Material Developments”, “Issue Procedure” and “Main Provisions of Articles of Association” beginning on pages 43, 78, 104, 128, 146, 162, 246, 250, 708, 748 and 765, respectively.

### Summary of the business of our Company

We are India’s largest digital healthcare platform (based on GMV of products and services sold for the year ended March 31, 2021), according to RedSeer Report. Our integrated, end-to-end business aims to provide solutions for consumers’ healthcare needs, including information on illness and wellness, teleconsultation, diagnostics and treatment through pharmaceutical products and devices.

Our custom-built proprietary technology, unified data platforms, supply chain capabilities, and deep understanding of the dynamic interplay of the healthcare value chain enable us to serve each stakeholder viz. channel (wholesalers, retailers and chemists/institutions), consultants, consumers, diagnostic labs, and company (pharmaceutical, nutraceutical, medical devices).

### Summary of the industry in which our Company operates (Source: RedSeer Report)

According to RedSeer Report, our Company has a target addressable market of ~ Rs. 10.4 trillion (~\$139 billion) as of 2020, corresponding to the size of the entire Indian Healthcare market in 2020. The Target Addressable Market is expected to grow at 14% CAGR to reach ~₹ 20 trillion (~\$266 billion) by 2025. Based on our Company’s current suite of product and service offerings, the serviceable addressable portion of the Target Addressable Market is expected to be ~₹ 7.5 trillion (~US\$100 billion) in 2025, which includes the pharma, diagnostics, OTC, consultation and hospital supplies segments of the Indian healthcare market.

### Names of our Promoters

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act.

### Issue size

Issue <sup>(1)(2)</sup>	Up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share), aggregating to ₹ 62,500 million.
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<sup>(1)</sup> The Issue has been authorised by a resolution of our Board of Directors at their meeting held on October 13, 2021, and a special resolution passed by our Shareholders at their meeting held on October 13, 2021.

<sup>(2)</sup> Our Company may, in consultation with the BRLMs, consider further issue of Equity Shares by way of a private placement of Equity Shares for cash consideration aggregating to ₹ 12,500 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company

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

### Objects of the Issue

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

Particulars	Amount* (₹ in million)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and certain of our Subsidiaries	19,290.00
Funding organic growth initiatives	12,590.00
Pursuing inorganic growth through acquisitions and other strategic initiatives	15,000.00
General corporate purposes <sup>(1)</sup>	[●]
<b>Net Proceeds</b>	<b>[●]</b>

\* Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue prior to completion of the Issue. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company.

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

For further details, see “Objects of the Issue” beginning on page 128.

## Summary of Restated Consolidated Financial Information

The following details of our Equity Share capital, net worth, net asset value per Equity Share and total borrowings as at June 30, 2021, March 31, 2021 and March 31, 2020 and revenue from operations, loss after tax and loss per Equity Share (basic and diluted) for the three months ended June 30, 2021, Financial Year ended March 31, 2021 and the Financial Year ended March 31, 2020 are derived from the Restated Consolidated Financial Information:

(₹ in million, unless otherwise stated)

Particulars	As at and / for the		
	Three months ended June 30, 2021	Fiscal ended March 31, 2021	Period ended March 31, 2020
Share capital	295.35	256.20	0.10
Net worth ***	45,180.25	34,393.80	2,462.42
Revenue from operations	11,968.08	23,352.69	6,675.42
Loss after tax **	(3,138.91)	(6,413.36)	(3,352.79)
Basic and diluted loss per share (₹ / share)			
- Basic (in ₹)	(77.20)	(206.77)	(129.15)
- Diluted (in ₹)	(77.20)	(206.77)	(129.15)
Net Asset Value per Equity Share (in ₹) ****			
- Basic (in ₹)	980.39	879.78	93.48
- Diluted (in ₹)	980.39	879.78	93.48
Total borrowings* (as per balance sheet)	4,551.76	5,853.88	1,835.45

\* Includes current borrowings and non-current borrowings

\*\* Restated loss after tax for the year / period

\*\*\* Net worth is computed as the sum of the aggregate of paid-up equity share capital, Share application money, instruments entirely in the nature of equity, Equity component of compound financial instruments, money received against share warrants and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Statements). Net worth represents equity attributable to owners of the Company and does not include amount attributable to non-controlling interests.

\*\*\*\* Net Asset Value per Equity Share = Net worth / Number of Equity Shares outstanding at the end of the period/year used in calculation of basic and diluted loss per share.

## Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications in the audit reports that requires adjustments in the Restated Consolidated Financial Information.

## Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, Directors and Subsidiaries as on the date of this Draft Red Herring Prospectus, is provided below:

### Proceedings against our Company, Subsidiaries and Directors

Type of Proceedings	Number of Cases	Amount* (₹ in million)
<b>Cases against our Company</b>		
Material outstanding litigations against our Company	3	Non-quantifiable
Notices against our Company	1	518.50*
<b>Cases against our Subsidiaries</b>		
Material outstanding litigation against our Subsidiaries	4	10.33
Actions by statutory or regulatory authorities	35	Not quantifiable
Direct Tax proceedings	19	505.16**
Indirect Tax proceedings	33	200.68**
<b>Cases against our Directors</b>		
Civil proceedings	1	Non-quantifiable
Actions taken by regulatory and statutory authorities	1	Non-quantifiable
Direct Tax proceedings	Nil	Nil
Indirect Tax proceedings	Nil	Nil
Actions taken by regulatory and statutory authorities	1	Non-quantifiable

\* The notice pursuant to which we have received this alleged claim has been jointly received by our Company and our Subsidiary, Docon Technologies Private Limited amongst other parties. For further details, please see "Outstanding Litigation and Material Developments - I. Litigation involving our Company – Litigation against our Company – C. Other notices against our Company" beginning on page 710" and "Risk Factors – 10. Our Company and our subsidiary, Docon Technologies Private Limited, amongst other parties, have received a legal notice in relation to the acquisition of certain equity shares of Thyrocare Technologies, alleging collusion amongst the parties named therein that resulted in a higher tax incidence on the seller" beginning on page 49.

\*\* To the extent quantifiable till November 8, 2021

## Proceedings by our Company, Subsidiaries and Directors

Particulars	Number of cases	Amount* (in ₹ million)
<b>Cases by our Company</b>		
Criminal proceedings by our Company	1	Non-quantifiable
<b>Cases by the Subsidiaries</b>		
Criminal proceedings filed by our Subsidiaries	17	Non-quantifiable
Material outstanding litigation by our Subsidiaries	1	335.45

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Material Developments*” beginning on page 708.

## Risk Factors

Specific attention of the investors is invited to the section “*Risk Factors*” beginning on page 43 to have an informed view before making an investment decision.

## Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets as at June 30, 2021 are set forth in the table below:

(in ₹ million)		
S. No.	Particulars	Contingent Liabilities as at June 30, 2021
1.	Income tax	0.24
2.	Indirect tax	8.26
	<b>Total</b>	<b>8.50</b>

For further details, see “*Financial Information - Restated Consolidated Financial Information - Annexure V - Notes to the Restated Consolidated Financial Information - Note 54: Contingent liabilities and commitments*” beginning on page 359.

## Summary of related party transactions

A summary of related party transactions, as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations, entered into by our Company with related parties as at and for the years three months ended June 30, 2021, the Financial Year ended March 31, 2021 and the Financial Year ended March 31, 2020 (including the transactions and balances eliminated) are as follows:

The following transactions occurred with related parties during the periods presented:

(in ₹ million)			
Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of Goods (net of return)</b>			
Ascent Health and Wellness Solutions Private Limited	-	1.88	11.88
D. C. Agencies Private Limited	-	0.19	-
Aarush Tirupati Enterprise Private limited	-	1.11	-
<b>Purchase (net of return)</b>			
Ascent Health and Wellness Solutions Private Limited	-	90.57	340.02
Desai Pharma Distributors Private Limited	-	18.51	117.85
Eastern Agencies Healthcare Private Limited	-	90.30	309.92
Muthu Pharma Private Limited	-	4.80	15.90
D. C. Agencies Private Limited	-	61.21	194.11
VPI Medisales Private Limited	-	16.89	33.87
Mahaveer Medi-Sales Private Limited	-	8.28	22.28
Aryan Wellness Private Limited	-	44.28	63.19
Pearl Medicals Private Limited	-	0.40	0.18
Shell Pharmaceuticals Private Limited	-	8.82	2.56
Aarush Tirupati Enterprise Private limited	-	7.26	-
Ayro Retail Solutions Private Limited	-	-	6.00
<b>Sale of services</b>			
Ascent Health and Wellness Solutions Private Limited	-	2.65	9.51

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020
Desai Pharma Distributors Private Limited	-	1.91	5.90
Eastern Agencies Healthcare Private Limited	-	4.19	13.17
D. C. Agencies Private Limited	-	4.84	9.98
Aryan Wellness Private Limited	-	2.63	4.99
Muthu Pharma Private Limited	-	0.65	1.83
Ayro Retail Solutions Private Limited	-	0.96	-
Mahaveer Medi-Sales Private Limited	-	-	0.10
<b>Interest Income</b>			
Ascent Health and Wellness Solutions Private Limited	-	48.44	52.38
Eastern Agencies Healthcare Private Limited	-	-	18.56
<b>Interest expense</b>			
Ascent Health and Wellness Solutions Private Limited	-	3.75	-
<b>Loan given to</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	1,493.20
Desai Pharma Distributors Private Limited	-	-	26.00
<b>Loan repaid by</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	3.31
Desai Pharma Distributors Private Limited	-	-	3.16
<b>Loan taken from</b>			
Ascent Health and Wellness Solutions Private Limited	-	146.36	112.57
<b>Loan repaid to</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	9.37
<b>Interest on loan repaid</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	1.25
<b>Reimbursement of Expenses</b>			
Dhaval Shah	0.25	0.32	1.69
Dharmil Sheth	0.14	0.07	3.29
Siddharth Shah	0.23	0.25	-
Hardik Dedhia	0.09	-	-
Drashti Shriram Shah	-	0.10	-
Ascent Health and Wellness Solutions Private Limited	-	-	0.14
			-
<b>Payment of outstanding compensation to Directors</b>			
Payment of outstanding Compensation	0.62	-	-
<b>Advance to supplier written off</b>			
Shree Simba Chemist LLP	15.10	15.10	-
<b>Consultancy fees paid</b>			
Puri Advisors LLP	3.00	-	-
<b>Compulsory Convertible Debentures issued</b>			
Siddharth Shah	0.08	-	-
Hardik Dedhia	0.08	-	-
Harsh Parekh	0.08	-	-
Dharmil Sheth	0.08	-	-
Dhaval Shah	0.08	-	-
<b>Call money received on Compulsory Convertible Debentures:</b>			
Siddharth Shah	120.07	0.13	-
Harsh Parekh	117.29	0.12	-
Dhaval Shah	136.61	0.17	-
Dharmil Sheth	138.21	0.17	-
Hardik Kishore Dedhia	117.29	-	-
<b>Share application money received</b>			
Aditya Puri	15.00	-	-
Deepak Calian Vaidya	250.00	-	-

(i) **Related party closing balances as at the Balance Sheet date**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Loans given</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	1,493.20
<b>Loans taken</b>			
Siddharth Bhaskar Shah (Liability acquired in business combination)	2.25	2.25	-
<b>Trade Receivables</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	12.82
Desai Pharma Distributors Private Limited	-	-	0.25
Eastern Agencies Healthcare Private Limited	-	-	0.63
D. C. Agencies Private Limited	-	-	1.35
Aryan Wellness Private Limited	-	-	0.74
Muthu Pharma Private Limited	-	-	0.22
<b>Advances to suppliers</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	26.00
<b>Trade Payable</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	1.14
Desai Pharma Distributors Private Limited	-	-	0.64
Eastern Agencies Healthcare Private Limited	-	-	7.90
D. C. Agencies Private Limited	-	-	1.05
VPI Medisales Private Limited	-	-	1.28
Mahaveer Medi-Sales Private Limited	-	-	0.02
Aryan Wellness Private Limited	-	-	7.49
Pearl Medicals Private Limited	-	-	0.00
Shell Pharmaceuticals Private Limited	-	-	0.59
<b>Other current liabilities</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	0.14
<b>Short-term borrowings</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	103.20
<b>Call money received on Compulsory Convertible Debentures:</b>			
Siddharth Shah	120.07	0.13	-
Harsh Parekh	117.29	0.12	-
Dhaval Shah	136.61	0.17	-
Dharmil Sheth	138.21	0.17	-
Hardik Dedhia	117.29	-	-
<b>Share application money received pending allotment</b>			
Aditya Puri	15.00	-	-
Deepak Calian Vaidya	250.00	-	-
<b>Compensation payable to Directors</b>			
Compensation Payable to Directors	-	0.62	-
<b>Compensation Paid to Key Managerial Personnel (KMP)</b>			
Short term employee benefits*	379.30	47.13	11.98

\* Excludes amortisation of fair value of employee share based payments under IND AS 102 and provision for gratuity and leave encashment recognised on the basis of actuarial valuation as separate figures are not available.

(ii) **Related party transactions eliminated during the year/period while preparing the Restated Consolidated Financial Information**

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
i)	<b>91Streets Media Technologies Private Limited</b>			
	<b>Sale of services</b>			
	Thea Technologies Private Limited	-	-	63.59

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	ARZT and Health Pvt Ltd	-	-	0.21
	Swifto Services Private Limited	-	-	200.58
	<u>Interest Income on Loan Advanced</u>			
	Thea Technologies Private Limited	-	-	214.51
	Swifto Services Private Limited	-	-	0.70
	Docon Technologies Private Limited	-	-	57.38
	<u>Financial guarantee income</u>			
	Thea Technologies Private Limited	-	-	3.92
	<b>Swifto Services Private Limited</b>			
	<u>Sale of services</u>			
	ARZT and Health Pvt Ltd	-	-	0.17
	Thea Technologies Private Limited	-	-	42.96
	<b>Thea Technologies Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	ARZT and Health Private Limited	-	-	3.81
	<b>Thea Technologies Private Limited</b>			
	<u>Rental Income</u>			
	ARZT and Health Private Limited	-	-	1.00
	<b>ARZT And Health Private Limited</b>			
	<u>Sale of Goods (net of return)</u>			
	Thea Technologies Private Limited	-	-	0.39
<b>ii)</b>	<b>API Holdings Limited</b>			
	<u>Sale of Services:</u>			
	Threpsi Solutions Private Limited	11.79	17.53	-
	Medlife Wellness Retail Private Limited	0.11	34.28	-
	ARZT and Health Private Limited	0.51	3.46	-
	Ayro Retail Solutions Private Limited	4.54	0.04	-
	Eastern Agencies Healthcare Private Limited	3.81	9.45	-
	Ascent Wellness and Pharma Solutions Private Limited	1.67	5.61	-
	Desai Pharma Distributor Private Limited	1.40	4.35	-
	D. C. Agencies Private Limited	5.81	10.29	-
	Muthu Pharma Private Limited	1.19	1.59	-
	Aryan Wellness Private Limited	3.71	6.63	-
	Aarush Tirupati Enterprise Private Limited	4.59	3.58	-
	Docon Technologies Private Limited	-	3.76	-
	<u>Reimbursement of expenses from</u>			
	Medlife International Private Limited	-	61.02	-
	<u>Interest Income:</u>			
	ARZT and Health Private Limited	4.53	2.10	-
	AHWSPL India Private Limited	0.06	0.04	-
	Docon Technologies Private Limited	18.87	73.96	-
	Threpsi Solutions Private Limited	117.89	113.70	-
	Ascent Wellness and Pharma Solutions Private Limited	82.07	16.53	-
	Aycon Graph Connect Private Limited	9.03	15.57	-
	Metarain Distributors Private Limited	5.63	0.36	-
	Medlife International Private Limited	23.97	5.71	-
	Medlife Wellness Retail Private Limited	64.77	8.22	-
	<u>Other Expenses</u>			
	Threpsi Solutions Private Limited	3.07	3.89	-
	ARZT and Health Private Limited	-	0.70	-
	<u>Other Income</u>			
	ARZT and Health Private Limited	-	5.00	-
	<u>Purchase (net of returns)</u>			
	Desai Pharma Distributors Private Limited	-	(0.65)	-
	Eastern Agencies Healthcare Private Limited	-	6.81	-



	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	D. C. Agencies Private Limited	-	(5.52)	-
	VPI Medisales Private Limited	-	8.52	-
	ARZT And Health Private Limited	-	25.30	-
	Pearl Medicals Private Limited	-	(0.31)	-
	Shell Pharmaceuticals Private Limited	-	(0.01)	-
	Docon Technologies Private Limited	-	3.66	-
	Medlife International Private Limited	0.03	-	-
	<u>Sale of Goods(net of return)</u>			
	ARZT and Health Private Limited	-	19.30	-
	Threpsi Solutions Private Limited	-	2.60	-
	Muthu Pharma Private Limited	-	2.24	-
<b>iii)</b>	<b>Threpsi Solutions Private Limited</b>			
	<u>Other Expenses</u>			
	Docon Technologies Private Limited	-	0.49	-
	Aycon Graph Connect Private Limited	2.00	4.80	-
	Medlife Wellness Retail Private Limited	-	2.73	-
	Aarush Tirupati Enterprise Private Limited	-	0.74	-
	ARZT and Health Private Limited	0.03	-	-
	<u>Purchase (net of returns)</u>			
	Desai Pharma Distributors Private Limited	44.02	55.79	-
	Eastern Agencies Healthcare Private Limited	68.82	124.96	-
	Muthu Pharma Private Limited	24.76	41.73	-
	D. C. Agencies Private Limited	103.02	111.66	-
	VPI Medisales Private Limited	27.64	53.86	-
	Mahaveer Medi-Sales Private Limited	10.05	17.52	-
	Aryan Wellness Private Limited	48.93	69.28	-
	ARZT And Health Private Limited	58.03	51.15	-
	Pearl Medicals Private Limited	2.53	4.19	-
	Shell Pharmaceuticals Private Limited	(0.02)	0.49	-
	Docon Technologies Private Limited	-	0.01	-
	Ascent Wellness and Pharma Solutions Private Limited	199.45	220.16	-
	Medlife International Private Limited	28.00	15.39	-
	Medlife Wellness Retail Private Limited	68.77	274.59	-
	Metarain Distributors Private Limited	6.38	1.78	-
	Aarush Tirupati Enterprise Private Limited	258.14	218.23	-
	<u>Sale of Goods(net of return)</u>			
	ARZT And Health Private Limited	-	47.01	-
	D. C. Agencies Private Limited	-	0.21	-
	Desai Pharma Distributors Private Limited	-	0.17	-
	Ascent Wellness and Pharma Solutions Private Limited	-	0.06	-
	Eastern Agencies Healthcare Private Limited	-	0.06	-
	VPI Medisales Private Limited	-	0.15	-
	Aarush Tirupati Enterprise Private Limited	-	135.00	-
	Medlife International Private Limited	-	1.73	-
	Medlife Wellness Retail Private Limited	-	4.60	-
	<u>Sale of Services</u>			
	Medlife Wellness Retail Private Limited	-	8.24	-
	ARZT and Health Private Limited	-	8.94	-
	Docon Technologies Private Limited	2.25	5.25	-
<b>iv)</b>	<b>ARZT and Health Private Limited</b>			
	<u>Purchase (net of returns)</u>			
	Muthu Pharma Private Limited	-	0.01	-
	D. C. Agencies Private Limited	0.06	26.73	-
	Aryan Wellness Private Limited	0.04	0.23	-
	Ascent Wellness and Pharma Solutions Private Limited	0.35	1.04	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	Threpsi Solutions Private Limited	22.53	-	-
	Medlife International Private Limited	1.59	-	-
	<u>Sale of Goods(net of return)</u>			
	Aarush Tirupati Enterprise Private Limited	-	0.15	-
	<u>Other Expense</u>			
	Threpsi Solutions Private Limited	4.48	-	-
<b>v)</b>	<b>Aycon Graph Connect Private Limited</b>			
	<u>Sale of Services</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	4.80	-
	<u>Interest Income</u>			
	Docon Technologies Private Limited	-	0.33	-
	Ayro Retail Solutions Private Limited	4.14	3.53	-
	Instinct Innovation Private Limited	1.44	2.24	-
<b>vi)</b>	<b>Ayro Retail Solutions Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	D. C. Agencies Private Limited	-	0.10	-
	<u>Interest expense</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	20.35	-
<b>vii)</b>	<b>Medlife International Private Limited</b>			
	<u>Purchase (net of returns)</u>			
	Desai Pharma Distributors Private Limited	-	1.57	-
	Eastern Agencies Healthcare Private Limited	-	1.80	-
	D. C. Agencies Private Limited	-	5.11	-
	Mahaveer Medi-Sales Private Limited	-	17.54	-
	Aryan Wellness Private Limited	-	1.40	-
	Ascent Wellness and Pharma Solutions Private Limited	(0.02)	2.61	-
	Venkatesh Medico Private Limited	1.89	0.15	-
	ARZT and Health Private Limited	8.25	-	-
	Threpsi Solutions Private Limited	147.47	-	-
	<u>Other Income</u>			
	Threpsi Solutions Private Limited	0.01	-	-
<b>viii)</b>	<b>AHWSPL India Private Limited</b>			
	<u>Sale of Services</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	3.00	-
<b>ix)</b>	<b>Ascent Wellness and Pharma Solutions Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	D. C. Agencies Private Limited	7.04	7.25	-
	Desai Pharma Distributors Private Limited	22.51	32.11	-
	Eastern Agencies Healthcare Private Limited	37.55	62.10	-
	Aryan Wellness Private Limited	1.43	3.04	-
	AKP Healthcare Private Limited	1.65	1.91	-
	VPI Medisales Private Limited	3.68	2.69	-
	Muthu Pharma Private Limited	2.85	2.96	-
	Mahaveer Medi-Sales Private Limited	-	0.07	-
	Aushad Pharma Distributor Private Limited	0.45	0.34	-
	Aarush Tirupati Enterprise Private Limited	0.85	0.24	-
	Venkatesh Medico Private Limited	0.02	-	-
	Avighna Medicare Private Limited	0.63	-	-
	<u>Purchase (net of returns)</u>			
	Desai Pharma Distributors Private Limited	5.61	9.84	-
	Eastern Agencies Healthcare Private Limited	51.79	92.42	-
	D. C. Agencies Private Limited	18.65	1.47	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	VPI Medisales Private Limited	0.42	0.23	-
	Aryan Wellness Private Limited	13.97	0.06	-
	Aushad Pharma Distributor Private Limited	-	0.23	-
	AKP Healthcare Private Limited	1.29	0.27	-
	Muthu Pharma Private Limited - ( Muthu )	17.52	-	-
	<u>Interest Income</u>			
	VPI Medisales Private Limited	5.99	6.40	-
	Muthu Pharma Private Limited	12.14	15.79	-
	Desai Pharma Distributors Private Limited	3.03	3.43	-
	Eastern Agencies Healthcare Private Limited	11.20	18.84	-
	D. C. Agencies Private Limited	17.63	26.56	-
	Pearl Medicals Private Limited	-	0.01	-
	Rau & Co Pharma Private Limited	-	0.81	-
	Shell Pharmaceuticals Private Limited	-	0.55	-
	Aryan Wellness Private Limited	11.20	9.60	-
	Mahaveer Medi-Sales Private Limited.	-	0.12	-
	Venkatesh Medico Private Limited	7.07	9.44	-
	Reenav Pharma Private Limited	0.68	0.61	-
	Aarush Tirupati Enterprises Private Limited	0.92	1.24	-
	Avighna Medicare Private Limited	0.03	0.01	-
	Ayro Retail Solutions Private Limited	8.55	-	-
	<u>Interest Income on Compulsory Convertible Debentures</u>			
	Reenav Pharma Private Limited	-	0.86	-
	<u>Other Income</u>			
	AKP Healthcare Private Limited	-	25.00	-
	Aycon Graph Connect Private Limited	2.00	-	-
	AHWSPL India Private Limited	4.50	-	-
<b>x)</b>	<b>D C Agencies Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Desai Pharma Distributors Private Limited	-	0.24	-
	Eastern Agencies Healthcare Private Limited	-	3.48	-
	Aryan Wellness Private Limited	1.80	13.10	-
	AKP Healthcare Private Limited	1.18	0.46	-
	VPI Medisales Private Limited	3.49	0.76	-
	Muthu Pharma Private Limited	2.07	0.47	-
	Aushad Pharma Distributor Private Limited	0.96	0.10	-
	Aarush Tirupati Enterprise Private Limited	0.81	0.04	-
	Mahaveer Medi-Sales Private Limited	0.54	-	-
	Venkatesh Medico Private Limited	0.07	-	-
	Avighna Medicare Private Limited - ( Avighna )	0.29	-	-
	<u>Purchase (net of returns)</u>			
	Desai Pharma Distributors Private Limited	-	0.10	-
	Eastern Agencies Healthcare Private Limited	-	0.35	-
	Muthu Pharma Private Limited	0.03	0.03	-
	VPI Medisales Private Limited	0.16	0.90	-
	Aryan Wellness Private Limited	4.91	27.75	-
	Aushad Pharma Distributor Private Limited	-	0.02	-
	AKP Healthcare Private Limited	0.03	-	-
	Threpsi Solutions Private Limited	1.43	-	-
<b>xi)</b>	<b>Desai Pharma Distributors Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Eastern Agencies Healthcare Private Limited	17.90	35.73	-
	Aryan Wellness Private Limited	0.10	0.05	-
	Muthu Pharma Private Limited	0.01	0.05	-
	D. C. Agencies Private Limited	0.42	-	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	VPI Medisales Private Limited	0.01	-	-
	Aarush Tirupati Enterprise Private Limited	0.08	-	-
	Avighna Medicare Private Limited	0.08	-	-
	<u>Purchase (net of returns)</u>			
	Eastern Agencies Healthcare Private Limited	25.09	51.84	-
	VPI Medisales Private Limited	0.01	0.04	-
	D. C. Agencies Private Limited	0.59	-	-
	Threpsi Solutions Private Limited	0.74	-	-
<b>xii)</b>	<b>Eastern Agencies Healthcare Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Aryan Wellness Private Limited	0.21	2.52	-
	AKP Healthcare Private Limited	0.07	0.03	-
	VPI Medisales Private Limited	0.10	0.03	-
	Muthu Pharma Private Limited	0.15	0.13	-
	D. C. Agencies Private Limited	0.86	-	-
	Aushad Pharma Distributors Private Limited	0.07	-	-
	Aarush Tirupati Enterprise Private Limited	0.07	-	-
	Avighna Medicare Private Limited	0.17	-	-
	<u>Purchase (net of returns)</u>			
	VPI Medisales Private Limited	0.03	0.28	-
	Aryan Wellness Private Limited	0.04	0.95	-
	Pearl Medicals Private Limited	-	0.06	-
	AKP Healthcare Private Limited	-	0.01	-
	Venkatesh Medico Private Limited	-	0.08	-
	D. C. Agencies Private Limited	3.35	-	-
<b>xiii)</b>	<b>Muthu Pharma Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Aryan Wellness Private Limited	-	0.02	-
	AKP Healthcare Private Limited	0.48	1.23	-
	VPI Medisales Private Limited	-	8.07	-
	Rau And Co Pharma Private Limited	123.88	271.62	-
	Shell Pharmaceuticals Private Limited	35.99	73.05	-
	Pearl Medicals Private Limited	78.97	108.18	-
	Venkatesh Medico Private Limited	0.97	-	-
	Aushad Pharma Distributors Private Limited	0.02	-	-
	Aarush Tirupati Enterprise Private Limited	0.01	-	-
	<u>Purchase (net of returns)</u>			
	VPI Medisales Private Limited	-	0.56	-
	Aryan Wellness Private Limited	-	0.05	-
	Pearl Medicals Private Limited	-	18.40	-
	Shell Pharmaceuticals Private Limited	-	1.98	-
	Aushad Pharma Distributor Private Limited	-	0.01	-
	AKP Healthcare Private Limited	0.05	0.05	-
	Venkatesh Medico Private Limited	-	0.04	-
	Rau And Co Pharma Private Limited	-	12.94	-
<b>xiv)</b>	<b>VPI Medisales Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Aryan Wellness Private Limited	0.49	0.18	-
	AKP Healthcare Private Limited	2.37	0.42	-
	Aushad Pharma Distributor Private Limited	1.01	1.09	-
	Muthu Pharma Private Limited	0.62	-	-
	Venkatesh Medico Private Limited	0.24	-	-
	Aarush Tirupati Enterprise Private Limited	1.43	-	-
	Avighna Medicare Private Limited	0.16	-	-
	<u>Purchase (net of returns)</u>			
	Aryan Wellness Private Limited	0.47	3.16	-
	Aushad Pharma Distributor Private Limited	2.86	4.87	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	AKP Healthcare Private Limited	1.97	2.85	-
	Venkatesh Medico Private Limited	0.75	1.36	-
	Muthu Pharma Private Limited - ( Muthu )	5.16	-	-
	Threpsi Solutions Private Limited	0.01	-	-
	<u>Interest expense</u>			
	AKP Healthcare Private Limited	0.38	4.69	-
	Aushad Pharma Distributor Private Limited	1.50	6.00	-
<b>xv)</b>	<b>Aarush Tirupati Enterprise Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	AKP Healthcare Private Limited	0.82	0.01	-
	Threpsi Solutions Private Limited	139.67	-	-
	<u>Purchase (net of returns)</u>			
	VPI Medisales Private Limited	-	0.01	-
	Threpsi Solutions Private Limited	0.16	-	-
<b>xvi)</b>	<b>AKP Healthcare Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Aushad Pharma Distributor Private Limited	0.42	0.21	-
	Venkatesh Medico Private Limited	-	83.95	-
	Mahaveer Medi-Sales Private Limited	4.03	-	-
	<u>Purchase (net of returns)</u>			
	Venkatesh Medico Private Limited	-	15.80	-
	Rau And Co Pharma Private Limited	-	0.04	-
	<u>Interest Income</u>			
	Venkatesh Medico Private Limited	-	5.33	-
<b>xvii)</b>	<b>Aryan Wellness Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Desai Pharma Distributors Private Limited	-	0.02	-
	Aushad Pharma Distributor Private Limited	0.01	0.01	-
	Venkatesh Medico Private Limited	-	0.17	-
	Muthu Pharma Private Limited	0.01	-	-
	<u>Purchase (net of returns)</u>			
	Venkatesh Medico Private Limited	-	0.06	-
	Muthu Pharma Private Limited	0.12	-	-
<b>xviii)</b>	<b>Aushad Pharma Distributor Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Venkatesh Medico Private Limited	-	0.09	-
<b>xix)</b>	<b>Venkatesh Medico Private Limited</b>			
	<u>Sale of Goods(net of return)</u>			
	Aushad Pharma Distributor Private Limited	0.04	0.04	-
	AKP Healthcare Private Limited	7.96	-	-
	<u>Purchase (net of returns)</u>			
	VPI Medisales Private Limited	-	0.11	-
	AKP Healthcare Private Limited	24.86	-	-
	Aushad Pharma Distributors Private Limited	0.27	-	-
	<u>Interest Expense</u>			
	AKP Healthcare Private Limited	0.50	-	-
<b>xxi)</b>	<b>Metarian Distributors Private Limited</b>			
	<u>Purchase (net of returns)</u>			
	Mahaveer Medi-Sales Private Limited	16.91	-	-
	Threpsi Solutions Private Limited	0.22	-	-
<b>xxii)</b>	<b>Medlife Wellness Retail Private Limited</b>			
	<u>Other Income</u>			
	Threpsi Solutions Private Limited	1.61	-	-
	<u>Purchase (net of returns)</u>			

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	Ascent Wellness and Pharma Solutions Private Limited	(0.01)	-	-
	Desai Pharma Distributors Private Limited	(0.00)	-	-
	Eastern Agencies Healthcare Private Limited	(0.03)	-	-
	D. C. Agencies Private Limited	(0.05)	-	-
	VPI Medisales Private Limited	(0.01)	-	-
	Mahaveer Medi-Sales Private Limited	6.66	-	-
	Aryan Wellness Private Limited	(0.04)	-	-
	Threpsi Solutions Private Limited	(0.09)	-	-

(iii) Related party balances eliminated during the year/period while preparing the restated consolidated financial information

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>i)</b>	<b>API Holdings Limited</b>			
	<u>Current Loans receivable from :</u>			
	AHWSPL India Private Limited	4.90	2.00	-
	Aycon Graph Connect Private Limited	499.87	403.54	-
	Threpsi Solutions Private Limited	8,514.47	3,659.69	-
	Docon Technologies Private Limited	3,422.31	820.94	-
	ARZT And Health Private Limited	260.20	211.12	-
	Medlife International Private Limited	2,357.60	1,234.89	-
	Medlife Wellness Retail Private Limited	3,306.70	3,240.00	-
	Metarain Distributors Private Limited	285.83	275.33	-
	Ascent Wellness and Pharma Solutions Private Limited	6,650.35	994.14	-
	<u>Other Payable :</u>			
	Docon Technologies Private Limited	11.93	11.93	-
	Threpsi Solutions Private Limited	82.20	86.10	-
	AHWSPL India Private Limited	127.62	124.34	-
	Aycon Graph Connect Private Limited	34.62	-	-
	<u>Receivable towards Business Transfer :</u>			
	Threpsi Solutions Private Limited	-	1,449.18	-
	Ascent Wellness and Pharma Solutions Private Limited	-	3,803.90	-
	AHWSPL India Private Limited	-	0.10	-
	<u>Interest receivable on loan given</u>			
	Aycon Graph Connect Private Limited	8.12	-	-
	Medlife International Private Limited	21.57	-	-
	Medlife Wellness Retail Private Limited	58.29	-	-
	Metarain Distributors Private Limited	5.07	-	-
	Ascent Wellness and Pharma Solutions Private Limited	0.06	-	-
	<u>Trade receivables</u>			
	Medlife International Private Limited	-	0.02	-
	Medlife Wellness Retail Private Limited	-	0.83	-
	Aarush Tirupati Enterprise Private Limited	5.67	1.23	-
	Aryan Wellness Private Limited	1.88	1.62	-
	Ascent Wellness and Pharma Solutions Private Limited	0.75	0.49	-
	Ayro Retail Solutions Private Limited	1.91	1.15	-
	D. C. Agencies Private Limited	2.07	1.97	-
	Desai Pharma Distributors Private Limited	0.53	0.55	-
	Eastern Agencies Healthcare Private Limited	1.48	1.47	-
	Muthu Pharma Private Limited	0.53	0.70	-
	<u>Trade Payables</u>			
	Medlife International Private Limited	0.01	-	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	Aycon Graph Connect Private Limited	0.10	-	-
<b>ii)</b>	<b>Threpsi Solutions Private Limited</b>			
	<u>Other Payable :</u>			
	Aycon Graph Connect Private Limited	-	5.00	-
	<u>Trade payables</u>			
	Muthu Pharma Private Limited	6.18	1.72	-
	Pearl Medicals Private Limited	1.82	0.92	-
	D. C. Agencies Private Limited	28.01	19.20	-
	VPI Medisales Private Limited	4.89	9.07	-
	Mahaveer Medi-Sales Private Limited	0.29	4.38	-
	Aryan Wellness Private Limited	3.99	16.35	-
	Medlife Wellness Retails Private Limited	284.05	194.02	-
	Ascent Wellness and Pharma Solutions Private Limited	17.18	7.02	-
	Medlife International Private Limited	5.15	14.85	-
	Metarain Distributors Private Limited	8.98	2.00	-
	Aycon Graph Connect Private Limited	12.91	5.59	-
	Aarush Tirupati Enterprise Private Limited	22.59	3.03	-
	Eastern Agencies Healthcare Private Limited	1.70	-	-
	Desai Pharma Distributors Private Limited	3.20	-	-
	API Holdings Limited	5.85	-	-
	ARZT And Health Private Limited	13.02	-	-
	Docon Technologies Private Limited	0.34	-	-
	Eastern Agencies Healthcare Private Limited	-	4.61	-
	<u>Trade receivables</u>			
	Docon Technologies Private Limited	-	0.86	-
	ARZT And Health Private Limited	-	5.82	-
	Desai Pharma Distributors Private Limited	0.83	-	-
	<u>Other Receivables</u>			
	D. C. Agencies Private Limited	20.00	-	-
<b>iii)</b>	<b>ARZT and Health Private Limited</b>			
	<u>Trade payables</u>			
	Aryan Wellness Private Limited	-	0.05	-
	Medlife Wellness Retails Private Limited	0.49	0.04	-
	Ascent Wellness and Pharma Solutions Private Limited	0.10	0.21	-
	Medlife International Private Limited	0.22	0.06	-
	D. C. Agencies Private Limited	0.28	1.83	-
	API Holdings Limited	0.21	-	-
<b>iv)</b>	<b>Aycon Graph Connect Private Limited</b>			
	<u>Trade receivables</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	5.59	-
	<u>Current Loans receivable from :</u>			
	Ayro Retail Solutions Private Limited	236.90	176.70	-
	Instinct Innovation Private Limited	83.21	64.20	-
	<u>Interest receivable on loan given</u>			
	Instinct Innovation Private Limited	1.30	-	-
	Ayro Retail Solutions Private Limited	3.73	-	-
<b>v)</b>	<b>Instinct Innovation Private Limited</b>			
	<u>Trade payables</u>			
	Ayro Retail Solutions Private Limited	-	0.09	-
	Medlife International Private Limited	0.12	-	-
<b>vi)</b>	<b>Ayro Retail Solutions Private Limited</b>			
	<u>Trade payables</u>			
	Muthu Pharma Private Limited	-	2.00	-
	<u>Borrowings Payable to :</u>			

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	Ascent Wellness and Pharma Solutions Private Limited	428.74	428.74	-
<b>vii)</b>	<b>Medlife Group</b>			
	<u>Trade receivables</u>			
	Instinct Innovation Private Limited	-	0.12	-
	Desai Pharma Distributors Private Limited	0.04	-	-
	Aryan Wellness Private Limited	0.05	-	-
	Ascent Wellness and Pharma Solutions Private Limited	0.01	-	-
	D. C. Agencies Private Limited	0.12	-	-
	Desai Pharma Distributors Private Limited	0.00	-	-
	Eastern Agencies Healthcare Private Limited	0.03	-	-
	<u>Trade payables</u>			
	Eastern Agencies Healthcare Private Limited	0.29	0.35	-
	Mahaveer Medi-Sales Private Limited	6.56	4.78	-
	Ascent Wellness and Pharma Solutions Private Limited	0.07	0.15	-
	Venkatesh Medico Private Limited	0.29	0.16	-
	API Holdings Limited	0.96	-	-
	<u>Receivable towards Business Transfer :</u>			
	Threpsi Solutions Private Limited	110.06	-	-
<b>viii)</b>	<b>AHWSPL India Private Limited</b>			
	<u>Other receivables</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	2.15	-
<b>ix)</b>	<b>Ascent Wellness and Pharma Solutions Private Limited</b>			
	<u>Other receivables</u>			
	VPI Medisales Private Limited	0.08	0.08	-
	AKP Healthcare Private Limited	0.70	0.70	-
	Aryan Wellness Private Limited	1.05	1.05	-
	Desai Pharma Distributors Private Limited	0.85	0.85	-
	Eastern Agencies Healthcare Private Limited	1.90	1.90	-
	API Holdings Limited	44.65	-	-
	<u>Current Loans receivable from :</u>			
	VPI Medisales Private Limited	337.65	204.95	-
	Venkatesh Medico Private Limited	260.30	181.80	-
	Desai Pharma Distributors Private Limited	182.24	77.24	-
	Eastern Agencies Healthcare Private Limited	623.64	409.44	-
	D. C. Agencies Private Limited	941.48	736.48	-
	Dial Health Drug Supplies Private Limited	-	90.37	-
	Muthu Pharma Private Limited	706.13	365.33	-
	Aryan Wellness Private Limited	440.00	210.00	-
	Aarush Tirupati Enterprises Private Limited	48.97	45.97	-
	Reenav Pharma Private Limited	2.50	4.00	-
	Avighna Medicare Private Limited	3.59	0.67	-
	<u>Other Payable Outstanding</u>			
	Ascent Wellness and Pharma Solutions Private Limited	2.02	-	-
	<u>Interest Receivable</u>			
	Desai Pharma Distributors Private Limited	2.73	-	-
	Eastern Agencies Healthcare Private Limited	10.08	-	-
	D. C. Agencies Private Limited	15.87	-	-
	Muthu Pharma Private Limited	10.93	-	-
	VPI Medisales Private Limited	5.39	-	-
	Aryan Wellness Private Limited	3.91	-	-
	Reenav Pharma Private Limited	0.61	-	-
	Venkatesh Medico Private Limited	6.36	-	-



	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	Aarush Tirupati Enterprise Private Limited	0.83	-	-
	Avighna Medicare Private Limited	0.03	-	-
	Ayro Retail Solutions Private Limited	7.70		
	<u>Interest payable on loan received</u>			
	API Holdings Limited	73.86	-	-
	<u>Trade Payable</u>			
	Ascent Wellness and Pharma Solutions Private Limited	1.62	-	-
	Desai Pharma Distributors Private Limited	0.05	-	-
	Eastern Agencies Healthcare Private Limited	0.35	-	-
	D. C. Agencies Private Limited	7.48	-	-
	Muthu Pharma Private Limited	1.26	-	-
	VPI Medisales Private Limited	0.39	-	-
	Aryan Wellness Private Limited	3.65	-	-
	AKP Healthcare Private Limited	1.41	-	-
	Aycon Graph Connect Private Limited	2.32	-	-
	<u>Trade Receivable</u>			
	Desai Pharma Distributors Private Limited	0.19	-	-
	Eastern Agencies Healthcare Private Limited	0.44	-	-
	D. C. Agencies Private Limited	1.55	-	-
	Muthu Pharma Private Limited	0.49	-	-
	VPI Medisales Private Limited	0.95	-	-
	Aryan Wellness Private Limited	1.56	-	-
	AKP Healthcare Private Limited	1.79	-	-
	Venkatesh Medico Private Limited	0.02	-	-
	Aushad Pharma Distributors Private Limited	0.25	-	-
	Aarush Tirupati Enterprise Private Limited	0.46	-	-
	Avighna Medicare Private Limited	0.30	-	-
<b>x)</b>	<b>Avighna Medicare Private Limited</b>			
	<u>Advances to suppliers</u>			
	VPI Medisales Private Limited	-	0.16	-
<b>xi)</b>	<b>Muthu Pharma Private Limited</b>			
	<u>Trade receivables</u>			
	Rau And Co Pharma Private Limited	141.53	148.23	-
	Shell Pharmaceuticals Private Limited	90.76	84.56	-
	Pearl Medicals Private Limited	62.22	62.10	-
	AKP Healthcare Private Limited	0.04	-	-
	Venkatesh Medico Private Limited	1.09	-	-
	Aushad Pharma Distributors Private Limited	0.01	-	-
	Aarush Tirupati Enterprise Private Limited	0.01	-	-
	<u>Trade Payable</u>			
	AKP Healthcare Private Limited	0.06	-	-
	Aushad Pharma Distributors Private Limited	0.00	-	-
<b>xii)</b>	<b>VPI Medisales Private Limited</b>			
	<u>Other Payable :</u>			
	Venkatesh Medico Private Limited	-	3.22	-
	AKP Healthcare Private Limited	0.90	0.87	-
	<u>Borrowings Payable to :</u>			
	AKP Healthcare Private Limited	-	47.70	-
	Aushad Pharma Distributor Private Limited	50.00	50.00	-
	<u>Trade Receivable</u>			
	Muthu Pharma Private Limited	0.14	-	-
	Aryan Wellness Private Limited	0.57	-	-
	AKP Healthcare Private Limited	1.59	-	-
	Venkatesh Medico Private Limited	0.27	-	-
	Aushad Pharma Distributors Private Limited	0.73	-	-
	Aarush Tirupati Enterprise Private Limited	0.28	-	-
	Avighna Medicare Private Limited	0.15	-	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	<u>Trade Payable</u>			
	Muthu Pharma Private Limited	0.81	-	-
	Aryan Wellness Private Limited	0.04	-	-
	AKP Healthcare Private Limited	0.04	-	-
	Venkatesh Medico Private Limited	0.48	-	-
	Aushad Pharma Distributors Private Limited	0.52	-	-
	<u>Interest Payable</u>			
	Aushad Pharma Distributors Private Limited	1.35	-	-
<b>xiii)</b>	<b>Aarush Tirupati Enterprise Private Limited</b>			
	<u>Trade receivables</u>			
	Thea Technologies Private Limited (Now API)	-	0.05	-
	<u>Trade Payable</u>			
	AKP Healthcare Private Limited	0.90	-	-
	Threpsi Solutions Private Limited	35.63	-	-
<b>xiv)</b>	<b>AKP Healthcare Private Limited</b>			
	<u>Current Loans receivable from :</u>			
	Venkatesh Medico Private Limited	-	58.50	-
	<u>Trade Receivable</u>			
	Aushad Pharma Distributors Private Limited	0.37	-	-
<b>xv)</b>	<b>Thea Technologies Private Limited</b>			
	<u>Trade Receivables</u>			
	ARZT and Health Private Limited	-	-	4.88
<b>xvi)</b>	<b>91Streets Media Technologies Private Limited</b>			
	<u>Trade Receivables</u>			
	Swifto Services Private Limited	-	-	83.99
	<u>Current Loans</u>			
	Thea Technologies Private Limited	-	-	3,499.04
	ARZT and Health Pvt Ltd	-	-	10.04
	Swifto Services Private Limited	-	-	5.06
	Docon Technologies Private Limited	-	-	545.04
	<u>Non Current Loans</u>			
	Swifto Services Private Limited	-	-	56.40
	<u>Fair Value of Financial Guarantees</u>			
	Thea Technologies Private Limited	-	-	0.13
<b>xvii)</b>	<b>Desai Pharma Distributors Private Limited</b>			
	<u>Trade Receivable</u>			
	Eastern Agencies Healthcare Private Limited	0.45	-	-
	D. C. Agencies Private Limited	0.48	-	-
	Aryan Wellness Private Limited	0.11	-	-
	AKP Healthcare Private Limited	0.00	-	-
	Aushad Pharma Distributors Private Limited	0.00	-	-
	Aarush Tirupati Enterprise Private Limited	0.09	-	-
	Avighna Medicare Private Limited	0.06	-	-
	<u>Trade Payable</u>			
	Eastern Agencies Healthcare Private Limited	0.15	-	-
	D. C. Agencies Private Limited	0.04	-	-
	VPI Medisales Private Limited	0.01	-	-
	Aryan Wellness Private Limited	0.00	-	-
	Threpsi Solutions Private Limited	0.83	-	-
<b>xviii)</b>	<b>Eastern Agencies Healthcare Private Limited</b>			
	<u>Trade Receivable</u>			
	Muthu Pharma Private Limited	0.02	-	-
	Aryan Wellness Private Limited	0.20	-	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	AKP Healthcare Private Limited	0.07	-	-
	Aarush Tirupati Enterprise Private Limited	0.00	-	-
	Avighna Medicare Private Limited	0.11	-	-
	<u>Trade Payable</u>			
	D. C. Agencies Private Limited	0.45	-	-
<b>xix)</b>	<b>D. C. Agencies Private Limited</b>			
	<u>Trade Receivable</u>			
	Muthu Pharma Private Limited	0.57	-	-
	VPI Medisales Private Limited	1.60	-	-
	Aryan Wellness Private Limited	1.06	-	-
	AKP Healthcare Private Limited	0.76	-	-
	Aushad Pharma Distributors Private Limited	0.41	-	-
	Aarush Tirupati Enterprise Private Limited	0.65	-	-
	Avighna Medicare Private Limited	0.10	-	-
	<u>Trade Payable</u>			
	Muthu Pharma Private Limited	0.01	-	-
	VPI Medisales Private Limited	0.06	-	-
	Aryan Wellness Private Limited	2.78	-	-
	AKP Healthcare Private Limited	0.03	-	-
<b>xx)</b>	<b>Aryan Wellness Private Limited</b>			
	<u>Trade Receivable</u>			
	Aushad Pharma Distributors Private Limited	0.01	-	-
	<u>Trade Payable</u>			
	Muthu Pharma Private Limited	0.14	-	-
<b>xx)</b>	<b>Venkatesh Medico Private Limited</b>			
	<u>Trade Receivable</u>			
	AKP Healthcare Private Limited	4.88	-	-
	<u>Trade Payable</u>			
	AKP Healthcare Private Limited	5.58	-	-
	Aushad Pharma Distributors Private Limited	0.11	-	-
<b>xxi)</b>	<b>Docon Technologies Private Limited</b>			
	<u>Trade Payables</u>			
	Threpsi Solutions Private Limited	2.01	-	-

(iv) Related party balances eliminated during the year/period

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>i)</b>	<b>API Holdings Private Limited</b>			
	<u>Investment in Equity</u>			
	Ascent Health and Wellness Solutions Private Limited	-	2,554.31	-
	Medlife International Private Limited	-	11,001.91	-
	Instinct Innovation Private Limited	-	33.22	-
	Aycon Graph Connect Private Limited	-	8,829.98	-
	Threpsi Solutions Private Limited	-	12.50	-
	<u>Investment in Financial Guarantee</u>			
	Ascent Health and Wellness Solutions Private Limited	-	40.13	-
	<u>Investment in Compulsory Convertible Debentures instruments</u>			
	Ascent Health and Wellness Solutions Private Limited	-	750.00	-
	<u>Investment in ESOP</u>			
	Threpsi Solutions Private Limited	-	278.92	-
	Aycon Graph Connect Private Limited	-	37.17	-
	Ascent Health and Wellness Solutions Private Limited	-	48.86	-

	Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
	Instinct Innovation Private Limited	-	1.63	-
	Ayro Retail Solutions Private Limited	-	7.59	-
	Docon Technologies Private Limited	-	1.81	-
<b>ii)</b>	<b>AHSWPL India Private Limited</b>			
	<u>Investment in Equity</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	2,603.18	-
	<u>Investment in Financial Guarantee</u>			
	Ascent Wellness and Pharma Solutions Private Limited	-	40.13	-
<b>iii)</b>	<b>Ascent Wellness and Pharma Solutions Private Limited</b>			
	<u>Investment in Equity</u>			
	D C Agencies Private Ltd	-	142.91	-
	Desai Pharma Distributors Private Limited	-	98.60	-
	Eastern Agencies Healthcare Private Limited	-	149.79	-
	Muthu Pharma Private Limited	-	124.65	-
	Pearl Medicals Private Limited	-	104.97	-
	Rau and Co Pharma Private Limited	-	131.16	-
	Shell Pharmaceuticals Private Limited	-	56.11	-
	VPI Medisales Private Limited	-	87.33	-
	AKP Healthcare Private Limited	-	289.89	-
	Aryan Wellness Private Limited	-	532.77	-
	Aushad Pharma Distributors Private Limited	-	0.37	-
	Mahaveer Medi-Sales Private Limited	-	1,444.32	-
	Reenav Pharma Private Limited	-	72.29	-
	Venkatesh Medico Private Limited	-	90.38	-
	Aarush Tirupati Enterprise Private Limited	-	0.10	-
	Avighna Medicare Private Limited	-	0.10	-
	<u>Investment in Compulsory Convertible Debentures instruments</u>			
	Aryan Wellness Private Limited	-	615.42	-
	Reenav Pharma Private Limited	-	10.20	-
	<u>Investment in ESOP</u>			
	Muthu Pharma Private Limited	-	0.37	-
	AKP Healthcare Private Limited	-	0.04	-
	Aryan Wellness Private Limited	-	0.11	-
<b>iv)</b>	<b>91Streets Media Technologies Private Limited</b>			
	<u>Investment in Equity</u>			
	Thea Technologies Private Limited	-	-	10.00
	Swifto Services Private Limited	-	-	13.90
	Docon Technologies Private Limited	-	-	0.10
	ARZT and Health Pvt Ltd	-	-	0.05
	<u>Equity component of loan given to subsidiaries</u>			
	Swifto Services Private Limited	-	-	7.40
	Docon Technologies Private Limited	-	-	75.95
	<u>Employee Share Options granted to employees of</u>			
	Thea Technologies Private Limited	-	-	0.50
	Docon Technologies Private Limited	-	-	13.58
	<u>Equity portion of financial guarantee given on behalf of subsidiaries</u>			
	Thea Technologies Private Limited	-	-	9.42

For details of the related party transactions, see “Other Financial Information – Related Party Transactions” on page 683.

## Details of Pre-IPO Placement

Our Company may, in consultation with the BRLMs, consider further issue of Equity Shares by way of a private placement of Equity Shares for cash consideration aggregating to ₹ 12,500 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company. The Pre-IPO Placement, if undertaken, will be reduced from the size of the Issue.

## Financing Arrangements

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

## Issuances of Equity Shares for consideration other than cash in the last one year

Except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash in the last one year:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (approx. ₹)	Reason for allotment	Benefits accrued to our Company
February 12, 2021	22,814,598	10	NA	Bonus issue in the ratio of 2 equity shares for each fully paid-up equity share and Preference Share held in the Company <sup>(1)</sup>	NA
October 29, 2021	554,373,630	10	NA	Bonus issue in the ratio of 10 equity shares for every 1 equity share held in our Company <sup>(2)</sup>	NA

(1) 22,814,598 equity shares were allotted to 64 shareholders of the Company in the ratio of 2 equity shares for every fully paid-up equity share or Preference Share held as on the record date of fixed by our Board i.e. February 10, 2021.

(2) 554,373,630 equity shares were allotted to 304 shareholders of the Company in the ratio of 10 equity shares for every fully paid-up equity share held as on the record date of fixed by our Board i.e. October 28, 2021.

## Split or Consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to a resolution passed by the shareholders in the EGM held on October 13, 2021, our Company sub-divided its authorised share capital of ₹ 10,310,800,000 such that 1,004,818,900 Equity Shares of ₹ 10 each and 26,261,100 preference shares of ₹ 10 each were sub-divided and reclassified as 10,048,189,000 Equity Shares of ₹ 1 each and 262,611,000 preference shares of ₹ 1 each with the record date as October 29, 2021. For details, see “Capital Structure – Equity Share capital history of our Company” on page 104.

## SECTION II: RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may occur and adversely impact our business, cash flows, prospects, results of operations and financial condition. To obtain a complete understanding of our Company, you should read this section in conjunction with the sections “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 162, 146 and 687, respectively. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any of the following risks, some combination of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of us and the terms of the Issue, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including but not limited to the considerations described below and elsewhere in this Draft Red Herring Prospectus. For details, see “Forward-Looking Statements” beginning on page 23.

Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information. See “Financial Information” beginning on page 250.

Unless otherwise indicated, industry and market data used in this section has been derived from the RedSeer Report, which has been commissioned by us in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the RedSeer Report and included herein with respect to any particular year, refers to such information for the relevant year.

Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal 2021” are to the 12-month period ended March 31, 2021. Fiscal 2020 includes period from March 31, 2019 to March 31, 2020 because our Company was incorporated on March 31, 2019.

### Internal Risk Factors

#### Risks Relating to Our Business and Industry

**I. Our success depends on the continued growth of digital healthcare industry and the increased acceptance of digital healthcare services by consumers.**

We operate in the emerging and dynamic digital healthcare industry in India. According to the RedSeer Report, while the digital healthcare industry has experienced significant growth, high levels of demand, widespread consumer acceptance and market adoption over the past few years, it is still relatively new in India. It is accordingly uncertain if it will achieve and sustain high levels of demand, widespread consumer acceptance and market adoption. Risks and challenges we may face in this emerging and dynamic industry include our ability to, among other things:

- develop and maintain relationships with various stakeholders in the healthcare industry such as pharmaceutical companies, wholesalers, pharmacies, hospitals, doctors, clinics and diagnostic labs, and attract new stakeholders to our platform;
- enhance and maintain the value of our brands;
- comply with an evolving regulatory environment;
- ensure diversified, quality and competitively priced products and services are offered by us to effectively address the needs of our stakeholders;
- grow our customer base and enhance their engagement in a cost-efficient manner;
- develop new or enhanced platform features and services;
- enhance the frequency of use and number of stakeholders on our platform;
- develop or implement additional strategic initiatives to grow our revenues;

- *maintain a reliable, secure, high-performance and scalable technology infrastructure;*
- *maintain our competitiveness against new market entrants and developing businesses of existing competitors;*
- *maintain our corporate culture and continue to attract, retain and motivate talented employees; and*
- *defend ourselves against litigation, regulatory interference, claims concerning intellectual property, privacy or other aspects of our business.*

If we fail to address any of the foregoing risks and challenges, our business, financial condition and results of operations may be materially and adversely affected.

**2. *Any failure by Axelia to operate the PharmEasy marketplace successfully could materially and adversely affect its business which in turn could adversely affect our business, prospects, financial condition, cash flows and results of operations.***

PharmEasy marketplace is operated by Axelia Solutions Private Limited (“Axelia”), which is 100% owned by Aarman Solutions Private Limited, and we own 19.99% equity interest in Aarman Solutions Private Limited (“Aarman”). We own the “PharmEasy” brand and our proprietary technology powers the PharmEasy marketplace. We license the brand and the technology to Axelia pursuant to a platform and brand licensing agreement for a license fee based on a percentage of the GMV transacted on the PharmEasy marketplace on a quarterly basis. Further, Axelia has also entered into arrangements with our Company to provide the diagnostic orders generated on the PharmEasy marketplace to Thyrocare in lieu of commission as per the agreed rates and facilitates the provision of diagnostics and pathology services through its partner laboratories. Our Company also has an arrangement with Axelia by which our laboratories and partner laboratories are listed on the PharmEasy marketplace along with arrangements for providing logistics services including last mile fulfilment services to Axelia. Axelia has entered into arrangements with Docon Technologies Private Limited by which it directs customers requesting teleconsultation services on the PharmEasy marketplace to the DocStat platform thereby connecting registered medical practitioners with patients, for further details please see “*History and Certain Corporate Matters - Summary of key agreements - Key terms of other subsisting material agreements*” on page 223. We sell pharmaceutical and OTC products to retailers that are registered sellers on PharmEasy marketplace. Our revenue from sale of goods for distribution to retailers was ₹6,332.85 million, ₹9,661.10 million and ₹4,701.49 million in Fiscal 2020, Fiscal 2021 and the three months ended June 30, 2021, respectively. Diagnostics services are also provided on the PharmEasy marketplace through multiple diagnostics service providers. We also provide last mile fulfilment services, including to Axelia for pharmaceutical and OTC products sold on the PharmEasy marketplace. Pursuant to the Logistics Agreement dated September 9, 2021 between Axelia and our Company, we agreed to provide the services of, among others, (a) managing and supervising delivery persons for providing the logistics services; and (b) manage procurement of products and further delivery of such products;. For more information see “*History and Certain Corporate Matters - Key terms of other subsisting material agreements*” on page 223.

For some of our business strategies to be successful, Axelia must be able to attract and service consumers and grow its operations, in compliance with the terms of the agreements executed by Axelia with us, at acceptable costs and on a timely basis. Any failure by Axelia to operate the PharmEasy marketplace successfully may impact our sales of services that we provide through the PharmEasy marketplace and sale of products to retailers that are registered sellers on PharmEasy marketplace, which could have an adverse impact on our operations to that extent. In the event of termination of our agreements with Axelia, we might need to enter into agreements with other third parties on less favorable terms, which could adversely impact our Company’s business, financial condition and prospects.

Axelia, being an e-commerce entity incorporated in India, is subject to various regulatory requirements in India. For details, see “*Key Regulations and Policies in India*” on page 191. If Axelia fails to comply with the terms and conditions of applicable laws, regulations or policies, and as a result is unable to provide services to us for which we have partnered with it, our business, reputation, financial condition, cash flows, results of operations and prospectus may be materially and adversely affected to that extent.

**3. *Maintaining our brand image and reputation among participants on our platform and the media is critical to our success, and any failure to do so could damage our reputation and brand.***

We are India’s largest digital healthcare platform (based on GMV of products and services sold for the year ended March 31, 2021), according to RedSeer Report. We incurred ₹1,379.81 million, ₹1,347.26 million and ₹948.27 million in Fiscal 2020, Fiscal 2021 and the three months ended June 30, 2021, respectively, in sales promotion and marketing expenses. This includes cost to build our brands, including “Retailio” and “PharmEasy,” as we believe that brand image and reputation play an important role in enhancing our competitiveness and maintaining our growth. Many factors, including our ability to provide quality services to our stakeholders, manage complaints and negative publicity and maintain a positive perception of our Company, may impact our brand image and reputation. Any actual or perceived deterioration of our service quality may subject us to damages, including the loss of our customers.

Many factors, some of which are beyond our control, are important to maintain and enhance our brands. These factors include:

- our ability to maintain superior user experience and the quality of products and services provided through our platform;
- the breadth of our product and service offerings and their efficacy in addressing the needs of our platform participants and meeting their expectations;
- the perceived strengths of our product and services as compared to those of our competitors;
- the reliability, security and functionality of our platform;
- our ability to adopt new technologies or adapt our information infrastructure to changing user requirements or emerging industry standards;
- the strength of our customer data protection measures;
- our ability to deliver shipments of correct products on time;
- our ability to increase brand awareness through various marketing and promotional activities.

Any negative reviews, comments or allegations about our Company or our stakeholders by the media, on social networks or other public online forums may harm our brands, reputation and public image. We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct may include complaints, anonymous or otherwise, to regulatory agencies. Our business may also be adversely affected by adverse news, negative publicity or other incidents associated with India's healthcare industry. Such incidents may damage the reputation of not only the parties involved, but also the general healthcare and wellness industry in general, even if such parties or incidents have no relation to us, our management, our employees, our suppliers, and merchants.

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, which allow individuals access to a broad audience. Many social media platforms immediately publish content that their subscribers and participants post, often without filters or checks on accuracy of the content posted. Such posting of information online could harm our business, reputation, and consequently our financial condition and operating results, regardless of accuracy of such information. This could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition.

In addition, we have licensed the "PharmEasy" brand to Axelia, which operates the PharmEasy marketplace in India. We have also licensed the "PharmEasy" brand name to franchisees and provide franchisor services, such as fulfilment, marketing and digital enablement for franchisee owned and operated offline pharmacies, for further details please see "History and Certain Corporate Matters - Summary of key agreements - Key terms of other subsisting material agreements" on page 223. Failure by the franchisees to provide quality service may damage our brand and reputation.

**4. We have a limited operating history, including in digital healthcare industry, and have made recent significant acquisitions, which makes it difficult to evaluate the risks and challenges we may encounter.**

While some of our Founders have been engaged in the healthcare industry since 2012, and 91Streets and Ascent have been engaged in the healthcare industry since 2015 and 2013 respectively, our Company was incorporated on March 31, 2019. Accordingly, we have a limited operating history and have included Restated Consolidated Financial Information for only the two immediately preceding Fiscal Years, Fiscal 2020 and Fiscal 2021, and the three months ended June 30, 2021 in this Draft Red Herring Prospectus. Further, we operate in the digital healthcare industry with focus on digital solutions, which is relatively new in India. We have grown since our Company's incorporation, primarily as a result of recent acquisitions many of which are significant. For example, with effect from August 2020, Ascent Health and Wellness Solutions Private Limited and 91Streets, along with certain other entities, were merged into our Company. In January 2021 we acquired Medlife, along with its subsidiaries. Since March 31, 2021, we have made additional material acquisitions, such as Aknamed and Thyrocare, along with their respective subsidiaries and associates. As a result, the Restated Consolidated Financial Information of our Company for Fiscal 2021 are not strictly comparable to those for Fiscal 2020. These acquisitions have helped us expand into new or adjacent businesses in which we have limited or no prior operating history. For example, in September 2021 we acquired Thyrocare. Thyrocare's addition to our Company has made us the largest diagnostics test provider by volumes, with one of the lowest cost of testing, as of financial year 2021, as per RedSeer Report. For details in relation to the acquisitions made by us, see "History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years" on page 217". In Fiscals 2020 and 2021, our revenue from operations was ₹6,675.42 million and ₹23,352.69 million, respectively, and we



experienced restated loss after tax of ₹3,352.79 million and ₹6,413.36 million, respectively. In the three months ended June 30, 2021, our revenue from operations was ₹11,968.08 million and we experienced restated loss after tax of ₹3,138.91 million.

Our future results of operations are subject to a number of risks and uncertainties, including our ability to successfully integrate these acquisitions and plan for and model future growth, and to expand our business in existing markets and enter new geographies and products and services. You should therefore not rely on growth in any prior quarterly or annual period as an indication of our future performance. Our future quarterly and annual results may fluctuate. Many factors may contribute to a decline in our growth rate or negatively affect our profitability, including market saturation, change in consumer preferences, our ability to competitively price our products and services, increased competition from existing and new players, the difficulty of capitalizing on growth opportunities, and the maturation of our business, among others. In particular, our various monetization strategies are new and evolving, some of which are still at the inception or trial stage and may prove unsuccessful.

As our business develops and in response to competition and changes in the industry and regulatory environment, we may continue to introduce new products and services, improve our existing service offerings, pursue acquisitions and strategic investments or adjust and optimize our business model. There can be no assurance that we will be able to achieve the expected results for any such changes, and our financial condition and results of operations may be materially and adversely affected as a result.

**5. *We are subject to extensive and evolving applicable healthcare regulatory requirements, non-compliance with which, or changes in which, may materially and adversely affect our business and prospects.***

The healthcare industry in India is subject to extensive government regulation and supervision as well as monitoring by various government authorities. Certain other laws, rules and regulations may affect the pricing, demand and distribution of pharmaceutical products, such as those relating to procurement, prescription and dispensing of drugs by hospitals and other medical institutions, and retail pharmacy. For example, the Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetic Rules, 1945, provide for (a) the import, manufacture, distribution and sale of drugs and cosmetics and prohibition of the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful; (b) obtaining the retail and wholesale license from the appropriate authorities, as applicable.

In addition, the pharmaceutical distribution, pharmaceutical retailing and healthcare services in India are each subject to extensive and changing government regulations and supervision. For example, the Draft Drugs and Cosmetics (Amendment) Rules, 2018, include certain provisions applicable to Axelia in relation to the PharmEasy marketplace, and to Retailio for regulation of sale of drugs by e-pharmacies and also provide for registration of e-pharmacies. Any unfavourable regulatory changes in these industries may also increase our compliance burden and materially and adversely affect our business, profitability and growth prospects.

In the event that we must remedy any violations, we may be required to modify our business models as well as product and service offerings in a manner that undermines the attractiveness of our products and services to our users. We may also become subject to fines or other penalties or, if we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate the non-compliant operations.

Furthermore, the introduction of new products and services may require us to comply with additional laws and regulations. Compliance by us may require obtaining appropriate permits, licenses or certificates as well as expending additional resources to monitor developments in the relevant regulatory environment. The failure to adequately comply with these future laws and regulations may delay, or possibly prevent, some of our products or services from being offered to users, which may have a material adverse effect on our business, financial condition and results of operations.

**6. *The Government of India may implement new laws and regulations relating to ecommerce business which could lead to new compliance requirements that are uncertain and could adversely affect our business, financial condition, and results of operations.***

Our business operations are subject to laws and policies relating to e-commerce that are evolving both in their content and interpretation.

For example, under the FDI Policy, up to 100% foreign direct investment is allowed under the automatic route (i.e., without prior regulatory approval) in companies engaged in marketplace models of e-commerce that are compliant with certain prescribed restrictions, including in relation to pricing, inventory control and disclosure requirements.

Entities engaged in wholesale trading through e-commerce are subject to restrictions, including on whom they can trade with, and to what extent.

Further, pursuant to the Consumer Protection (E-Commerce) Rules, 2020 (the “**E-Commerce Rules**”), both inventory based model and market place based model retail e-commerce companies are required to comply with various provisions including: (a) appointment of a designated functionary resident in India, to ensure compliance under the Consumer Protection Act, 2019 (“**CPA 2019**”) and E-Commerce Rules; (b) establishing adequate grievance redressal mechanism and acknowledge and address any consumer complaints within a period of 48 hours to within a month’s time of receipt of complaints; (c) not manipulate the prices of the goods and services offered on its platform to gain any unreasonable profits.

While we believe that our operations comply with applicable law, the interpretation of several provisions therein remains dynamic, and the Government of India has made and may continue to make revisions to the FEMA rules, the FDI Policy, CPA 2019 or other applicable laws, and introduce any other specific regulations as regards e-commerce in India, including in relation to inventory, pricing, discounting, usage of platform for B2B and B2C businesses and permitted services data protection and sharing.

Owing to these and certain restrictions which may be applicable to the business of our Subsidiaries or our operations, to the extent applicable, under the FDI Policy and proposed amendments to the existing laws and promulgation of any new laws and regulations by the Government of India, we may be required to restructure our operations or we may be unable to develop our business or take advantage of acquisition or other growth opportunities in ways that would be well suited to the platform through which we operate our businesses, which would adversely affect our future growth and business prospects.

Accordingly, additional compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects.

**7. Acquisitions, strategic alliances and investments could be difficult to integrate, which may disrupt our business, and adversely affect our results of operations.**

In Fiscal 2021, Ascent Health and Wellness Solutions Private Limited, along with certain other entities, were merged into our Company, and we also acquired Medlife, both of which were significant acquisitions by our Company. During Fiscal 2022, we have acquired Aknamed and Thyrocare, both of which are also significant acquisitions. While these acquisitions have helped us expand our current businesses or get into new or adjacent businesses, there can be no assurance that we will be able to achieve anticipated benefits or successfully integrate these acquisitions. Our Company has entered into an Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriba LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Aknamed (“**Angel Akna ATS**”). Pursuant to the Angel Akna ATS, our Company has agreed to purchase in tranches 45,886 equity shares of Aknamed for an aggregate consideration of ₹ 144.81 million representing 1.37% of the issued and paid-up share capital of Aknamed, from Akriba LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy. Further, our Company has entered into the agreement dated October 7, 2021 with Lightrock Growth Fund I S.A., SICAV – RAIF (“**Lightrock**”) and Aknamed (“**Lightrock ATS**”) pursuant to which our Company has agreed to purchase in tranches (a) 693,248 equity shares of Aknamed for an aggregate consideration of ₹ 3,281.77 million representing 20.68% of the issued and paid-up share capital of Aknamed (“**Tranche I Shares**”); and (b) 357,128 equity shares of Aknamed for an aggregate consideration of ₹ 1,690.61 million representing 10.65% of the issued and paid-up share capital of Aknamed (“**Tranche II Shares**”), from Lightrock. Post completion of the transactions contemplated under the Angel Akna ATS and Lightrock ATS, our Company will hold 100% of the issued, subscribed and paid-up share capital of Aknamed. Similarly, our Company has also entered into an Agreement to Sell dated October 12, 2021 with Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi, Roxy Kanwar and Marg ERP Limited, pursuant to which, our Company has agreed to purchase an aggregate of 5,082,501 equity shares of Marg ERP Limited (“**Marg**”) for an aggregate consideration of ₹ 2,633.51 million representing 50.64% of the issued and paid-up share capital of Marg on a fully diluted basis from certain shareholders of Marg by December 30, 2023, see “*History and Certain Corporate Matters – Summary of key agreements -Key terms of other subsisting material agreements - - Agreement to Sell dated October 7, 2021 entered into by and amongst our Company, Lightrock Growth Fund I S.A., SICAV – RAIF (“Lightrock”) and Akna Medical Private Limited and Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriba LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Akna Medical Private Limited and Agreement to Sell dated October 12, 2021 entered into by and amongst our Company, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi, Roxy Kanwar and Marg ERP Limited, beginning on page 223.*”

In addition, we have an obligation to purchase shares in certain other subsidiaries of our Company as per the respective shareholder agreements, at a price based on future earnings multiples. Accordingly, we have recognised put liability and subsequent changes on re-measurement of such liability within equity in our Restated Consolidated

Financial Information as of and for Fiscal 2021 and the three months ended June 30, 2021. As of June 30, 2021 and March 31, 2021, we had put liability of ₹1,149.89 million and ₹1,112.93 million, respectively.

We may continue to evaluate and consider additional strategic investments and acquisitions which are complementary to our business. Investments or acquisitions involve numerous risks, including synergies not playing out as anticipated at the time of acquisition, potential failure to achieve the expected benefits of the combination or acquisition; difficulties in, and the cost of, integrating operations, technologies, services and personnel; potential write-offs of acquired assets or investments including goodwill; and downward effect on our operating results or difference in the opinion of the founders of those businesses and our management. These transactions will also divert the management's time and resources from our normal operations and we may have to incur unexpected liabilities or expenses. We face additional risks in connection with acquisitions, including that:

- an acquisition may negatively affect our financial condition and results of operations because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may result in our inability to carry forward accumulated tax losses, may expose us to claims and disputes by shareholders and third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel, or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses, and distract our management;
- if we issue a significant amount of securities in connection with future acquisitions, existing shareholders may be diluted and earnings per share may decrease or losses per share may increase.

The occurrence of any of these foregoing risks could have an adverse effect on our business, financial condition, and results of operations.

**8. *Any failure to maintain the satisfactory performance of our technology infrastructure could materially and adversely affect our business and reputation.***

The satisfactory performance, reliability and availability of our proprietary technology infrastructure is critical to our success. Our technology infrastructure provides participants on our platform with the ability to undertake transactions in our various products and services, including from us and our customers/ partners, and is accordingly essential to the operations of our business and the delivery of our products and services. Our technology infrastructure is self-developed. Self-developed technology development may be time-consuming and expensive, and may involve unforeseen difficulties. We may encounter technical obstacles, and it is possible that we may discover additional problems that prevent our technologies from operating properly and consequently adversely affect our information infrastructure and other aspects of our business where our technologies are applied.

Any system interruptions caused by telecommunications failures, computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our platform or reduced order fulfillment performance could reduce the volume of products sold and the attractiveness of product offerings on our platform. If our platform do not function reliably or fails to achieve the expectations of our ecosystem participants in terms of performance, we may lose existing, or fail to attract new, customers or participants, which may damage our reputation and adversely affect our business.

While there have been no material instances of defects and errors, our technology infrastructure may develop or contain undetected defects or errors. Performance problems, defects or errors in our existing or new software and applications and services may arise in the future and may result from interface issues between our systems and data that we did not develop and the function of which is beyond our control or undetected in our testing. These defects and errors, and any failure by us to identify and address them, could result in loss of revenue or market share, diversion of development resources, harm to our reputation and increased service and maintenance costs. Defects or errors may also affect our users who rely on our technologies in the operation of their businesses, which may have a material adverse effect on our reputation, business, results of operations and prospects.

**9. *The healthcare industry is highly competitive. If we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.***

We face intense competition across our business lines, and we compete against other online platforms, diagnostics companies, traditional wholesalers as well as other online and offline healthcare service providers. Some of our competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technological or marketing resources than we do. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements and may have the ability to initiate changes in industry standards or withstand significant regulatory changes. Competition from our competitors may also result in continued pricing pressures, which is likely to lead to price declines in certain of our product or service lines, and may, in turn, adversely affect our profitability and market share.

New competitors or alliances between competitors that have greater market share, larger customer bases, more widely adopted proprietary technologies, greater marketing expertise, greater financial resources and larger sales forces than us may emerge, which could put us at a competitive disadvantage. In addition, many operators in the healthcare industry, including our Company, have consolidated in recent years to create larger healthcare enterprises with greater bargaining power, which has resulted in greater pricing pressures. If this consolidation trend continues, it could give the resulting enterprises even greater bargaining power, which may lead to further competitive pressure. New partnerships and strategic alliances in the healthcare industry also can alter market dynamics and adversely impact our businesses and competitive positioning. For example, the diagnostic healthcare services industry in India is highly competitive and has low barriers to entry. While we have strengthened our diagnostic services through the acquisition of Thyrocare, factors upon which we aim to compete with other diagnostic healthcare service providers include, among others, offering services similar to, or superior than, those of our competitors, as well as at prices comparable to that of our competitors; the breadth of our testing offerings; the geographical reach of our network; our ability to process samples and report data accurately and in a timely manner; our historical experience and customer relationships; and the quality of our facilities.

The technologies that we and our competitors with online platforms employ are evolving rapidly, and new developments frequently result in price competition, obsolescence and altered market landscape. In light of these factors, even if our products and services are more effective than those of our competitors, current or potential customers may accept competitive products and services in lieu of ours. If we are unable to successfully compete in the digital healthcare market, our business, financial condition and results of operations may be materially and adversely affected.

**10. We have incurred losses and negative cash flows in the past, and may continue to incur losses and negative cash flows in the future.**

We have experienced losses from operations in the past. In Fiscals 2020 and 2021 and three months ended June 30, 2021, we had restated losses after tax of ₹3,352.79 million, ₹6,413.36 million and ₹3,138.91 million, respectively. We expect our operating expenses to increase in the future as we expand our operations. If our revenue does not grow at a greater rate than our expenses, we may not be able to achieve and maintain profitability. We may incur considerable losses in the future for various reasons, many of which may be beyond our control. Additionally, we may encounter unforeseen expenses, operating delays, or other unknown factors that may result in losses in the future. For example, after the Issue, we may incur additional compliance, accounting, and other expenses that we did not incur as a private limited company. If our expenses continuously exceed our revenue, our business may be materially and adversely affected and we may not be able to achieve or maintain profitability. Further, under Ind AS, any grant of ESOPs under our ESOP Plan 2020 results in a charge to our profit and loss statement based on the fair value of the ESOPs at the date when the grant is made and such expenses reduce our profitability to that extent for the relevant financial year. For details of our outstanding ESOPs, see “*Capital Structure ESOP Plan 2020*” on page 123. In addition, we carry significant GST credit on our balance sheet as of June 30, 2021 and we expect the GST credit to increase over the next few years. We may not be able to utilize all or a portion of the GST credit before it expires.

We have incurred negative cash flows in the past. The following table sets forth net cash inflow/ (outflow) from operating, investing and financing activities for Fiscals 2020 and 2021 and the three months ended June 30, 2021:

	(in ₹ million)		
	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
Net cash flow used in operating activities	(4,520.17)	(8,136.82)	(5,523.26)
Net cash flow generated from/(used in) investing activities	(1,895.40)	44.94	(3,143.87)
Net cash flow from financing activities	6,316.26	10,190.24	12,045.86

For details, see “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 250 and 687, respectively. We cannot assure you that our net cash flows will be

positive in the future, which could adversely affect our ability to, among others, fund our operations, pay debts in a timely manner or finance proposed business expansions or investments.

**11. *If our digital healthcare platform fails to provide attractive value propositions to platform participants, our business, financial condition, results of operations and prospects may be materially and adversely affected.***

Our business is also highly dependent on the receptiveness of our platform and products and services offered through our platform to our customers, as well as their willingness to use, and to increase the frequency and extent of their utilization of, such products and services. Growth in the number of stakeholders is a key driver of our revenue growth. There were 87,194 pharmacies, 3,261 wholesalers, 4,617 doctors for June 2021 and 926 hospitals on our platform three month ended as of 30 June 2021.

Our ability to continue to attract and retain stakeholders depends partly on our ability to provide superior user experience. Their degree of receptiveness to our platform depends on a number of factors, including the demonstrated accuracy and efficacy of our offerings compared to those of others, delivery time, cost-effectiveness, convenience and marketing support. In addition, negative publicity concerning our products and services or the digital healthcare market as a whole could limit market acceptance of our products and services. There can be no assurance that our efforts and ability to demonstrate the value of our products and services and the relative benefits of our products and services over those of our competitors to our platform participants and end-consumers would be successful. We may fail to achieve an adequate level of acceptance by our stakeholders of our products and services, and we may not be able to effectively expand our customer base, promote consumer engagement or convert registered users to active customers. Consequently, our business may not develop as expected, or at all, and our business, financial condition or results of operations may be materially and adversely affected.

Some of our stakeholders may have their own independent online and offline operations, and may choose to focus on their own operations, rather than on our platform. In addition, they may consider our platform ineffective and cease to use them. Furthermore, as the digital healthcare market is highly competitive, they may choose to cooperate with our competitors instead of us. If any of the above occurs, our platform may not develop as anticipated and our business, financial condition and results of operations may be materially and adversely affected. Additionally, we may not have exclusive or long-term arrangement with participants and such participants may compete with us directly or indirectly, through their own, or through other competitor platforms.

**12. *Our digital healthcare business generates and processes a large amount of data, and any failure to protect confidential information, prevent cybersecurity and data breaches or improper use or disclosure of such data may materially and adversely affect our business, reputation, financial condition and results of operations.***

Our platform generates and processes a large amount of personal, transactional, demographic and behavioral data. Sensitive user information in our business operations is stored in the data center operated by third parties. We face risks inherent in handling large volumes of data and in securing and protecting such data, including:

- *protecting the data in and hosted on our system, including against attacks on our system by external parties or improper behavior by our employees;*
- *addressing concerns related to privacy, safety, security and other factors; and*
- *complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data.*

With the proposed enactment of the Personal Data Protection Bill, 2019 (“**PDP Bill**”), and the ongoing regulatory discussions along proposed Indian regulation to govern non-personal data, the privacy and data protection laws are set to be closely administered in India, and we may become subject to additional potential compliance requirements. The PDP Bill proposes a legal framework governing the processing of personal data, where such data has been collected, disclosed, shared or otherwise processed within India, as well as any processing of personal data by the GoI, Indian companies, Indian citizens or any person or body of persons incorporated or created under Indian law. The PDP Bill defines personal data and sensitive personal data, prescribes rules for collecting, storing and processing of such data and creates rights and obligations of data-subjects and processors. The Indian Government has also been mooting a legislation governing non-personal data. In September 2019, the Ministry of Electronics and Information Technology formed a committee of experts (“**NPD Committee**”) to recommend a regulatory regime to govern non-personal data (“**NPD**”). The NPD Committee has released two reports till date, which recommend, among other items, a framework to govern NPD (defined as any data other than personal data), access and sharing of NPD with government and corporations alike and a registration regime and for “data businesses”, being business that collect, process or store data, both personal and non-personal.

Further, the proposed Digital Information Security in Healthcare Act, 2018 (“DISHA”) lays down provisions to regulate the generation, collection, access, storage, transmission and use of digital health data and associated personally identifiable information. DISHA provides for acquiring informed consent from the data owner for obtaining and sharing their data, and imposes stringent penalties in the nature of fine or imprisonment for breach. Such obligations and penalties, if attracted, may result in increased cost of compliances, which may drain our resources and adversely affected our financial condition.

Further, even though the Telemedicine Practice Guidelines, 2020 under the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 code has been notified, the guidelines are not comprehensive in relation to the role of platforms enabling telemedicine and the role of registered medical practitioners. In the event, the Regulations are amended and subsequently they increase our cost of compliances, our financial condition could be adversely affected.

We have a data sharing arrangement with Axelia in relation to PharmEasy marketplace under the licensing and services agreements entered into by Axelia in relation to the PharmEasy marketplace and while we believe we are compliant with applicable laws in relation to such data sharing, there can be no assurance that they may not be viewed as such or that we may not be restricted in use of such data as we currently do in the future including due to change in laws.

Any failure, or perceived failure, by us to comply with our privacy policies or any applicable regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business model or practices, increase our costs and severely disrupt our business. As we expand our operations, we may be subject to additional laws in other jurisdictions where our users and stakeholders of our platform are located. The laws, rules and regulations of other jurisdictions may impose on us more stringent or conflicting requirements with harsh penalties for non-compliance than those we are currently subject to, and the compliance with such requirements could require significant resources and result in substantial costs.

Although we have employed significant resources to develop security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Security breaches and attacks against our systems and network, and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could impact our technology, damage our reputation and adversely affect our business, financial condition and results of operations. Our technology operations are vulnerable to disruptions arising from human error, natural disasters, power failure, computer viruses, spam attacks, unauthorized access and other similar events. Disruptions to, or instability of, our technology or external technology that allows our customers to use our online products and services could materially harm our business and reputation.

In addition, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our users or other participants of our platform, or the information infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches may harm our reputation and business, and materially and adversely affect our financial condition and results of operations.

**13. We may become subject to medical liability claims, which could cause us to incur significant reputational damage and expenses.**

We are exposed to risks inherent in marketing, distributing and selling pharmaceutical and healthcare products and providing digital healthcare services including with respect to fictitious or other fraudulent activities or sale of counterfeit drugs on our platform. Claims, consumer complaints or administrative penalties may arise if any of the products sold by third-party merchants on our platform are deemed or proven to be unsafe, ineffective or defective, or they are found to contain illicit substances, or found to be fake. In addition, in the event that any use or misuse of the products sold by third-party merchants on our platform results in personal injury, illness, disability or death, it may damage our reputation and we and may also be subject to liability claims. For examples, users of diagnostic healthcare services have a high sensitivity to errors, and our quality certifications and accreditations are critical to the reputation of our brand. If our diagnostic laboratories and testing services fail to meet accreditation standards or we otherwise fail to adapt to evolving diagnostic healthcare standards, we could lose one or more of our accreditations, which may materially and adversely affect our reputation and business. Similarly, negligence in performing our diagnostic services can lead to injury or other adverse events, and we may become liable under

healthcare or other laws for acts or omissions by our employees. Axelia which operates the PharmEasy marketplace may also receive claims that may arise from products and services offered by third-party merchants on our platform over whom we have no control.

If we are unable to defend ourselves against such claims, among other things, we may be subject to civil liabilities for physical injury, death or other losses caused by our products, to criminal liabilities, and to the revocation of our business licenses or relevant permits. In addition, we may be required to suspend sales or cease sales of the relevant products. Regardless of the outcome of any such claims against us, product and medical liability claims could cause negative publicity and impairment of users' confidence in us. In the event that such product and medical liability claims are attributable to our suppliers or business partners, there can be no assurance that we will obtain full indemnification from them, and even if we do, our reputation may still be severely impaired.

Medical liability claims could result in substantial damage awards that may exceed the limits of our insurance coverage. We carry professional liability insurance for our Company and Subsidiaries. See "Business — Insurance" on page 189. Professional liability insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our external doctors or us in the future on commercially acceptable terms, or at all.

Any claims made against us could be costly to defend against, result in substantial damage awards against us and divert the attention of our management, which could have a material adverse effect on our reputation, brand, business, financial condition, results of operations and reputation.

**14. *The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the acquisition of various businesses is not indicative of our future financial condition or results of operations and may also not be indicative of our actual results of operations.***

In Fiscal 2021, Ascent Health and Wellness Solutions Private Limited, 91Streets and certain other entities were merged into our Company and we also completed the acquisition of Medlife. In ongoing Fiscal 2022, we completed the acquisitions of Aknamed and Thyrocare. All of these are significant acquisitions. For further details on the acquisitions, see "History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years" on page 217.

Our Pro Forma Consolidated Financial Information as at and for the Fiscal Year 2021 and three months ended June 30, 2021 illustrate the impact of these acquisition on our Company, including the results of operations and the financial position that would have resulted, had these acquisitions been completed on prior dates. For example, the pro forma consolidated balance sheets as at March 31, 2021 and June 30, 2021 have been prepared, as if the acquisitions have taken place on March 31, 2021 and June 30, 2021, respectively. The pro forma consolidated statement of profit and loss for the three months ended June 30 2021 has been prepared as if the acquisitions have taken place on April 1, 2021, and the pro forma consolidated statement of profit and loss for Fiscal 2021 has been prepared as if the acquisitions have taken place on April 1, 2020. Accordingly, our Pro Forma Consolidated Financial Information may not necessarily be indicative of what our actual results of operations, financial position and cash flows would have been for such periods or as of such dates, nor are these intended to be indicative of expected results or operations in the future periods or our future financial position. For further details, see "Financial Information – Pro Forma Consolidated Financial Information" on page 367.

The Pro Forma Consolidated Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial condition or results of operations, and is not intended to be indicative of our future financial condition and results of operations. The adjustments set forth in the Pro Forma Consolidated Financial Information are based upon available information and assumptions that our management believes to be reasonable. As the Pro Forma Consolidated Financial Information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial performance. Our Pro Forma Consolidated Financial Information does not include all of the information required for financial statements under Ind AS and should be read in conjunction with the "Pro forma Consolidated Financial Information - Basis of Preparation of the Pro Forma Consolidated Financial Information" beginning on page 367 and "Accounting policies" appearing in the Restated Consolidated Financial Information and Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus. Further, our Pro Forma Consolidated Financial Information were not prepared in connection with an offering registered with the SEC under the U.S. Securities Act and consequently do not comply with the SEC's rules on presentation of pro forma financial information. Accordingly, investors should not unduly rely on our Pro Forma Consolidated Financial Information. If the various assumptions underlying the preparation of the Pro Forma Consolidated Financial Information do not come to pass, our actual results could be materially different from those indicated in the Pro Forma Consolidated Financial Information. Accordingly, the Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus is not intended to be indicative of expected results or operations in the future periods or the

future financial position of our Company or a substitute for our past results, and the degree of reliance placed by investors on our Pro Forma Consolidated Financial Information should be limited.

**15. Our Statutory Auditors have included emphasis of matter paragraphs in respect of our financial statements.**

Our Statutory Auditors have included an emphasis of matter paragraphs in their examination report to the Restated Consolidated Financial Information, which is included in the audit report on the consolidated financial statements of the Company as at and for Fiscal 2021, regarding Scheme of Amalgamation resulting in Merger 2020. Our Statutory Auditors have also included an Emphasis of Matter in their examination report to the Restated Consolidated Financial Information, which is included in the audit report on the special purpose consolidated financial statements of the Company as at and for the three months ended June 30, 2021, highlighting that the special purpose consolidated financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013 as those are considered irrelevant by our management and the intended users of the special purpose consolidated financial statements for the purposes for which those have been prepared. We cannot assure you that our Statutory Auditor's observations for any future fiscal period will not contain a similar emphasis of matter in the audit reports on our financial statements and that such matter will not otherwise affect our results of operations. For further details, see "Restated Consolidated Financial Information – Emphasis of Matters" on page 255, respectively.

**16. We may not be able to manage the growth of our business and operations or implement our business strategies.**

We have experienced significant growth in the past two years. Our revenue from operations increased from ₹6,675.42 million in Fiscal 2020 to ₹23,352.69 million in Fiscal 2021. Our business has increasingly grown in terms of both type and scale, particularly with significant acquisitions we have made in Fiscal 2021 and ongoing Fiscal 2022. In recent years, we have expanded our business to include a wide range of products and services including pharma, OTC and private label medical products, surgical and consumables, diagnostic and teleconsultations.

Expansion into diverse new product categories and service offerings and substantial increase in such expansion involves new risks and challenges. Our lack of familiarity with these products and services and lack of relevant user data relating to these products and services may make it more difficult for us to anticipate user demand and preferences. We may misjudge user demand, resulting in inventory build-up and possible inventory write-down as well as unpleasant user experience. Furthermore, we may not have purchasing power in new categories of products and we may not be able to negotiate favorable terms with suppliers. We may need to price aggressively to gain market share or remain competitive in new categories of products. It may be difficult for us to achieve profitability in the new product categories and our profit margin, if any, may be lower than we anticipate, which would adversely affect our overall profitability and results of operations. We cannot assure you that we will be able to recoup our investments in introducing these new product categories and service offerings.

In addition, any expansion may increase our operations and place a significant strain on our managerial, operational, financial and human resources. Unsuccessful attempts into new products or services may divert our management's attention which may cause our current business to suffer. We may not be able to manage our growth effectively and our business and prospects may be materially and adversely affected.

**17. The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition, and results of operations.**

The outbreak of an infectious disease in India or elsewhere, or fear of an outbreak, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in India and thereby adversely impact our revenue. Examples of such outbreaks include the outbreaks of severe acute respiratory syndrome in 2003, avian influenza (also known as bird flu) in 2004 and 2005, the H1N1 influenza in 2009 and Ebola from 2014 to 2016.

More recently, in response to the COVID-19 pandemic, the governments of many countries, including India, took preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown which was announced on March 24, 2020. Temporary closures of businesses had been ordered and numerous other businesses were temporarily closed on a voluntary basis as well. From March 2021 to June 2021, India experienced an intense second wave of the pandemic which led to various lockdowns and other restrictions in various parts of India, and there could be further disruptions and lockdowns in Fiscal 2022. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. These measures have impacted and may have a further impact on our workforce and operations and the businesses of our stakeholders.



The COVID-19 pandemic led to a significant downturn in the global economy and substantial curtailment of business activities worldwide, which adversely affected, and may adversely affect in the future, our results of operations, financial condition and cash flows. For example, we experienced challenges relating to manpower deployment and service disruptions in certain locations across India. Our business was impacted by the government-imposed country-wide lockdowns due to the COVID-19 outbreak. We experienced lower GMV in the last three month-period of Fiscal 2020 and the first three month-period of the Fiscal 2021. Following the first three month-period of Fiscal 2021, as lockdown restrictions were gradually relaxed, our business, and hence our GMV, witnessed a strong recovery.

As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further lockdown protocols or other restrictions, which may adversely affect our business operations. Given the rapidly changing implications of the spread of COVID-19, it is difficult to assess its impact on our business and results of operations at this time and we may not be able to quantify or accurately predict the same. Further, as COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this “Risk Factors” section.

**18. *If we fail to adopt new technologies or adapt our platform to changing consumer requirements or emerging industry standards, or if our efforts to invest in the development of new technologies are unsuccessful or ineffective, our business may be materially and adversely affected.***

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our platform. Rapid technological evolution, changes in consumer requirements and preferences, introductions of new products and services adopting new technologies and the emergence of new industry standards and practices could render our existing technologies and systems less competitive than those used by other market participants or obsolete. For example, advancements in technology may lead to the development of more cost-effective technologies or non-invasive diagnostic healthcare tests which are more convenient and/or less expensive than our current solutions, such as point-of-care testing equipment that can be operated by physicians or other healthcare providers in their offices or by patients themselves without requiring the services of free-standing clinical laboratories.

In recent years, we have invested in the development of our proprietary technology infrastructure. We incurred information technology expenses of ₹164.02 million, ₹265.90 million and ₹181.28 million in Fiscal 2020, Fiscal 2021 and the three months ended June 30, 2021, respectively. We may need to upgrade our technology infrastructure to provide increased scale, improved performance and additional built-in functionality of our platform and to keep pace with our business development, which may require significant investments in time and resources, including adding new hardware, updating software and recruiting and training new engineering personnel. We cannot assure you that we will be able to successfully upgrade, develop or effectively use new technologies, recoup the costs of developing new technologies or adapt the websites and mobile apps that we operate, and our proprietary technologies and systems to meet consumer requirements or emerging industry standards. For example, if we fail to introduce new tests, services and technologies used in our diagnostic services, or acquire new or improved equipment, it could adversely affect our diagnostics business.

**19. *Our failure to properly engage with participants on our platform may materially and adversely affect our business.***

We rely on various stakeholders, including, but not limited to pharmaceutical companies, wholesalers, pharmacies, hospitals, doctors and clinics and diagnostic labs in the provision of products and services on our platform, and the success of our business depends on our ability to properly manage them. We undertake necessary verification and checks before entering into contractual arrangements with them. Nevertheless, we have limited control over the quality of work and performance of our stakeholders in their provision of products and services on our platform, and they may breach such contractual arrangements and subject us to claims and liabilities that may affect our business operations. We have implemented quality control standards and procedures to manage their work and performance on our platform. However, there can be no assurance that our monitoring of their work and performance would be sufficient to control the quality of their work. In particular, stakeholders on our platform may provide sub-standard services, mishandle sensitive information, engage in other misconduct or commit medical malpractice, which could damage our brands and reputation.

If any supplier does not control the quality of the products that it sells on our platform, or if it does not deliver the products or delivers them late or delivers products that are materially different from their description, or if it sells counterfeit, substandard or unlicensed products through our platform, or if it sells certain products without licenses or permits as required by relevant laws and regulations despite our background check for such licenses or permits, the reputation of our brand may be materially and adversely affected and we could face claims and may be held liable for any losses.

- 20. Our teleconsultation business and growth strategy depend on our ability to maintain and expand a network of qualified doctors. If we are unable to do so, our future growth would be limited and our business, financial condition and results of operations would be harmed.**

The success of our teleconsultation business, Docon, is dependent upon our continued ability to maintain and expand a network of qualified doctors. If we are unable to attract and retain them, our business, results of operations and prospects would be adversely affected. These service providers could demand higher payments or take other actions that could result in higher medical costs, less attractive service for consumers. Our ability to develop and maintain satisfactory relationships with these service providers also may be negatively impacted by other factors not associated with us, such as changes in medical insurance reimbursement levels. The failure to maintain or to secure new cost-effective service provider contracts may result in a loss of or inability to grow our user base, higher costs, or less attractive service for consumers, any of which could have a material adverse effect on our business, financial condition and results of operations.

- 21. We may not be able to detect or prevent fraud or other misconduct committed by our employees or third parties or on our platform.**

Fraud or other misconduct by our employees, such as unauthorized business transactions, bribery and breach of any applicable law or our internal policies and procedures, or by third parties, such as breach of law may be difficult to detect or prevent. It could subject us to financial loss and sanctions imposed by governmental authorities while seriously damaging our reputation. This may also impair our ability to effectively attract prospective stakeholders, develop customer loyalty, obtain financing on favorable terms and conduct other business activities.

In particular, while the primary responsibility lies with pharmaceutical companies, we may face risks with respect to fictitious or other fraudulent activities or sale of counterfeit drugs to us or over our platform. Our risk management systems, information technology systems and internal control procedures are designed to monitor our operations and overall compliance. However, there can be no assurance that the measures we have implemented to detect and reduce the occurrence of fraudulent activities would be effective in combating fraudulent transactions or improving overall satisfaction among our stakeholders. Therefore, we are subject to the risk that fraud or other misconduct may have previously occurred but was undetected or may occur in the future. Any such event could materially and adversely affect our business, reputation, financial condition and prospects. For more information, see “*Outstanding Litigation and Material Developments*” beginning on page 708.

- 22. We source our pharmaceutical and healthcare products from our suppliers. Our collaboration with suppliers are subject to a variety of risks.**

We source the pharma, OTC, our private label medical products, surgical products and consumables that we sell to pharmacies and hospitals, clinics and doctors from pharmaceutical companies and wholesalers. Our business, results of operations, financial condition and prospects could be materially and adversely impacted if we are unable to continue sourcing sufficient volumes of quality products from our current suppliers or our suppliers fail to supply sufficient quantities of products on time or supply products that do not meet the relevant quality standards. In addition, as the scale of our business continues to grow, there can be no assurance that we will be able we will be able to maintain our existing relationships or to expand our sourcing network to include new suppliers on reasonable terms and prices or at all. A termination or modification to any of these relationships could adversely affect our product supply and have a material adverse effect on our businesses, operating results and financial condition.

- 23. Failure to maintain optimal inventory levels could increase our operating costs or lead to unfulfilled customer orders, either of which could have a material and adverse effect on our business, financial condition, results of operations and prospects.**

We need to ensure optimal inventory levels of products that we sell on our platform. We are exposed to inventory risk as a result of rapid changes in product life cycles, changing consumer preferences, uncertainty of product developments and launches, manufacturer back orders and other related problems as well as the general economic environment in India. There can be no assurance that we can accurately predict these trends and events and avoid over-stocking or under-stocking of products. Furthermore, we place orders for our products based on demand forecast which could change significantly between the time when the products are ordered and the time when they are ready for delivery. When we begin to sell a new product, it is particularly difficult to forecast product demand accurately. If we underestimate customer demand or if our suppliers fail to provide products to us or deliver products to our customers in a timely manner, we may experience inventory shortages, which may, in turn, result in unfulfilled customer orders, leading to an adverse effect on our customer relationships. Our failure to maintain proper inventory levels for our business may have a material and adverse effect on our business, financial condition, results of operations and prospects.

- 24. Our pathology testing services are performed at our diagnostic Zonal Processing Laboratories (“ZPLs”) and Regional Processing Laboratories (“RPLs”). Any disruption in operations of any our laboratories could reduce or restrict sales and materially and adversely affect our business, financial condition, cash flows and results of operations.**

Our multi-lab model diagnostic business encompasses ZPLs supported by RPLs. The operation of the ZPLs and the RPLs can be substantially interrupted due to a number of factors, many of which are outside of our control, including natural disasters or other unanticipated catastrophic events, including power interruptions, water shortages, floods, actual, potential or suspected epidemic outbreaks, as well as loss of licenses, certifications and permits, changes in governmental planning for the land underlying our facilities and regulatory changes. Our facilities and equipment would be difficult and costly to replace on a timely basis. Moreover, catastrophic events could also destroy any reagents and other inventory located at our laboratories. If the operations of our laboratories are substantially disrupted, we may not be able to replace the equipment or inventories at our laboratories, or use a different facility to continue our operations in a timely and cost-effective manner or at all. If such damages or interruptions are caused to our laboratories, we may not be able to recover from damages or interruptions caused to our laboratories in a timely manner or at all. The occurrence of any such event could result in the temporary or long-term closure of our laboratories, severely disrupt our business operations and adversely affect our business, results of operations and financial condition, particularly if a ZPL is affected by such event.

- 25. We depend substantially on our hub-and-spoke business model for our diagnostic healthcare services. Any delay or interruption in the transportation of samples to the ZPLs or the RPLs could adversely impact the effectiveness of our business model.**

The timely delivery of samples by our authorized service providers located across India to our laboratories for testing is critical to our ability to maintain sample processing turnaround time and is an integral part of our business model. We rely on authorized service providers to collect and deliver samples in a timely manner to our hubs, the ZPLs and the RPLs, and any third-party transportation providers that we may engage for the cost-effective and timely transportation of samples from our hub locations to the ZPLs. Any delay on the part of our authorized service providers to deliver samples to our hubs, the ZPLs or the RPLs may impact our turnaround time and thereby affect our ability to deliver testing results in a timely manner. Further, we do not have any control over the operations of any logistics providers involved in our network. Catastrophic events, including power interruptions, water shortages, floods, actual, potential or suspected epidemic outbreaks, storms, fires, explosions, earthquakes, terrorist attacks and wars and logistical interruptions (such as airline, train and road network delays) could also cause a delay in the delivery samples to the ZPLs and the RPLs. Any prolonged disruption in the operations of our authorized service providers or delay in the transportation of samples to our laboratories may adversely impact our turnaround times, which could affect our business model and brand image, thereby impacting our ability to source samples for processing. While all transportation costs for sample deliveries by our authorized service providers to our hub locations are borne by the authorized service providers, we bear all costs after the sample is received by the hub locations, including transportation to the RPLs and ZPLs, testing and uploading the results on our web portal. Any increase in transportation and related costs that we are unable to pass on to our customers may have an adverse effect on our profitability.

- 26. We rely significantly on our arrangement with third party service providers to source samples and also sell our pathology testing services from their premises. Any failure to attract and retain authorized service providers could impact our ability to successfully grow our business.**

We provide diagnostic healthcare services through a network of third party service providers, that operate under franchise agreements with us. Our performance depends upon our ability to attract and retain qualified service providers, as well as our service providers’ ability to grow their customer bases, execute our business model and capitalize on our brand recognition and marketing. We cannot assure you that we will be able retain our existing service providers or induct new service providers who have the business abilities or financial resources necessary to develop and operate their businesses on schedule, or who will conduct operations in a manner consistent with our standards and requirements. Any inability to retain existing or induct new service providers, any reduction in the number of their customers, or any reduction in tests ordered or samples submitted to us, without offsetting growth in our customer base, could impact our ability to successfully grow our business and could have a material adverse effect on our business, financial condition and results of operations. Failure by the service providers to provide quality service may damage our brand and reputation.

- 27. The testing equipment, reagents and systems we use in our diagnostics services business are owned by our vendors until the fulfillment of certain conditions; if any such vendors withdraw or retake possession of such equipment and systems, if we are unable to fulfill our obligations under the relevant vendor arrangement, or if we are unable to renew our vendor arrangements on commercially acceptable terms (or at all), our ability to conduct our pathology testing business could be materially impaired and we may become subject to significant monetary penalties.**

The testing equipment and systems that we use in our diagnostics business are procured from various suppliers in India and abroad. Pursuant to the arrangements we have entered with certain of our vendors for the diagnostic testing equipment and systems, such vendors provide the relevant equipment to us at low or no upfront capital cost (with some amount that may have to be paid later) in consideration including a minimum purchase commitment by us of reagents, consumables and controls for the specified contractual period. Title to and ownership of such equipment and automation systems remain with the vendors and may only be passed on to us upon completion of the term of the relevant arrangement at a mutually agreed price. Typically, if we acquire the equipment and are unable to comply with terms set out in the relevant arrangement with the vendor of such arrangements, including any minimum purchase commitments, the vendor may at its discretion withdraw or retake possession, or take multiple other actions, including terminate such arrangements, require return of such equipment and seek compensation, including based on depreciation of such vendor's investment in the equipment.



If any monetary penalties are imposed on us by our vendors of the testing equipment and systems, our results of operations could be materially and adversely affected. Furthermore, we cannot assure you that our vendors will continue to sell sufficient quantities of raw materials to us on commercially acceptable terms, or at all. Even if market prices for comparable reagents, diagnostic materials, consumables and disposables decrease, we would be compelled to continue to purchase reagents, diagnostic materials and consumables from the relevant vendor at the prescribed prices, which may have become unfavorable. Additionally, we have only entered into arrangement letters setting out some key terms regarding the placement of analyzers and supplies of reagents and consumables with some of our vendors and suppliers of reagents with whom we did not previously have written agreements. With respect to such vendors and reagents suppliers, we operate based on a general understanding and past practice. Such vendors and reagents suppliers could, for any reason and at any time, decide to withdraw or retake possession of their equipment from us and/or cease doing business with us. In such case, or in the event of any dispute with any such vendors, we could have limited recourse against the relevant vendor's actions and our ability to conduct business could be materially and adversely impacted.

Accordingly, we are particularly at risk of an adverse change in relationships with our vendors for the equipment and systems since certain vendors may, at their discretion, withdraw or terminate their arrangements with us or retake possession of their equipment at any time. If, if we are unable to procure suitable replacements in a timely manner or at all, our ability to conduct our diagnostics services business could be substantially impaired. In addition to sourcing 90% from equipment vendors of testing equipment and systems, we may also rely on a small number of vendors for the purchase of the reagents from vendors, and any change in our relationships with such vendors that causes prices for the reagents to increase or disruptions in the supply of reagents, or any other adverse changes in the terms of supply of reagents, could adversely affect our business, results of operations and financial condition.

**28. We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.**

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality agreements with our employees and third parties and registration of our trademarks, to protect our proprietary rights. Despite these measures, any of our intellectual property rights such as registered trademarks could be challenged, invalidated, circumvented or misappropriated and misused. Furthermore, such intellectual property may not be sufficient to provide us with competitive advantages.

Furthermore, certain of the trademarks we use in our business, including in relation to API Holdings Limited, Docon and Redbook, are not registered as on the date of this Draft Red Herring Prospectus. Lack of registration of these trademarks exposes us to additional risks and offer less protection under intellectual property laws. Further, as on the date of this Draft Red Herring Prospectus, certain registration applications made by our Company with respect to trademarks under certain classes, including for the 'PharmEasy' logo, 'Pharmeasy Plus' and 'Thyrocare' logo have been objected to by various parties. We cannot guarantee that we will be able to successfully obtain such registrations, which may adversely affect our business, financial condition and results of operations. In addition, although we are not aware of any copycat websites or mobile apps that attempt to cause confusion or traffic diversion from us, we may become a target to such websites or apps in the future. For more information, see "Legal and Other Information" beginning on page 708.

As on the date of this Draft Red Herring Prospectus, we have applied for the trademark registration of the  docon logo under classes 35, 38 and 44 and API Holdings Limited logo  under various classes including 35, 42 and 44. We cannot assure you that we will be able to successfully obtain this trademark registration.

In addition, there can be no assurance that our trademark, copyright or patent applications would be approved, that any issued trademarks, copyrights or patents would adequately protect our intellectual property, or that such

trademarks, copyrights or patents would not be challenged by third parties or found by a judicial authority to be invalid or unenforceable. For more information, see “*Legal and Other Information*” beginning on page 708 and “*Our Business – Intellectual Property*” on page 189.

Confidentiality and non-compete agreements may be breached by counterparties (i.e. suppliers, wholesalers or customers) or our employees under our standard employment contracts, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in India. Preventing any unauthorised use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. In addition, there could be potential trade name or trademark infringement claims brought by owners of other trademarks that are similar to our trademarks. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

**29. *There have been delays in relation to reporting requirements in respect of issuance of securities by our Company (including by the entities which merged into our Company) and certain of our Subsidiaries and other non-compliances under the Companies Act and other applicable laws.***

There have been delays with respect to certain reporting obligations, primarily in respect of filing of forms for reporting the foreign investment to RBI for the allotment of Equity Shares and CCPS made by our Company to certain non-resident shareholders on and post February 12, 2021. We have written to the RBI vide letter dated May 11, 2021 indicating the technical challenges in filing the requisite reporting forms as the RBI portal filing mechanism does not allow further filing of reporting forms pending the approval of our previously filed form for the bonus issue of Equity Shares on February 12, 2021 and due to such technical challenges, we are unable to adhere to the prescribed timelines under the FEMA Non-debt Instruments Rules. While we have written to the RBI as indicated above, there can be no assurances that such delays will not be repeated in the future due to the aforementioned challenges, and that we will not be subjected to penalties, compounding or settlement amounts from the RBI.

In addition, there have been delays in reporting requirements of foreign investment for allotment of Equity Shares and compulsorily convertible preference shares made by our Subsidiaries, Instinct Innovations Private Limited in terms of the applicable foreign investment laws, allotment of securities to certain individuals by Ascent Health and Wellness Solutions Private Limited (merged into our Company pursuant to Merger 2020) in the period from June 2014 to August 2014; and for the allotment of securities to certain foreign investors by Metarain Distributors Private Limited. Further, certain of our Subsidiaries have compounded delays including in relation to delayed reporting of inward remittance and the filing of form FC-GPR and have also paid late submission fees for delay in filing of Form DIs to the RBI. While they have complied with the terms of the respective compounding orders, there can be no assurances that such delays will not be repeated in the future, and that we will not be subjected to penalties, compounding or settlement amounts from the RBI.

In relation to an allotment of Equity Shares dated July 1, 2021 pursuant to conversion of CCDs, we have made a fresh PAS-3 filing with the RoC rectifying a discrepancy in the list of allottees attached to the PAS-3 filing vis-à-vis the list of allottees recorded in the board resolution.

Further, one of our Subsidiaries, Thyrocare Technologies Limited, had made an allotment of equity shares in Fiscal 2005 which was not in compliance with the then applicable laws relating to private placement of securities. The non-compliance was subsequently compounded vide order dated November 27, 2015 of the Company Law Board.

**30. *Sale of prescription drugs is subject to stringent regulatory oversight in India, which may expose us to risks and challenges.***

Sale of prescription drugs is subject to stringent scrutiny by the government, which may expose us to reputational risks. In particular, the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, which contain strict penalties and fines for misbranding, adulteration among others, and requires the relevant intermediaries on our platform to hold a valid license and certain records and registers for inspection by the relevant authorities periodically. In the event that any of these intermediaries listed on the platform are not able to ensure compliance with such laws, we may suffer reputational risk that may affect our results of operations, financial condition and prospects. Any failure to comply with such laws and regulations could subject us to disciplinary warnings and regulatory penalties, which may in turn materially and adversely affect our reputation, business, results of operations, financial condition and prospects.

**31. *Any disruption to the operation of the warehousing facilities we use, or to the development of new warehousing and logistics facilities, could have a material adverse effect on our business, financial condition and results of operations.***

We have a nationwide network of supply chain infrastructures, including 82 warehouses and cumulative warehousing space of 699,000 sq.ft. across India to store inventory as of June 30, 2021. Natural disasters or other unanticipated catastrophic events, including power interruptions, water shortage, storms, fires, earthquakes, terrorist attacks and wars, as well as changes in governmental planning for the land underlying these facilities, could destroy any inventory located in these facilities and significantly impair our business operations. In addition, warehousing and logistics facilities that meet the requirements of modern logistics operations for guaranteed storage safety, optimal and flexible space utilization and high operational efficiency are in short supply. Insurance may not be sufficient to cover these disruptions. We may not be able to replace these facilities and equipment in a timely manner, should any of the foregoing occur. Furthermore, the leases for the warehousing and logistics facilities that we use could be challenged by third parties or government authorities, which may cause interruptions to our business operations. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis, or at all, or that we will not be subject to material liability resulting from third parties' challenges on our use of such properties. . Please see "*Outstanding Litigation and Material Developments*" beginning on page 708 for details of material proceedings against us involving our platform.

Furthermore, we rely on contracted third-party delivery partners to deliver our products. We had 1,879 last-mile delivery partners for the month of June 2021. Interruptions or failures in our delivery services could prevent the timely and successful delivery of our products. These interruptions may be due to unforeseen events that are beyond our control or the control of our third-party couriers, such as inclement weather, natural disasters or transportation disruptions. If our products are not delivered on time or are delivered in a damaged state, customers may refuse to accept our products and have less confidence in our services. Any failure to provide high-quality delivery services to our customers may adversely affect our business as a whole. We may further be exposed to complaints, disputes and labor unrest involving such third-party delivery partners. For instance, a workmen's union, wherein certain of our third-party delivery partners are members, has submitted a complaint with the Industrial Court, Maharashtra at Mumbai, alleging unfair trade practices in our dealings with them and demanding, among other things, statutory benefits payable to employees. If adverse decisions are passed against us in such or similar proceedings, we may be subject to additional costs and our financial condition may be impacted. Please see "*Outstanding Litigation and Material Developments*" beginning on page 708.

**32. *We may not be able to conduct our marketing activities cost-effectively and we are subject to limitations in promoting our business.***

We have incurred significant expenses on a variety of different marketing and brand promotion efforts designed to enhance recognition of our brands and increase sales of our products and services. While PharmEasy marketplace is operated by Axelia, we own the PharmEasy brand and have spent and continue to spend promotional and marketing expenditure to promote that brand, in addition to our other brands. For details on our agreements with Axelia, see "*History and Certain Corporate Matters*" on page 197.

We incurred ₹1,379.81 million, ₹1,347.26 million and ₹948.27 million in Fiscal 2020, Fiscal 2021 and the three months ended June 30, 2021, respectively, in sales promotion and marketing expenses. However, our brand promotion and marketing activities may not be well received by customers and may not result in the levels of sales that we anticipate. Meanwhile, marketing approaches and tools in the Indian digital healthcare market are evolving, which may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Failure to refine our existing marketing approaches or to introduce new marketing approaches in a cost-effective manner could reduce our market share and materially and adversely affect our financial condition, results of operations and profitability.

**33. *We rely on the skills and experience of our Founders, board and senior management, other key personnel and employees and the loss of our key employees could have a materially adverse impact on business operations.***

Our future success is significantly dependent upon the continued service of our Founders and key management personnel. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth, therefore materially and adversely affecting our business, financial condition, results of operations and prospects. For more information on the experience of founders and KMPs, see "*Our Management*" on page 227.

Meanwhile, the size and scope of our platform may require us to hire and retain a wide range of effective and experienced personnel who can adapt to a dynamic, competitive and challenging business environment. We will need to continue to attract and retain experienced and capable personnel at all levels as we expand our business and operations. Competition for talent in the Indian tech and digital healthcare industry is intense, and the availability of suitable and qualified candidates in India is limited. Competition for these individuals

could cause us to offer higher compensation and other benefits to attract and retain them. In addition, even if we were to offer higher compensation and other benefits, there can be no assurance that these individuals would choose to join or continue working for us. If we lose the services of any of the members of key management, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could severely disrupt our business and growth.

Our key employees are subject to confidentiality terms that prohibit them from disclosing company confidential and proprietary information, and most of them are also subject to non-competition arrangements. However, we cannot assure you that such arrangements can be fully and legally enforced. If any of our senior management or other key personnel joins or establishes a competing business, we may lose some of our customers, which may have a material adverse effect on our business. Further, if we are unable to effectively manage our hiring needs or successfully integrate and retain new hires, our efficiency, ability to meet forecasts, and employee morale, productivity, and engagement could suffer, which could adversely affect our business, financial condition, cash flows and results of operations.

**34. *The wide variety of payment methods that we accept subjects us to third-party payment processing related risks.***

We accept payments using a variety of methods, including payment on delivery, bank transfers, UPI, online payments through various third-party online payment platforms such as banks, financial institutions, payment aggregators and payment gateway/online wallet service providers. We are charged interchange and other fees in accordance with the terms of our arrangements with such service providers, which may increase over time and raise our operating costs and lower our profit margins. We may also be subject to fraud and other illegal activities in connection with the various payment methods we offer, including online payment and cash on delivery options. If they fail to remit the payment collected to us in a timely fashion or at all, if they become unwilling or unable to provide these services to us, or if their service quality deteriorates, our business could be disrupted.

**35. *We rely on assumptions and estimates to calculate certain key operating metrics, and inaccuracies in such metrics may harm our reputation and adversely affect our business.***

Certain key operating metrics and non-GAAP metrics such as GMV, Adjusted EBITDA, Pro Forma Contribution Margin before sales promotion and marketing expense and Adjusted EBITDA margin included in this Draft Red Herring Prospectus are calculated using our internal data. While these numbers are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in measuring usage and user engagement across our large user base. In addition, our key operating metrics are derived and calculated based on different assumptions and estimates, and you should be cautious of such assumptions and estimates when assessing our operating performance.

Our measures of user growth and user engagement may differ from estimates published by third parties or from similarly titled metrics used by our competitors due to differences in data availability, sources and methodology. If third parties do not perceive our user metrics to be accurate representations of our user base or user engagement, or if we discover material inaccuracies in our user metrics, our reputation may be harmed and third parties may be less willing to allocate their resources or spending to us, which could adversely affect our business and operating results.

**36. *We may need additional capital for future growth of our business but may not be able to obtain such on favorable terms or at all.***

We may require additional cash resources due to operating losses or future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and Indian governmental regulations over foreign investment and the Indian digital healthcare industry. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations.

There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

**37. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, credit rating, reputation, prospects, results of operations, cash flows and financial condition.**

As of September 15, 2021, we had total indebtedness of ₹24,947.30 million primarily comprising term loans and secured working capital loans. Our total indebtedness could have several adverse consequences, including but not limited to the following:

- a portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted; and
- fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates

Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities or entering into certain transactions. Typically, restrictive covenants under our financing documents relate to obtaining prior consent of the lender for, among others, change in the capital structure, availing additional borrowings, amendment of constitutional documents, change in ownership or management control, changes in shareholding pattern and management set-up, any merger, reorganization or similar action and a failure to observe the restrictive covenants under our financing agreements or to obtain necessary consents required thereunder may trigger an event of default which may lead to *inter alia* the imposition of penalties, termination of our credit facilities, acceleration of all amounts due under such facilities and/or the enforcement of any security provided. Our future borrowings may also contain similar or additional restrictive covenants. Further, during any period in which we are in default, we may be unable to obtain further financing or any refinancing of our debt could be at higher rates of interest with more onerous covenants.

We have obtained consents from our lenders for undertaking the Issue as required under our financing documents. Further, in terms of the borrowing arrangements entered into by certain of our Subsidiaries, the credit facilities are secured by exclusive charge by way of hypothecation of intellectual property rights/brands/ intangibles of technology stack or by pledge of shares of certain of our Subsidiaries or guarantees furnished by certain KMPs of our Subsidiaries. We cannot assure you that such security will not be invoked in the future. Any such invocation could materially and adversely affect our financial condition and we may not be able to use such intellectual property rights of our Subsidiaries.

**38. We have availed unsecured loans and some of these loans are repayable on demand.**

Our Company and some of our Subsidiaries have availed unsecured loans in the form of term loans, non-convertible debentures and loans from directors in the ordinary course of business. Some of these loans are repayable on demand. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure such financing, any such demand may materially and adversely affect our business, cash flows, financial condition and results of operations.

**39. We are subject to credit risk with respect to trade receivables.**

We face credit risk in collecting trade receivables due from customers. While we monitor defaults of customers and other counterparties and incorporate this information into our credit risk controls, there can be no assurance that all amounts due to us would be settled on time, or that such amounts will not continue to increase in the future. Our performance, liquidity and profitability would be adversely affected if significant amounts due to us are not settled on time or substantial impairment is incurred. The bankruptcy or deterioration of the credit condition of any of these customers and counterparties could also materially and adversely affect our business, results of operations and financial condition. In Fiscal 2021 and the three months ended June 30, 2021, we incurred ₹16.26 million and ₹1.91 million as bad debts written off, respectively, with ₹21.80 million in Fiscal 2020. In Fiscal 2020, 2021 and the three months ended June 30, 2021, we had expected credit loss provision on financial assets of ₹23.96 million, ₹54.22 million and ₹54.84 million, respectively.

**40. Our business could be disrupted by network interruptions, particularly due to external events.**

Our business depends on the efficient and uninterrupted operation of our computer and communications systems. While our systems have not experienced any material interruptions in the past, our systems may experience service interruptions or degradation or other performance problems because of hardware and software defects or malfunctions, unexpected high volume of transactions, infrastructure changes, fraud, military or political conflicts,



terrorist attacks, legal or regulatory takedowns, or other events. Our information infrastructure contains substantial quantities of data relating to our users and other participants of our platform such as account information, consultation records and transaction data, among other things, which enable our users and other participants to fully engage in our platform. Although we have adequate redundancy measures and data disaster recovery procedures in place, such measures may not be sufficient. We do not carry business interruption insurance.

Furthermore, despite any precautions we may take, the occurrence of a natural disaster, such as an earthquake, flood or fire, or other unanticipated incidents at our information infrastructure facilities in India, including breakdown of internet infrastructure, power outages, telecommunications delays or failures, break-ins to our systems or computer viruses, could result in delays or interruptions to our platform and operations as well as loss of our users' and other participants' data. Any of these events could damage our reputation, materially disrupt our platform and subject us to liability and claims, which may materially and adversely affect our business, financial condition and results of operations.

**41. *Our inability to use software licensed from third parties, including open source software, could negatively affect our ability to sell our solutions and subject us to possible litigation.***

Our technology infrastructure incorporates software licensed from third parties, including open source software. We leverage community backed open-source technologies to build our core platform, such as our end-user facing mobile applications, websites, or internal enterprise applications, such as warehouse, logistics, catalog, inventory, user management and other such internal applications. Open source technologies, customized for our needs, are also used in our infrastructure automation, search engines, data platforms, analytics and data science solutions, which we have been authorised to use. The terms of many open source licenses to which we are subject have not been interpreted by courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide our solutions to our customers. In addition, the terms of open source software licenses may require us to provide software that we develop using such software to others on unfavourable license terms or publicly disclose all or part of the source code to such software and make available any derivative works at no cost. Any requirement to disclose our source code or pay damages for breach of contract could be harmful to our business, financial condition, cash flows and results of operations. We could be subject to claims by parties claiming ownership of what we believe to be open source software, or claiming non-compliance with open source licensing terms.

In the future, we could be required to seek licenses from third parties to continue to operate our platform, in which case licenses may not be available on terms that are acceptable to us, or at all. Alternatively, we may need to re-engineer our platform or discontinue the use of portions of the functionality provided by our platform. Our inability to use third-party software could result in disruptions to our business, or delays in the development of future offerings or enhancements of our existing platform, which could materially and adversely affect our business and results of operations.

**42. *One of our Directors have not been able to trace certain records of their educational qualifications and we have relied on certificate furnished by them for such details of their profile, included in this Draft Red Herring Prospectus.***

One of our Independent Directors, Vineeta Rai, has been unable to trace copies of documents pertaining to her educational qualifications, namely, bachelor's degree in arts (history honours) from the University of Delhi, New Delhi. Accordingly, reliance has been placed on a certificate furnished by her to us and the BRLMs to disclose details of her educational qualifications in this Draft Red Herring Prospectus. Further, while Vineeta Rai has written to the university to obtain the degree certificates, there can be no assurance that Vineeta Rai will be able to obtain the relevant documents on time, or at all.

**43. *Our results of operations are subject to seasonal fluctuations.***

We experience seasonality in our business, reflecting a combination of online retail seasonality patterns and new patterns associated with healthcare products in particular. For example, we generally experience lulls in quarterly growth during the third Fiscal quarter during the holidays associated with the festival season in India, which have significant impact on our results for those quarters. Furthermore, we may experience seasonal fluctuations with different types of products, depending on their respective efficacy. For example, we observe increase in demands for respiratory drugs during flu seasons. Our financial condition and results of operations for future periods may continue to fluctuate.

**44. *The interests of our Shareholders and a few of our directors may not be aligned with your or our interests, and we cannot assure you that they will not reduce their support for our Company in the future.***

Few of our key Shareholders may operate and certain of our directors may be associated with the healthcare industry like we do, or may have investments in potential competitors, creating potential conflicts of interest. Siddharth Shah, our Co-Founder, Managing Director and Chief Executive Officer, also has an interest pertaining to the interest amount payable by our Company for an outstanding loan of ₹ 2.25 million acquired in business combination by our Company pursuant to Merger 2020 as on June 30, 2021, we cannot assure you that our Shareholders and such directors will act in the best interest of our Company should any conflict arise. If they fail to act in our best interests or take other actions that are detrimental to our interests, we may have to renegotiate with them for the cooperation or attempt to approach other business partners as replacements, which may be expensive, time-consuming and disruptive to our operations. If we are unable to resolve any such conflicts, or if we suffer significant delays or other obstacles as a result of such conflicts, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.

45. **Our Company, our Subsidiaries and certain of our Directors are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.**

**Proceedings against our Company, Subsidiaries and Directors**

Type of Proceedings	Number of Cases	Amount* (₹ in million)
<b>Cases against our Company</b>		
Material outstanding litigations against our Company	3	Non-quantifiable
Notices against our Company	1	518.50*
<b>Cases against our Subsidiaries</b>		
Material outstanding litigation against our Subsidiaries	4	10.33
Actions by statutory or regulatory authorities	35	Not quantifiable
Direct Tax proceedings	19	505.16**
Indirect Tax proceedings	33	200.68**
<b>Cases against our Directors</b>		
Civil proceedings	1	Non-quantifiable
Actions taken by regulatory and statutory authorities	1	Non-quantifiable
Direct Tax proceedings	Nil	Nil
Indirect Tax proceedings	Nil	Nil
Actions taken by regulatory and statutory authorities	1	Non-quantifiable

\* The notice pursuant to which we have received this alleged claim has been jointly received by our Company and our Subsidiary, Docon Technologies Private Limited amongst other parties. For further details, please see "Outstanding Litigation and Material Developments - I. Litigation involving our Company – Litigation against our Company – C. Other notices against our Company" beginning on page 710" and "Risk Factors –Our Company and our subsidiary, Docon Technologies Private Limited, amongst other parties, have received a legal notice in relation to the acquisition of certain equity shares of Thyrocare Technologies, alleging collusion amongst the parties named therein that resulted in a higher tax incidence on the seller" beginning on page 65.

\*\* To the extent quantifiable till November 8, 2021

**Proceedings by our Company, Subsidiaries and Directors**

Particulars	Number of cases	Amount* (in ₹ million)
<b>Cases by our Company</b>		
Criminal proceedings by our Company	1	Non-quantifiable
<b>Cases by the Subsidiaries</b>		
Criminal proceedings filed by our Subsidiaries	17	Non-quantifiable
Material outstanding litigation by our Subsidiaries	1	335.45

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" beginning on page 708.

In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought in the future by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies. For instance, various chemist associations have filed writ petitions against our Company and other companies with similar business models, challenging the online sale of drugs under schedule H, HI and X and has further alleged violation of the Drugs and Cosmetics Rules, 1945 ("Drugs Rules") and have prayed for blocking website links carrying on online sale of schedule H, HI and X drugs in alleged violation of the Drugs Rules, interim injunctions on the sale of schedule H, HI and X drugs till licenses are granted for online sale of medicines, among others. For details, see "Outstanding Litigation and Material Developments - B. Other material outstanding litigation involving our Company" on page 709. Further, in the ordinary course of our business, we may

receive communications in the form of letters and notices from various regulatory authorities, including the Food and Drugs Departments and Drug Controllers of various states in India, Labour authorities, Professional tax authorities, the Central Bureau of Investigation, Competition Commission of India, the Economic Offences Wing and the Employee Provident Fund Organisation, in relation to, among others, requests for information and clarifications relating to our business and in some instances relating to investigations of third parties by the authorities as cooperation with investigations to which we are not connected in any way, operations and past compliances. There can be no assurance that such complaints or claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority against us.

Thea Technologies Private Limited (merged into our Company pursuant to Merger 2020) (“Thea”) is subject to an ongoing investigation by the Directorate of Enforcement, Government of India (“ED”) under the Prevention of Money Laundering Act, 2002 and has received summons dated November 10, 2020 for appearance and production of certain documents such as details of all movable and immovable assets, copies of application filed for issue of drug license, copy of income tax returns, details of transactions made with Darsh Pharma, Jaipur, before the ED. Threpsi Solutions Private Limited, one of our Material Subsidiaries, has responded on behalf of Thea, as Thea had transferred its entire business to Threpsi Solutions Private Limited which was effective as of August 26, 2020, to the ED, submitting the requested documents and clarifying Thea’s engagement and business relationship with M/s. Darsh Pharma was merely of a third party distributor (which was similar to the association with other third party distributors) in the supply chain network. Post submission of the response dated December 11, 2020, there has been no communication from the ED to Threpsi Solutions Private Limited or to us. In the event there are further summons from the ED, it may result in the diversion of our management’s time and attention and could have an adverse impact on our business, financial condition, future cash flows and results of operations. For details, see “*Outstanding Litigation and Material Developments – II. Litigation involving our Subsidiaries – H. Litigation involving Threpsi Solutions Private Limited - Actions taken by regulatory and statutory authorities*” on page 715.

Further, Thea’s warehouse license in Jaipur was cancelled by the Food and Drugs Administration when samples of Losar-H were found to be substandard which was procured from one M/s. Darsh Pharma, Threpsi has also filed a first information report against M/s. Darsh Pharma which is currently pending. For details, see “*Outstanding Litigation and Material Developments – II. Litigation involving our Subsidiaries – H. Litigation involving Threpsi Solutions Private Limited – H. Litigation involving Threpsi Solutions Private Limited - Criminal proceedings involving Threpsi*” on page 714.

Our Subsidiaries, Desai Pharma Distributors Private Limited, and Eastern Agencies Healthcare Private Limited and Shree Simba Chemists, a unit of Ascent Health and Wellness Solutions Private Limited have in the past had their drugs license cancelled under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945 by the Food and Drugs Administration, Maharashtra for allegedly engaging in the sale of medicines allocated for the use of government hospitals or defence supply or employee state insurance scheme. We have appealed the cancellation of the licenses to the Minister, Food and Drugs Department, State of Maharashtra pursuant to which the earlier cancellation of licenses were suspended for a period of 15 days. While we have appealed this suspension of licenses before the High Court of Judicature at Bombay, we cannot assure you that the judgment in these cases will be pronounced in our favour. For details, see “*Outstanding Litigation and Material Developments – II. Litigation involving our Subsidiaries*” on page 710.

**46. We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.**

We are required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals in India, generally for carrying out our business. For further details of material consents, licenses, permissions, registrations and approvals from various governmental agencies and other statutory and/ or regulatory authorities, of our Company and our Subsidiaries, see “*Government and Other Approvals*” on page 720. While we have applied for certain other approvals such as business license for factory / workshop in Haryana, renewal of license to import medical devices under the Drugs and Cosmetics Acts, 1940 and certificate of enlistment and trade license for Thyrocare, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals, our business and operations may be materially adversely affected. Further, pursuant to the Medlife Merger, we are in process of transferring certain material approvals pertaining to the merged entities, in the name of our Company.

Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses, approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business and results of operations. If we do not receive such permission in a timely manner or at all, we may incur increased compliance costs, be subject to penalties and inspections, and suffer disruptions in our operations. For more information, see “*Government and Other Approvals*” on page 720.

Additionally, unfavourable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations, including in the fintech sectors in India could require us to obtain additional licenses and approvals. In addition, regulatory authorities could also impose notices and other orders on us in case of non-possession of licenses.

**47. Our Company and our subsidiary, Docon Technologies Private Limited, amongst other parties, have received a legal notice in relation to the acquisition of certain equity shares of Thyrocare Technologies, alleging collusion amongst the parties named therein that resulted in a higher tax incidence on the seller.**

Our Company and our subsidiary, Docon Technologies Private Limited, have received a notice dated October 23, 2021 (the “**Notice**”), addressed to our Company, Docon and certain other parties, from A. Sundararaju HUF (the “**Complainant**”), an erstwhile shareholder and member of the promoter group of Thyrocare Technologies Limited (“**Thyrocare**”). The Notice pertains to the acquisition of equity shares of Thyrocare by Docon from, among others, the Complainant.

The Notice alleges that the parties named therein colluded to facilitate the sale of shares of Thyrocare by the Complainant to Docon through an off-market transaction, rather than as an on-market sale. This off-market transaction allegedly caused significant financial loss to the Complainant as a result of capital gains becoming due at a higher rate on the off-market transaction, as against that applicable to an on-market transaction. The Notice further alleges that this off-market transaction was undertaken to deliberately prevent acquisition at a market driven price, and that the parties named in the Notice had colluded with our Company and Docon to enable the transaction. The Complainant has alleged that it incurred a loss of ₹ 268.50 million as a result of these actions, due to paying tax at the higher rate.

The Complainant has issued the Notice to, amongst others, the Complainant’s own professional advisors as well as to the professional advisors of our Company and Docon, alleging collusion among such professional advisors and our Company and Docon, which resulted in a higher tax incidence on the Complainant.

The Complainant has sought an unconditional apology from the parties named in the Notice, and has sought compensation for the alleged financial loss of ₹ 268.50 million incurred by it, together with interest @ 18% p.a., along with an additional sum of ₹ 250 million as compensation for the mental agony and reputational loss suffered by it, within 15 days from the date of receipt of the notice.

In the event that the Notice results in legal proceedings against our Company, Docon or any of the other parties named therein, it may have a negative impact on our public perception and reputation. In addition, an adverse finding in any such proceedings may result in a material adverse impact on our Company’s business, results of operations and cash flows. As Thyrocare is a company listed on the Exchanges, there can also be no assurance that regulatory authorities will not seek additional information or initiate actions in relation to the acquisition of equity shares of Thyrocare by Docon from the Complainant or from other parties.

**48. Our insurance may be insufficient to cover all losses associated with our business operations.**

We have obtained insurance to cover certain potential risks and liabilities, including for directors’ and officers’ liability, burglary, electronic equipment, standard fire and special peril policy. As at June 30, 2021, March 31, 2021 and March 31, 2020, our insurance coverage was for ₹8,298.48 million, ₹4,423.78 million and ₹1,287.94 million, respectively, amounting to 31.4%, 25.8% and 22.5%, respectively of the total assets of our Company on such dates. However, we may not be able to acquire any insurance for certain types of risks such as business liability or service disruption insurance for all of our operations, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. For example, we do not maintain business interruption insurance, nor do we maintain key-man life insurance. Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. Further, in the ordinary course of business, certain of our insurance policies are due to expire and we cannot assure you that we will successfully be able to renew these policies. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

**49. We do not own our Registered and Corporate Office and other key properties including our warehouses, and if our rights over this leasehold property are revoked, our business operations may be temporarily disrupted.**

We do not own the premises on which our registered and corporate office is situated. Our registered and corporate office has been sub-let to us by one of our Subsidiaries, Ascent (“**Licensee**”), pursuant to a no objection certificate

obtained from the licensor in terms of a leave and license agreement dated November 27, 2020, entered into between the Licensee and Mita N. Doshi, Sangita R. Doshi, Jasmina B. Doshi, Jagruti B. Doshi, Dipti Y. Doshi and Amita F. Doshi (“Licensor”). Further, the warehouses used by certain of our Subsidiaries for storing the inventory have been obtained on lease and license basis. If the lease deed of our Registered Office or the warehouses is terminated, we may suffer a temporary disruption in our operations. We may be unable to locate suitable alternate facilities on favourable terms, or at all, and this may have an adverse effect on our business, results of operations and financial conditions.

**50. Certain sections of this Draft Red Herring Prospectus disclose information from industry reports commissioned and paid for by us and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.**

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the RedSeer Report, or are extracts of the RedSeer Report. We commissioned the RedSeer Report for the purposes of confirming our understanding of the industry in connection with the Issue as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s various businesses, products and services, that may be similar to the RedSeer report that we commissioned. Further, the RedSeer Report is prepared based on information as of specific dates and may no longer be current or reflect current trends. The RedSeer Report has also based its information on estimates, projections, forecasts and assumptions that may prove to be incorrect. The RedSeer report also uses certain methodologies for market sizing and forecasting. While RedSeer may have taken due care and caution while preparing its report, it does not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information.

You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the RedSeer Report before making any investment decision regarding the Issue. See “Industry Overview” on page 146. For the disclaimer associated with the RedSeer Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data” on page 17.

**51. We have certain contingent liabilities, which, if they materialize, may affect our results of operations, financial condition and cash flows.**

As of June 30, 2021, we had ₹8.50 million in contingent liabilities that had not been provided for. A summary table of our contingent liabilities as of June 30, 2021 as provided for in the Financial Information is set forth below:

<b>Contingent Liability</b>	<b>As of June 30, 2021</b>
Income tax	0.24
Indirect tax	8.26

(₹ in millions)

For details, see “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Contingent Liabilities” on pages 250 and 687 for more information. Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

**52. Our Company has issued securities during the last year which may be at a price lower than the Issue Price. The price at which our Company has issued Equity Shares during the last one year from the date of this Draft Red Herring Prospectus may not be indicative of the future price.**

We have issued equity shares during the last one year at a price that may be below the Issue Price (other than bonus issues).

The price at which Equity Shares have been issued by our Company in the immediately preceding year is not indicative of the price at which they will be issued or traded. For details of issuances of Equity Shares by our Company during the last one year that may be lower than the Issue Price, see “Capital Structure – Notes to Capital Structure – 4. Issue of specified securities at a price lower than the Issue Price in the last year” beginning on page 115

**53. We have in the past entered into related party transactions and may continue to do so in the future.**

We have in the past entered into certain related party transactions. For a summary of such related party transactions in Fiscals 2020 and 2021 and the three months ended June 30, 2021, see “Summary of this Draft Red Herring Prospectus – Summary of related party transactions” beginning on page 26. While we believe that all such transactions have been conducted on an arm’s length basis and on commercially reasonable terms, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further,

it is likely that we may enter into related party transactions in the future. While in terms of the Companies Act, 2013 and the SEBI Listing Regulations, certain related party transactions require Audit Committee and shareholders' approval, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Additionally, any future transactions with our related parties could potentially involve conflicts of interest. For details of the related party transactions and as reported in the Restated Consolidated Financial Information, see "Financial Information – Restated Consolidated Financial Information – Note 49" on page 322.

**54. Certain of our Directors, Key Management Personnel may be interested in our Company other than remuneration and reimbursement of expenses.**

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and stock options in our Company and benefits arising therefrom. Our Founders are also interested in our Company to the extent of their shareholding and stock options in our Company and any benefits arising therefrom. Further, relatives of one of our Director, Dharmil Sheth, has leased two properties owned by them to Threpsi, one of our Subsidiaries for operating its business. Further, some of our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. For more information, see "Financial Information – Restated Consolidated Financial Information – Related Party Transactions – Note 49" at page 322.

**55. Our Company does not have an identifiable promoter in terms of the Securities and Exchange Board of India Issue of Capital and Disclosure Requirements Regulations ("SEBI ICDR Regulations") and the Companies Act, 2013.**

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act 2013. Accordingly, in terms of Regulation 14(1) of the SEBI ICDR Regulations, there is no requirement of minimum promoter's contribution in this Issue and accordingly, none of the Equity Shares will be locked in for the period prescribed under the SEBI ICDR Regulations in relation to minimum promoter's contribution. In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Issue equity share capital will be locked-in for a period of six months from the date of Allotment, other than as specifically provided under Regulation 17.

Following the lock-in period of six months from the date of Allotment, the pre-Issue shareholders, may sell their shareholding in our Company, depending on market conditions and their investment horizon. Further, any perception by investors that such sales might occur could additionally affect the trading price of the Equity Shares.

## **External Risks**

**56. Changing regulations in India could lead to new compliance requirements that are uncertain.**

The regulatory and policy environment in which we operate is evolving and is subject to change. The Gol may implement new laws or other regulations and policies that could affect the e-commerce, e-pharmacy and tech industries, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Gol and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. In addition, changes in accounting standards applicable to us may adversely impact our profitability or balance sheet. Any changes to such laws or accounting standards may adversely affect our business, financial condition, results of operations, cash flows and prospects.

For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Moreover, while we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our relevant counterparties will do so.

Further, the Government of India has announced the union budget for the Fiscal 2022, pursuant to which the Finance Bill, 2021 (“Finance Bill”) has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 (“Finance Act”). We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer of consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

The GoI has recently introduced (a) the Code on Wages, 2019 (“Wages Code”); (b) the Code on Social Security, 2020 (“Social Security Code”); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements (including online and digital platforms), such as ‘gig workers’ and ‘platform workers’ and provides for the mandatory registration of such workers in order to enable these workers to avail benefits of, among others, life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. The Social Security Code also provides that such schemes may, inter alia, be partly funded by contributions from online platforms. Further, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws have the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

We have not fully 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. Any increase in the compliance requirements as result of a change in law, regulation or policy, may require us to divert additional resources, including management time and costs towards such increased compliance requirements. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, prospects, financial condition and results of operations. 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.

There can be no guarantee that we will be able to comply with any increased or more stringent regulatory requirements, in part or at all. Failure to comply with such further regulatory requirements could lead to regulatory actions, including penalties, which may have an adverse effect on our future business, prospects, financial condition, cash flows and results of operations.

**57. *A downgrade in India’s sovereign credit rating by an international rating agency could adversely affect our business and results of operations.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India’s sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody’s and from BBB with a “stable” outlook to BBB with a “negative” outlook (Fitch) in June 2020; and from BBB “stable” to BBB “negative” by DBRS Morningstar in May 2020. India’s sovereign ratings from S&P is BBB- with a “stable” outlook in September 2020. In May 2021, DBRS changed India’s sovereign rating from BBB with a “negative” outlook to BBB (low) with a “stable” outlook. Further, in October 2021, Moody affirmed India’s sovereign rating of Baa3 with a “stable” outlook which has been upgraded from ‘negative’. Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India’s credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our

growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**58. Political changes, natural disasters and other macroeconomic factors could adversely affect economic conditions in India.**

Our Company is incorporated in India and the majority of our assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters (such as typhoons, flooding, earthquakes and fires) which may cause us to suspend our operations;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its consumption sector;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- downgrading of India's sovereign debt rating by rating agencies;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

**59. Financial instability in other countries may cause increased volatility in Indian financial markets.**

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Significant political, regulatory and economic uncertainty remains about how the precise terms of the relationship between the



parties will differ from the terms before withdrawal, and more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European economies and any consequential impact on global financial markets. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

These developments, or the perception that any related developments could occur, have had and may continue to have a material adverse effect on global economic conditions and financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**60. *If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation relative to developed countries in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our consumers, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the Govt has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**61. *Significant differences exist between Indian Accounting Standards ("Ind AS") and other accounting principles, such as Indian Generally Accepted Accounting Principles ("Indian GAAP"), International Financial Reporting Standards ("IFRS") and United States Generally Accepted Accounting Principles ("U.S. GAAP"), which may be material to investors' assessments of our financial condition, result of operations and cash flows.***

Our Restated Consolidated Financial Information for Fiscals 2020 and 2021 and three months ended June 30, 2021 included in this Draft Red Herring Prospectus are presented in accordance with Ind AS, and restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Information, which are restated as per the SEBI ICDR Regulations and included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**62. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act prohibits any anti-competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act, notified and brought into force with effect from June 1, 2011, 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, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect 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 of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

**63. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Accordingly, our ability to raise foreign capital may be constrained.**

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Further, under applicable foreign exchange regulations in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the permissible exceptions, then prior approval of the relevant regulatory authority is required. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness.

Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. We cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade (“DPIIT”), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Gol. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Gol. Furthermore, on April 22, 2020, the Ministry of Finance, Gol has also made similar amendment to the FEMA Rules. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term “beneficial owner”. The interpretation of “beneficial owner” and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the Gol may be obtained, if at all.

### **Risks Related to the Issue**

**64. We cannot assure payment of dividends on the Equity Shares in the future.**

Our Company has not declared dividends on the Equity Shares since incorporation. While our declaration of dividends is at the discretion of our Board and subject to Shareholder approval as set out in the section titled “Dividend Policy” on page 249, the amount of future dividend payments by our Company, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. Our Company may decide to retain all of its earnings to finance the development and expansion of its business and therefore, we may not declare dividends on the Equity Shares. Additionally, we may, in the future, be restricted by the terms of our loan agreements to make any dividend payments unless otherwise agreed with our lenders. Our Company has not declared dividends on its equity shares or preference shares during the current Fiscal and the last three Fiscals. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future.

**65. Our Equity Shares have never been publicly traded, and after the Issue, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the Issue Price may not be indicative of the market price of the Equity Shares after the Issue.**

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The Issue Price will be based on numerous factors, as described in the section “Basis for Issue Price” on page 140. This price may not necessarily be indicative of the market price of our Equity Shares after the Issue is completed. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all, and may as a result lose all or a part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Issue, but there can be no assurance that active trading in our Equity Shares will develop after the Issue, or if such trading develops, that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

**66. Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.**

We intend to use the Net Proceeds for the purposes described in “Objects of the Issue” on page 128. The objects of the Issue have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed, for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, our business plans and internal management estimates and is subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Our Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds. Further, pending utilisation of Net Proceeds towards the Objects of the Issue, our Company will have the flexibility to deploy the Net Proceeds and to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1939, as may be approved by our Board or IPO Committee. Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds.

Various risks and uncertainties, such as economic trends and business requirements, competitive landscape, as well as general factors affecting our results of operations, financial condition and access to capital and including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For example, our growth initiatives and expansion plans could be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or other resource constraints, or for other unforeseen reasons, events or circumstances. Further, we may not be able to attract personnel with sufficient skills or sufficiently train our personnel to manage our expansion plans. Accordingly, use of the Net Proceeds for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment.

**67. In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding.**

We propose to utilize the Net Proceeds towards *inter alia* inorganic growth initiatives such as increasing our holding in our Subsidiaries, or strategic investments, or acquisitions which are consistent with or complementary to our business objectives, as set forth in “Objects of the Issue” on page 128. While the proposed acquisitions include the acquisition of the remaining equity share capital of Aknamed, as on date of this Draft Red Herring Prospectus, our acquisition targets are not entirely identified. We propose to utilize the Net Proceeds towards acquisition of additional stake in Aknamed by the Financial Year 2024. Further, we intend to deploy the Net Proceeds towards any

other acquisitions over the next five Financial Years from listing of the Equity Shares pursuant to the Issue. We will from time to time continue to seek attractive inorganic opportunities that will fit well with our strategic business objectives and growth strategies, and the amount of Net Proceeds to be used for acquisitions will be based on our management's decision. The amounts deployed towards such initiatives may not be the total value or cost of such acquisitions or investments, resulting in a shortfall in raising requisite capital from the Net Proceeds towards such acquisitions or investments. Consequently, we may be required to explore a range of options to raise requisite capital, including utilising our internal accruals.

**68. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.**

We propose to utilise the Net Proceeds for (i) prepayment or repayment of all or a portion of certain outstanding borrowing available by certain of our subsidiaries; (ii) funding organic growth initiatives; (iii) pursuing inorganic growth through acquisitions and other strategic initiatives; and (iv) general corporate purposes. For details, see "Objects of the Issue" on page 128. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. The deployment of the Net Proceeds is based on management estimates, current circumstances of our business, prevailing market conditions and has not been appraised by any bank, financial institution or other independent party. These estimates may be inaccurate, and we may require additional funds to implement the purposes of the Issue. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business, financial condition, results of operations and cash flows. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Draft Red Herring Prospectus without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilised proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Red Herring Prospectus, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business and results of operations.

**69. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.**

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

Under the Finance Act, 2018, with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF. The Finance Act, 2018 provides that existing investors are eligible for relief on such capital gains accrued until January 31, 2018 and any long-term capital gains made after January 31, 2018 shall be subject to taxation.

The Finance Act, 2020 ("**Finance Act**"), passed by the Parliament of India stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 clarified that, in the absence of a specific

provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Under the Finance Act, any dividends paid by an Indian company will be subject to tax in the hands of the shareholders and such taxes will be withheld by the Indian company paying dividends. Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

The Government of India had announced the union budget for Fiscal 2022 and the Finance Bill, 2021 (“**Finance Bill**”) had been introduced in the Lok Sabha on February 1, 2021. Subsequently, the Finance Bill received assent of the President of India on March 28, 2021 and became the Finance Act, 2021 (“**Finance Act 2021**”). There is no certainty on the impact that the Finance Act 2021 may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act 2021 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Historically, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. Moreover, while we are and will continue to adhere to the GST rules and regulations, there can be no assurance that our relevant counterparties will do so.

**70. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant’s demat account with depository participant could take approximately five Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**71. *Qualified Institutional Buyers (“QIBs”) and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Issue within six Working Days from the Bid/Issue Closing Date, events affecting the Bidders’ decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our

Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

**72. *There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue .

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**73. *Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.***

The initial public offering price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Issue. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- *the failure of security analysts to cover the Equity Shares after this Issue, or changes in the estimates of our performance by analysts;*
- *the activities of competitors and business partners;*
- *future sales of the Equity Shares by our Company or our shareholders;*
- *investor perception of us and the industry in which we operate;*
- *our quarterly or annual earnings or those of our competitors;*
- *developments affecting fiscal or industrial regulations;*
- *results of operations that vary from the expectations of securities analysts and investors;*
- *fluctuations in stock market prices and volume;*
- *the public's reaction to our press releases and adverse media reports; and*
- *general economic and stock market conditions.*

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Issue Price. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

**74. *Investors may have difficulty in enforcing foreign judgments against our Company or our management.***

Our Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our Company's assets and the assets of our Directors and executive officers resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The United Kingdom, Singapore, United Arab Emirates, and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of such section, in any country or territory outside of India which the Gol has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the

relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud, and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction. 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. The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. 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. Any such suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy or Indian law. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

**75. *The requirements of being a listed company may subject us to additional compliance requirements and divert management's attention.***

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

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

Moreover, expectations from the public market investors and focus on quarterly results may divert attention of the management from the long term objectives. Disclosure requirements of a listed company may require us to disclose matters of strategic importance, attracting undesired attention from our competitors.

**76. *Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India is required to offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain

their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolutions by holders of three-fourths of the equity shares who have voted on such resolutions. However, if the laws of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

**77. Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute your shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to employees or former employees upon exercise of vested options held by them under the ESOP scheme, may dilute your shareholding. Any such future issuance of Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities or by incurring debt. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholders will not dispose of further Equity Shares after the completion of the Issue (subject to compliance with the lock-in provisions under applicable law) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Issue Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.



## SECTION III: INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Issue of Equity Shares <sup>(1)(2)</sup>	Up to [●] Equity Shares aggregating to ₹ 62,500.00 million
of which:	
A) QIB Portion <sup>(3)(4)</sup>	Not less than [●] Equity Shares
of which:	
Anchor Investor Portion	Up to [●] Equity Shares
Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
Available for allocation to Mutual Funds only (5% of the Net QIB Portion) <sup>(4)</sup>	[●] Equity Shares
Balance of the Net QIB Portion for all QIBs, including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion <sup>(4)</sup>	Not more than [●] Equity Shares
C) Retail Portion <sup>(4)</sup>	Not more than [●] Equity Shares
<b>Pre-Issue and post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	6,098,109,930 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
<b>Utilization of Net Proceeds</b>	See “Objects of the Issue” beginning on page 128 for details regarding the use of proceeds from the Issue.

- (1) The Issue has been authorized pursuant to a resolution passed by our Board of Directors and our Shareholders at their meetings held on October 13, 2021.
- (2) A Pre-IPO Placement may be undertaken by our Company in consultation with the BRLMs for an aggregate amount not exceeding ₹ 12,500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs, and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company.
- (3) Subject to valid bids being received at or above the Issue Price, 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 combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange, subject to applicable laws. For details, see “Issue Procedure” beginning on page 748.
- (4) Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Issue Procedure” beginning on page 748, respectively.

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price and minimum Allotment being equal to the minimum Application size. The allocation to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportional basis. For further details, see “Issue Procedure” beginning on page 748.

For details of the terms of the Issue, see “Terms of the Issue” beginning on page 740.

## **SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION**

*The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the three months ended June 30, 2021, Financial Year ended March 31, 2021 and the Financial Year ended March 31, 2020.*

*The summary financial information presented below should be read in conjunction with “Restated Consolidated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 250 and 687, respectively.*

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**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Restated Consolidated Statement of Assets and Liabilities**  
(All amounts in Rupees million, unless otherwise stated)

<b>Particulars</b>	<b>As at June 30, 2021</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	678.16	613.68	207.94
Capital work-in-progress	19.59	2.50	-
Right-of-use asset	965.54	948.48	399.72
Goodwill	31,986.36	31,921.56	6.75
Other intangible assets	637.50	668.55	21.56
Intangible assets under development	-	-	3.50
Financial assets			
Investments	45.68	1.08	10.33
Other financial assets	117.81	114.02	59.00
Deferred tax assets (net)	51.61	16.75	183.33
Current tax assets (net) - Non Current	231.30	186.14	66.17
Other non-current assets	1,341.29	1,399.54	9.54
	<b>36,074.84</b>	<b>35,872.30</b>	<b>967.84</b>
<b>Current assets</b>			
Inventories	5,238.76	4,056.16	1,159.49
Financial assets			
Investments	8.17	8.06	7.38
Trade receivables	4,186.07	3,582.86	472.55
Cash and cash equivalents	3,157.19	2,295.45	241.65
Other bank balances	6,475.32	936.36	343.64
Loans	9.00	9.00	1,507.20
Other financial assets	131.40	163.65	48.42
Current tax assets (net)	-	2.35	-
Other current assets	3,154.86	2,127.25	976.58
	<b>22,360.77</b>	<b>13,181.14</b>	<b>4,756.91</b>
<b>Total assets</b>	<b>58,435.61</b>	<b>49,053.44</b>	<b>5,724.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	295.35	256.20	0.10
<b>Other equity</b>			
Share Application Money	1,876.24	-	-
Instruments entirely in the nature of equity	764.89	115.46	-
Equity component of compound financial instruments	828.90	828.90	78.90
Money received against share warrants	-	-	16.25
Reserves and surplus	41,414.87	33,193.24	2,367.17
<b>Equity attributable to owners of parent</b>	<b>45,180.25</b>	<b>34,393.80</b>	<b>2,462.42</b>
Non-controlling interests	1,223.73	1,417.95	-
<b>Total equity</b>	<b>46,403.98</b>	<b>35,811.75</b>	<b>2,462.42</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Restated Consolidated Statement of Assets and Liabilities**  
(All amounts in Rupees million, unless otherwise stated)

<b>Particulars</b>	<b>As at June 30, 2021</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	2,230.35	2,321.53	1,526.59
Lease liabilities	830.07	795.68	331.56
Other financial liabilities	0.01	7.80	108.09
Provisions	83.42	146.80	20.25
Deferred tax liabilities (net)	148.12	207.69	0.06
Contract liabilities	2.74	0.08	0.39
	<b>3,294.71</b>	<b>3,479.58</b>	<b>1,986.94</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	2,321.41	3,532.35	308.86
Lease liabilities	183.34	191.36	75.19
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	63.08	115.77	28.79
-total outstanding dues of creditors other than micro enterprises and small enterprises	3,053.07	3,539.76	680.92
Other financial liabilities	1,760.76	1,351.05	46.74
Provisions	184.23	245.39	38.94
Current tax liabilities (net)	4.47	2.89	-
Other current liabilities	1,089.92	707.10	91.25
Contract liabilities	76.64	76.44	4.70
	<b>8,736.92</b>	<b>9,762.11</b>	<b>1,275.39</b>
<b>Total liabilities</b>	<b>12,031.63</b>	<b>13,241.69</b>	<b>3,262.33</b>
<b>Total equity and liabilities</b>	<b>58,435.61</b>	<b>49,053.44</b>	<b>5,724.75</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Restated Consolidated Statement of Profit and Loss**

(All amounts in Rupees million, unless otherwise stated)

<b>Particulars</b>	<b>For the period ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>	<b>For the period ended March 31, 2020</b>
<b>Income</b>			
Revenue from operations	11,968.08	23,352.69	6,675.42
Other income	104.52	253.93	699.06
<b>Total income</b>	<b>12,072.60</b>	<b>23,606.62</b>	<b>7,374.48</b>
<b>Expenses</b>			
Purchase of stock-in-trade	12,346.05	22,668.17	6,991.24
Changes in inventories of stock-in-trade	(1,266.49)	(1,143.95)	(582.38)
Employee benefits expense	1,658.39	2,702.94	1,371.90
Finance costs	205.80	434.31	118.86
Depreciation and amortisation expense	170.43	329.01	187.71
Other expenses	2,155.99	4,818.80	2,756.71
<b>Total expenses</b>	<b>15,270.17</b>	<b>29,809.28</b>	<b>10,844.04</b>
<b>Restated loss before tax</b>	<b>(3,197.57)</b>	<b>(6,202.66)</b>	<b>(3,469.56)</b>
<b>Tax expense</b>			
Current tax	35.77	46.68	(0.10)
Deferred tax charge / (credit)	(94.43)	164.02	(116.67)
<b>Total tax expenses / (credit)</b>	<b>(58.66)</b>	<b>210.70</b>	<b>(116.77)</b>
<b>Restated loss after tax for the year / periods</b>	<b>(3,138.91)</b>	<b>(6,413.36)</b>	<b>(3,352.79)</b>
<b>Restated other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gains / (losses) on defined benefit plans	79.29	(34.50)	2.72
Income-tax relating to above items	-	(0.41)	(0.65)
<b>Restated other comprehensive income/ (loss)</b>	<b>79.29</b>	<b>(34.91)</b>	<b>2.07</b>
<b>Restated total comprehensive income / (loss) for the year / periods</b>	<b>(3,059.62)</b>	<b>(6,448.27)</b>	<b>(3,350.72)</b>
<b>Restated loss for the year / periods attributable to:</b>			
- Owners of the parent	(3,317.78)	(6,361.89)	(3,352.23)
- Non controlling interest	178.87	(51.47)	(0.56)
	<b>(3,138.91)</b>	<b>(6,413.36)</b>	<b>(3,352.79)</b>
<b>Restated other comprehensive income / (loss) for the year / periods attributable to:</b>			
- Owners of the parent	78.87	(34.27)	2.09
- Non controlling interest	0.42	(0.64)	(0.02)
	<b>79.29</b>	<b>(34.91)</b>	<b>2.07</b>
<b>Restated total comprehensive income / (loss) for the year / periods attributable to:</b>			
- Owners of the parent	(3,238.91)	(6,396.16)	(3,350.13)
- Non controlling interest	179.29	(52.12)	(0.59)
	<b>(3,059.62)</b>	<b>(6,448.28)</b>	<b>(3,350.72)</b>
<b>Restated loss per share (face value of Rs. 10 each) attributable to owners of the parent</b>			
Basic	<b>(77.20)</b>	<b>(206.77)</b>	<b>(129.15)</b>
Diluted	<b>(77.20)</b>	<b>(206.77)</b>	<b>(129.15)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Restated Consolidated Statement of cash flows**

(All amounts in Rupees million, unless otherwise stated)

<b>Particulars</b>	<b>For the period ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>	<b>For the period ended March 31, 2020</b>
<b>A. Cash flow from operating activities</b>			
Restated Loss before tax	(3,197.57)	(6,202.66)	(3,469.56)
<b>Adjustments for :</b>			
Depreciation and Amortisation Expenses	170.43	329.01	187.71
Finance Costs	205.80	434.31	118.86
Net Loss on sale of property, plant and equipment	0.01	1.32	6.61
Bad debts written off	1.91	16.26	21.80
(Gain)/loss on fair valuation of financial instruments measured at fair value through profit and loss (net)	(0.12)	596.49	(546.94)
Loss on financial instruments	-	64.45	-
Gain on termination of leases	(6.20)	(19.43)	(0.43)
Liabilities no longer required written back	(0.31)	(26.69)	-
Share based payment expense	97.73	568.08	239.20
Unwinding of interest on security deposits	(5.60)	(14.66)	(5.32)
Provision for doubtful advances and statutory dues	3.00	93.22	-
Expected credit loss provision on financial assets	54.84	54.22	23.96
Interest income	(79.00)	(162.41)	(114.84)
<b>Operating loss before working capital changes</b>	<b>(2,755.08)</b>	<b>(4,268.49)</b>	<b>(3,538.95)</b>
<b>Changes in working capital:</b>			
(Increase)/decrease in other current and non-current financial assets	(63.70)	171.89	(18.24)
(Increase)/decrease in other current and non-current assets	(848.42)	(703.21)	(593.89)
(Increase)/decrease in trade receivables	(666.42)	(990.68)	(259.60)
(Increase)/decrease in inventories	(1,182.60)	(1,124.38)	(541.22)
Increase/(decrease) in other current and non-current financial liabilities	268.56	(269.67)	0.32
Increase/(decrease) in other current and non-current liabilities	382.94	(1,793.79)	55.90
Increase/(decrease) in trade payables	(539.38)	741.45	377.86
Increase/(decrease) in provisions	(45.25)	145.13	27.93
Increase/(decrease) in contract liabilities	2.86	71.74	1.88
<b>Cash generated from operations</b>	<b>(5,446.49)</b>	<b>(8,020.01)</b>	<b>(4,488.01)</b>
Income taxes paid (net)	(76.77)	(116.81)	(32.16)
<b>Net cash flow used in operating activities (A)</b>	<b>(5,523.26)</b>	<b>(8,136.82)</b>	<b>(4,520.17)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(173.02)	(308.83)	(137.25)
Proceeds from sale of property, plant and equipment and intangible assets	19.06	11.74	2.33
Investment made in equity instruments	(44.60)	(1.08)	(36.11)
Investment in mutual funds	0.01	(0.39)	-
Loans and advances given to related parties	-	-	(1,529.58)
Repayment of loans by related parties	-	-	6.47
Amounts (invested in)/liquidation of fixed deposits (net)	(2,997.70)	(308.06)	(307.80)
Interest received	65.38	156.82	114.84
Cash (paid)/acquired on business acquisitions	(13.00)	494.74	(8.30)
<b>Net cash flow generated from/(used in) investing activities (B)</b>	<b>(3,143.87)</b>	<b>44.94</b>	<b>(1,895.40)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Restated Consolidated Statement of cash flows**

(All amounts in Rupees million, unless otherwise stated)

<b>Particulars</b>	<b>For the period ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>	<b>For the period ended March 31, 2020</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity instruments	11,743.10	7,077.17	4,487.26
Payment of share issue costs	(28.55)	(21.91)	(13.80)
Repayment of long term credit facility	-	(151.25)	-
Payment for extinguishment of financial instruments	-	(64.45)	-
Proceed from issue of instruments entirely in the nature of equity	629.89	3,992.51	-
Employee share options bought-back during the year/period	(615.20)	(222.37)	-
Share application money received	1,876.24	-	0.10
Proceeds / (repayments) from short term borrowings (net)	15.16	1,584.05	12.99
Repayment of long term borrowings	(1,317.28)	(1,772.41)	(177.00)
Proceeds from long term borrowings	-	339.01	2,171.73
Finance costs paid	(205.20)	(410.90)	(103.22)
Transactions with non controlling interest	-	(5.00)	(5.00)
Principal element of lease payments	(52.30)	(154.21)	(56.80)
<b>Net cash flow from financing activities (C)</b>	<b>12,045.86</b>	<b>10,190.24</b>	<b>6,316.26</b>
<b>Net cash flows during the year/period (A+B+C)</b>	<b>3,378.73</b>	<b>2,098.36</b>	<b>(99.31)</b>
Cash and cash equivalents (opening balance)	2,300.83	202.47	301.78
Cash and cash equivalents (closing balance)	<b>5,679.56</b>	<b>2,300.83</b>	<b>202.47</b>
<b>Cash and cash equivalents at the end of the year</b>			
Comprises :			
Cash on hand	28.51	18.05	2.19
Cheque in hand	8.90	83.04	7.01
Balance with banks			
In current accounts	3,119.78	694.36	80.54
In deposit accounts	-	1,500.00	151.91
Add: Earmarked funds with banks	2,543.35	8.30	-
Less: Temporary book overdraft	(20.98)	(2.92)	(39.18)
	<b>5,679.56</b>	<b>2,300.83</b>	<b>202.47</b>

## SUMMARY OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of pro forma consolidated financial information of our Company to reflect the direct acquisitions of Ascent Health and Wellness Solutions Private Limited, Medlife International Private Limited, Thyrocare Technologies Limited and Akna Medical Private Limited and indirect acquisition of Vardhman Health Specialities Private Limited and Shreeji Distributors Pharma Private Limited through Akna Medical Private Limited and pharmaceutical business of Novogene Life Sciences Private Limited through Vardhman Health Specialities Private Limited. The pro-forma consolidated balance sheet as at March 31, 2021 and June 30, 2021 has been prepared, as if the acquisitions have taken place on March 31, 2021 and June 30, 2021 respectively, the pro forma consolidated statement of profit and loss for the three months ended June 30, 2021 has been prepared as if the acquisitions have taken place on April 1, 2021 and the pro forma consolidated statement of profit and loss for the year ended March 31, 2021 has been prepared as if the acquisitions have taken place on April 1, 2020. For further details, see “Financial Information” on page 250, “History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years” on page 217; and “Risk Factors - The Pro Forma Consolidated Financial Information included in this Draft Red Herring Prospectus to reflect the acquisition of various businesses is not indicative of our future financial condition or results of operations and may also not be indicative of our actual results of operations” on page 52.

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**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Balance-sheet as at 30 June 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated)	Acquisitions		Adjustments			API Group Pro Forma Consolidated
		Thyrocare	Akna	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7=Sum (1 to 6)
<b>ASSETS</b>							
<b>Non-current assets:</b>							
Property, plant and equipment	678.16	1,309.70	77.50	764.90	-	-	2,830.26
Capital work-in-progress	19.59	74.40	-	-	-	-	93.99
Right of use assets	965.54	377.10	39.78	46.70	-	-	1,429.12
Goodwill	31,986.36	1,002.80	728.25	49,880.58	-	-	83,597.99
Other intangible assets	637.50	9.20	926.62	5,439.27	-	-	7,012.59
Intangible Assets under development	-	-	12.63	-	-	-	12.63
Equity accounted investees	-	208.10	-	(5.37)	149.07	-	351.80
Financial assets							
Investments	45.68	-	149.07	-	(149.07)	-	45.68
Other financial assets	117.81	67.90	131.54	-	-	-	317.25
Deferred tax assets (net)	51.61	53.60	30.29	(0.20)	-	-	135.30
Current tax assets (net)- Non Current	231.30	137.30	5.80	-	-	-	374.40
Other non-current assets	1,341.29	32.90	0.81	-	-	-	1,375.00
<b>Total non-current assets</b>	<b>36,074.84</b>	<b>3,273.00</b>	<b>2,102.29</b>	<b>56,125.88</b>	<b>-</b>	<b>-</b>	<b>97,576.01</b>
<b>Current assets:</b>							
Inventories	5,238.76	269.20	1,206.95	123.69	-	-	6,838.60
Financial assets:							
Investments	8.17	509.00	-	-	-	-	517.17
Trade receivables	4,186.07	550.50	1,938.23	-	-	(2.62)	6,672.18
Cash and cash equivalents	3,157.19	448.80	10.21	(1,746.98)	-	-	1,869.22
Other bank balances	6,475.32	25.30	200.41	-	-	-	6,701.03
Loans	9.00	0.20	0.50	-	-	-	9.70
Other financial assets	131.40	1.20	353.49	128.50	(263.80)	-	350.79
Other current assets	3,154.86	46.60	207.53	-	263.80	-	3,672.79
Assets held for sale	-	283.60	-	117.40	-	-	401.00
<b>Total current assets</b>	<b>22,360.77</b>	<b>2,134.40</b>	<b>3,917.32</b>	<b>(1,377.39)</b>	<b>-</b>	<b>(2.62)</b>	<b>27,032.48</b>
<b>Total assets</b>	<b>58,435.61</b>	<b>5,407.40</b>	<b>6,019.61</b>	<b>54,748.49</b>	<b>-</b>	<b>(2.62)</b>	<b>1,24,608.49</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Pro Forma Consolidated Balance-sheet as at 30 June 2021  
(All amounts in Rupees Millions, unless otherwise stated)

	API Group (Restated Consolidated)	Acquisitions		Adjustments			API Group Pro Forma Consolidated
		Thyrocare	Akna	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7=Sum (1 to 6)
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Share capital	295.35	528.70	13.16	(498.84)	-	-	338.37
<b>Other equity</b>							
Share Application Money	1,876.24	-	-	-	-	-	1,876.24
Instruments entirely in the nature of equity	764.89	-	21.30	(2.76)	-	-	783.43
Equity component of compound financial instruments	828.90	-	-	-	-	-	828.90
Reserves and surplus	41,414.87	3,508.70	1,020.68	27,544.23	-	-	73,488.48
<b>Equity attributable to owners of parent</b>	<b>45,180.25</b>	<b>4,037.40</b>	<b>1,055.14</b>	<b>27,042.63</b>	-	-	<b>77,315.42</b>
Non-controlling interests	1,223.73	-	-	2,404.77	-	-	3,628.50
<b>Total equity</b>	<b>46,403.98</b>	<b>4,037.40</b>	<b>1,055.14</b>	<b>29,447.40</b>	-	-	<b>80,943.92</b>
<b>Liabilities</b>							
<b>Non-current liabilities:</b>							
Financial liabilities							
Borrowings	2,230.35	-	897.55	-	-	-	3,127.90
Lease liabilities	830.07	216.40	24.32	-	-	-	1,070.79
Other financial liabilities	0.01	-	427.27	1,387.70	-	-	1,814.98
Provisions	83.42	114.30	10.19	-	-	-	207.91
Deferred tax liabilities (net)	148.12	40.50	223.22	1,630.64	-	-	2,042.48
Contract liabilities	2.74	-	-	-	-	-	2.74
<b>Total non-current liabilities</b>	<b>3,294.71</b>	<b>371.20</b>	<b>1,582.55</b>	<b>3,018.34</b>	-	-	<b>8,266.80</b>
<b>Current liabilities:</b>							
Financial Liabilities							
Borrowings	2,321.41	-	1,984.80	19,000.65	-	-	23,306.86
Lease liabilities	183.34	23.40	13.88	-	-	-	220.62
Trade payables							
- total outstanding dues of micro enterprises and small enterprises	63.08	15.60	2.72	-	-	-	81.40
- total outstanding dues of creditors than micro enterprises and small enterprises	3,053.07	179.00	873.79	-	-	(2.62)	4,103.24
Other financial liabilities	1,760.76	217.60	415.64	3,148.40	-	-	5,542.40
Other current liabilities	1,089.92	401.30	64.16	133.70	(93.50)	-	1,595.58
Provisions	184.23	21.90	0.21	-	-	-	206.34
Current tax liabilities (net)	4.47	140.00	26.72	-	-	-	171.19
Contract liabilities	76.64	-	-	-	93.50	-	170.14
<b>Total current liabilities</b>	<b>8,736.92</b>	<b>998.80</b>	<b>3,381.92</b>	<b>22,282.75</b>	-	<b>(2.62)</b>	<b>35,397.77</b>
<b>Total liabilities</b>	<b>12,031.63</b>	<b>1,370.00</b>	<b>4,964.47</b>	<b>25,301.09</b>	-	<b>(2.62)</b>	<b>43,664.57</b>
<b>Total equity and liabilities</b>	<b>58,435.61</b>	<b>5,407.40</b>	<b>6,019.61</b>	<b>54,748.49</b>	-	<b>(2.62)</b>	<b>1,24,608.49</b>

API Holdings Limited (formerly known as API Holdings Private Limited)

Pro Forma Consolidated Balance-sheet as at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

	API Group (Restated Consolidated)	Acquisitions				Adjustments			API Group Pro Forma Consolidated
		Thyrocare	Akna	Vardhman	Novogene Carved out	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7	8	9=Sum (1 to 8)
<b>ASSETS</b>									
<b>Non-current assets:</b>									
Property, plant and equipment	613.68	1,293.13	35.69	36.72	3.22	764.90	-	-	2,747.34
Capital work-in-progress	2.50	82.80	-	-	-	-	-	-	85.30
Right of use assets	948.48	224.90	13.66	-	-	46.70	-	-	1,233.74
Goodwill	31,921.56	1,002.79	180.38	-	-	50,260.09	-	-	83,364.82
Other intangible assets	668.55	9.69	60.81	0.36	-	6,319.09	-	-	7,058.50
Intangible Assets under development	-	-	16.26	-	-	-	-	-	16.26
Equity accounted investees	-	210.97	-	-	-	(5.37)	145.31	-	350.91
Financial assets									
Investments	1.08	-	145.31	-	-	-	(145.31)	-	1.08
Loans	-	28.88	-	-	-	-	(28.88)	-	-
Other financial assets	114.02	30.76	115.03	-	-	-	28.88	-	288.69
Deferred tax assets (net)	16.75	56.31	4.88	25.62	-	(0.30)	-	-	103.26
Current tax assets (net)- Non Current	186.14	104.00	2.69	1.58	-	-	-	-	294.41
Other non-current assets	1,399.54	32.29	0.24	0.57	-	-	-	-	1,432.64
<b>Total non-current assets</b>	<b>35,872.30</b>	<b>3,076.52</b>	<b>574.95</b>	<b>64.85</b>	<b>3.22</b>	<b>57,385.11</b>	<b>-</b>	<b>-</b>	<b>96,976.95</b>
<b>Current assets:</b>									
Inventories	4,056.16	233.61	448.40	654.75	56.92	122.79	-	-	5,572.63
Financial assets:									
Investments	8.06	1,044.95	-	-	-	-	-	-	1,053.01
Trade receivables	3,582.86	446.75	630.43	802.23	142.38	-	-	(12.92)	5,591.73
Cash and cash equivalents	2,295.45	132.03	14.08	3.18	-	(1,756.88)	-	-	687.86
Other bank balances	936.36	25.33	258.00	2.06	-	-	-	-	1,221.75
Loans	9.00	5.95	0.36	17.40	-	-	(5.82)	(15.57)	11.32
Other financial assets	163.65	60.67	100.09	233.38	-	128.50	(246.16)	-	440.13
Current tax assets (net)	2.35	-	-	-	-	-	-	-	2.35
Other current assets	2,127.25	28.38	99.85	108.62	11.43	-	251.98	-	2,627.51
Assets held for sale	-	403.64	-	-	-	117.40	-	-	521.04
<b>Total current assets</b>	<b>13,181.14</b>	<b>2,381.31</b>	<b>1,551.21</b>	<b>1,821.62</b>	<b>210.73</b>	<b>(1,388.19)</b>	<b>-</b>	<b>(28.49)</b>	<b>17,729.33</b>
<b>Total assets</b>	<b>49,053.44</b>	<b>5,457.83</b>	<b>2,126.16</b>	<b>1,886.47</b>	<b>213.95</b>	<b>55,996.92</b>	<b>-</b>	<b>(28.49)</b>	<b>1,14,706.28</b>

API Holdings Limited (formerly known as API Holdings Private Limited)

Pro Forma Consolidated Balance-sheet as at 31 March 2021

(All amounts in Rupees Millions, unless otherwise stated)

	API Group (Restated Consolidated)	Acquisitions				Adjustments			API Group Pro Forma Consolidated
		Thyrocare	Akna	Vardhman	Novogene Carved out	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7	8	9=Sum (1 to 8)
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Equity share capital	256.20	528.71	13.16	55.50	-	(554.35)	-	-	299.22
<b>Other equity</b>									
Instruments entirely in the nature of equity	115.46	-	10.46	-	-	8.08	-	-	134.00
Equity component of compound financial instruments	828.90	-	-	-	-	-	-	-	828.90
Reserves and surplus	33,193.24	3,744.06	745.81	342.86	117.09	27,122.79	-	-	65,265.85
<b>Equity attributable to owners</b>	<b>34,393.80</b>	<b>4,272.77</b>	<b>769.43</b>	<b>398.36</b>	<b>117.09</b>	<b>26,576.52</b>	-	-	<b>66,527.97</b>
Non-controlling interests	1,417.95	-	-	-	-	2,472.52	-	-	3,890.47
<b>Total equity</b>	<b>35,811.75</b>	<b>4,272.77</b>	<b>769.43</b>	<b>398.36</b>	<b>117.09</b>	<b>29,049.04</b>	-	-	<b>70,418.44</b>
<b>Liabilities</b>									
<b>Non-current liabilities:</b>									
Financial liabilities									
Borrowings	2,321.53	-	259.79	40.17	-	632.72	-	-	3,254.21
Lease liabilities	795.68	54.48	8.30	-	-	-	-	-	858.46
Other financial liabilities	7.80	-	-	-	-	4,822.00	-	-	4,829.80
Provisions	146.80	135.77	3.66	5.56	-	-	-	-	291.79
Deferred tax liabilities (net)	207.69	43.93	30.04	-	-	1,828.80	-	-	2,110.46
Contract liabilities	0.08	-	-	-	-	-	-	-	0.08
<b>Total non-current liabilities</b>	<b>3,479.58</b>	<b>234.18</b>	<b>301.79</b>	<b>45.73</b>	-	<b>7,283.52</b>	-	-	<b>11,344.80</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Pro Forma Consolidated Balance-sheet as at 31 March 2021**

(All amounts in Rupees Millions, unless otherwise stated)

	API Group (Restated Consolidated)	Acquisitions				Adjustments			API Group Pro Forma Consolidated
		Thyrocare	Akna	Vardhman	Novogene Carved out	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7	8	9=Sum (1 to 8)
<b>Current liabilities:</b>									
Financial Liabilities									
Borrowings	3,532.35	-	686.71	812.51	-	19,148.58	-	-	24,180.15
Lease liabilities	191.36	30.38	5.48	-	-	-	-	-	227.22
Trade payables									
- total outstanding dues of micro enterprises and small enterprises	115.77	5.26	1.81	-	-	-	-	-	122.84
- total outstanding dues of creditors than micro enterprises and small enterprises	3,539.76	244.78	229.11	582.71	93.13	-	-	(28.49)	4,661.00
Other financial liabilities	1,351.05	234.28	107.87	9.62	-	382.08	-	-	2,084.90
Other current liabilities	707.10	376.57	22.94	26.71	3.73	133.70	(85.96)	-	1,184.79
Provisions	245.39	33.91	0.14	0.10	-	-	-	-	279.54
Current tax liabilities (net)	2.89	25.70	0.89	10.73	-	-	-	-	40.21
Contract liabilities	76.44	-	-	-	-	-	85.96	-	162.40
<b>Total current liabilities</b>	<b>9,762.11</b>	<b>950.88</b>	<b>1,054.95</b>	<b>1,442.38</b>	<b>96.86</b>	<b>19,664.36</b>	<b>-</b>	<b>(28.49)</b>	<b>32,943.05</b>
<b>Total liabilities</b>	<b>13,241.69</b>	<b>1,185.06</b>	<b>1,356.74</b>	<b>1,488.11</b>	<b>96.86</b>	<b>26,947.88</b>	<b>-</b>	<b>(28.49)</b>	<b>44,287.85</b>
<b>Total equity and liabilities</b>	<b>49,053.44</b>	<b>5,457.83</b>	<b>2,126.16</b>	<b>1,886.47</b>	<b>213.95</b>	<b>55,996.92</b>	<b>-</b>	<b>(28.49)</b>	<b>1,14,706.28</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	Acquisitions				Adjustments			API Group Pro Forma Consolidated
	API Group (Restated Consolidated) for 3 months ended 30 June 2021	Thyrocare Consolidated for 3 months ended 30 June 2021	Akna Consolidated for 3 months ended 30 June 2021	Vardhman for the period from 1 April 2021 to 12 May 2021	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7	8=SUM(1 to 7)
<b>INCOME</b>								
Revenue from operations	11,968.08	1,646.50	1,587.74	557.13	-	-	(70.14)	15,689.31
Other income	104.52	104.90	4.65	1.88	-	-	-	215.95
<b>Total income</b>	<b>12,072.60</b>	<b>1,751.40</b>	<b>1,592.39</b>	<b>559.01</b>	<b>-</b>	<b>-</b>	<b>(70.14)</b>	<b>15,905.26</b>
<b>EXPENSES</b>								
Cost of material consumed	-	523.90	-	-	(0.90)	-	-	523.00
Purchases of stock-in-trade	12,346.05	18.70	1,487.13	447.72	-	0.24	(70.14)	14,229.70
Changes in inventories of stock-in-trade	(1,266.49)	(0.40)	(81.51)	28.87	120.69	(0.24)	-	(1,199.08)
Employee benefits expense	1,658.39	139.10	48.36	10.49	6.62	-	-	1,862.96
Finance costs	205.80	6.20	58.39	6.30	1,033.23	-	-	1,309.92
Depreciation and amortisation expense	170.43	72.90	36.03	2.40	165.81	-	-	447.57
Other expenses	2,155.99	252.90	84.98	25.58	354.54	-	-	2,873.99
<b>Total Expenses</b>	<b>15,270.17</b>	<b>1,013.30</b>	<b>1,633.38</b>	<b>521.36</b>	<b>1,679.99</b>	<b>-</b>	<b>(70.14)</b>	<b>20,048.06</b>
<b>Profit/(Loss) before share of profit/(loss) of associates, exceptional items and tax</b>	<b>(3,197.57)</b>	<b>738.10</b>	<b>(40.99)</b>	<b>37.65</b>	<b>(1,679.99)</b>	<b>-</b>	<b>-</b>	<b>(4,142.80)</b>
Share of profit/(loss) of associates	-	(2.90)	3.76	-	-	-	-	0.86
<b>Profit/(Loss) before exceptional items and tax</b>	<b>(3,197.57)</b>	<b>735.20</b>	<b>(37.23)</b>	<b>37.65</b>	<b>(1,679.99)</b>	<b>-</b>	<b>-</b>	<b>(4,141.94)</b>
Exceptional items	-	-	49.48	-	-	-	-	49.48
<b>Profit/(Loss) before tax</b>	<b>(3,197.57)</b>	<b>735.20</b>	<b>(86.71)</b>	<b>37.65</b>	<b>(1,679.99)</b>	<b>-</b>	<b>-</b>	<b>(4,191.42)</b>
Tax expense/(credit)								
(a) Current tax	35.77	180.60	8.25	8.94	(0.73)	-	-	232.83
(b) Deferred tax	(94.43)	(1.20)	(5.33)	0.63	(71.18)	-	-	(171.51)
<b>Total tax (credit)/expense</b>	<b>(58.66)</b>	<b>179.40</b>	<b>2.92</b>	<b>9.57</b>	<b>(71.91)</b>	<b>-</b>	<b>-</b>	<b>61.32</b>
<b>Profit/(Loss) for the period</b>	<b>(3,138.91)</b>	<b>555.80</b>	<b>(89.63)</b>	<b>28.08</b>	<b>(1,608.08)</b>	<b>-</b>	<b>-</b>	<b>(4,252.74)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated) for 3 months ended 30 June 2021	Acquisitions			Adjustments			API Group Pro Forma Consolidated
		Thyrocare Consolidated for 3 months ended 30 June 2021	Akna Consolidated for 3 months ended 30 June 2021	Vardhman for the period from 1 April 2021 to 12 May 2021	Proforma Adjustments	Reclassifications	Inter-Company Eliminations	
	1	2	3	4	5	6	7	8=SUM(1 to 7)
<b>Other comprehensive income/(loss) for the period</b>								
<b>Items that will not be reclassified to profit or loss</b>								
Remeasurment gains / (losses) on defined benefit plans	79.29	(2.10)	0.40	-	-	-	-	77.59
Income tax relating to above items	-	0.50	(0.06)	-	-	-	-	0.44
<b>Total other comprehensive income/(loss)</b>	<b>79.29</b>	<b>(1.60)</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78.03</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(3,059.62)</b>	<b>554.20</b>	<b>(89.29)</b>	<b>28.08</b>	<b>(1,608.08)</b>	<b>-</b>	<b>-</b>	<b>(4,174.71)</b>
<b>Profit/(Loss) attributable to</b>								
(a) Owners of API	(3,317.78)	555.80	(89.63)	28.08	(1,723.05)	-	-	(4,546.58)
(b) Non-controlling Interests	178.87	-	-	-	114.97	-	-	293.84
<b>Other comprehensive income/(loss) attributable to</b>								
(a) Owners of API	78.87	(1.60)	0.34	-	0.46	-	-	78.07
(b) Non-controlling Interests	0.42	-	-	-	(0.46)	-	-	(0.04)
<b>Total comprehensive income/(loss) attributable to</b>								
(a) Owners of API	(3,238.91)	554.20	(89.29)	28.08	(1,722.59)	-	-	(4,468.51)
(b) Non-controlling Interests	179.29	-	-	-	114.51	-	-	293.80
Basic loss per share	(77.20)							(92.18)
Diluted loss per share	(77.20)							(92.18)

API Holdings Limited (formerly known as API Holdings Private Limited)  
**Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	As required by ICDR										Additional information				API Group Pro Forma Consolidated
	API Group (Restated Consolidated)	Acquisitions				Adjustments			API Consolidated (As per ICDR)	Acquisitions		Adjustments			
		Thyrocare Consolidated for the year ended 31 March 2021	Akna Consolidated for the year ended 31 March 2021	Vardhman for the year ended 31 March 2021	Novogene Carved out for the year ended 31 March 2021	Shreeji from 1 April 2020 to 31 December 2020	Proforma Adjustments	Reclassifications		Inter-Company Eliminations	Ascent Consolidated for the period from 1 April 2020 to 26 August 2020	Medlife Consolidated for the period from 1 April 2020 to 21 January 2021	Proforma Adjustments	Inter-Company Eliminations	
1	2	3	4	5	6	7	8	9	10=SUM(1 to 9)	11	12	13	14	15=SUM (10 to 14)	
<b>INCOME</b>															
Revenue from operations	23,352.69	4,946.22	1,485.38	3,105.93	493.53	421.86	-	-	(219.99)	33,585.62	7,135.66	3,106.98	-	(636.11)	43,192.15
Other income	253.93	124.34	22.54	4.38	0.56	11.34	-	-	(10.66)	406.43	726.20	78.09	(685.67)	(85.54)	439.51
<b>Total income</b>	<b>23,606.62</b>	<b>5,070.56</b>	<b>1,507.92</b>	<b>3,110.31</b>	<b>494.09</b>	<b>433.20</b>	<b>-</b>	<b>-</b>	<b>(230.65)</b>	<b>33,992.05</b>	<b>7,861.86</b>	<b>3,185.07</b>	<b>(685.67)</b>	<b>(721.65)</b>	<b>43,631.66</b>
<b>EXPENSES</b>															
Cost of material consumed	-	1,625.27	-	-	-	-	(1.30)	-	-	1,623.97	-	-	-	-	1,623.97
Purchases of stock-in-trade	22,668.17	10.93	1,619.18	2,941.95	464.99	409.57	-	7.15	(219.73)	27,902.21	6,651.91	2,708.13	-	(618.27)	36,643.98
Changes in inventories of stock-in-trade	(1,143.95)	2.78	(285.09)	(192.83)	(18.23)	(30.53)	120.69	(7.15)	-	(1,554.31)	1.67	40.62	-	-	(1,512.02)
Employee benefits expense	2,702.94	580.74	74.39	73.93	8.01	12.57	16.71	-	-	3,469.29	312.08	2,981.17	(1,483.81)	-	5,278.73
Finance costs	434.31	8.66	56.68	60.00	-	9.74	3,349.65	-	(3.57)	3,915.47	196.58	443.96	-	(85.50)	4,470.51
Impairment of Goodwill	-	-	-	-	-	-	-	-	-	-	-	1,030.56	-	-	1,030.56
Impairment of Software acquired through business acquisition	-	-	-	-	-	-	-	-	-	-	-	52.86	-	-	52.86
Depreciation and amortisation expense	329.01	302.78	22.78	13.32	0.50	1.47	757.95	-	-	1,427.81	86.07	236.81	135.60	-	1,886.29
Other expenses	4,818.80	1,013.91	141.83	155.58	18.20	13.21	357.94	-	(7.35)	6,512.12	347.83	2,359.00	-	(17.88)	9,201.07
<b>Total Expenses</b>	<b>29,809.28</b>	<b>3,545.07</b>	<b>1,629.77</b>	<b>3,051.95</b>	<b>473.47</b>	<b>416.03</b>	<b>4,601.64</b>	<b>-</b>	<b>(230.65)</b>	<b>43,296.56</b>	<b>7,596.14</b>	<b>9,853.11</b>	<b>(1,348.21)</b>	<b>(721.65)</b>	<b>58,675.95</b>
<b>Profit/(Loss) before share of profit/(loss) of associates, exceptional items and tax</b>	<b>(6,202.66)</b>	<b>1,525.49</b>	<b>(121.85)</b>	<b>58.36</b>	<b>20.62</b>	<b>17.17</b>	<b>(4,601.64)</b>	<b>-</b>	<b>-</b>	<b>(9,304.51)</b>	<b>265.72</b>	<b>(6,668.04)</b>	<b>662.54</b>	<b>-</b>	<b>(15,044.29)</b>
Share of profit/(loss) of associates	-	(0.74)	-	-	-	-	-	-	-	(0.74)	(283.21)	-	283.21	-	(0.74)
<b>Profit/(Loss) before exceptional items and tax</b>	<b>(6,202.66)</b>	<b>1,524.75</b>	<b>(121.85)</b>	<b>58.36</b>	<b>20.62</b>	<b>17.17</b>	<b>(4,601.64)</b>	<b>-</b>	<b>-</b>	<b>(9,305.25)</b>	<b>(17.49)</b>	<b>(6,668.04)</b>	<b>945.75</b>	<b>-</b>	<b>(15,045.03)</b>
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>(6,202.66)</b>	<b>1,524.75</b>	<b>(121.85)</b>	<b>58.36</b>	<b>20.62</b>	<b>17.17</b>	<b>(4,601.64)</b>	<b>-</b>	<b>-</b>	<b>(9,305.25)</b>	<b>(17.49)</b>	<b>(6,668.04)</b>	<b>945.75</b>	<b>-</b>	<b>(15,045.03)</b>
Tax expense/(credit)															
(a) Current tax (Including adjustment of tax relating to earlier periods)	46.68	442.49	2.47	21.53	-	3.75	(8.91)	-	-	508.01	35.02	-	-	-	543.03
(b) Deferred tax	164.02	(49.29)	(1.45)	(6.87)	-	0.88	(215.03)	-	-	(107.74)	39.25	-	(34.13)	-	(102.62)
<b>Total tax expense/(credit)</b>	<b>210.70</b>	<b>393.20</b>	<b>1.02</b>	<b>14.66</b>	<b>-</b>	<b>4.63</b>	<b>(223.94)</b>	<b>-</b>	<b>-</b>	<b>400.27</b>	<b>74.27</b>	<b>-</b>	<b>(34.13)</b>	<b>-</b>	<b>440.41</b>
<b>Profit/(Loss) for the year</b>	<b>(6,413.36)</b>	<b>1,131.55</b>	<b>(122.87)</b>	<b>43.70</b>	<b>20.62</b>	<b>12.54</b>	<b>(4,377.70)</b>	<b>-</b>	<b>-</b>	<b>(9,705.52)</b>	<b>(91.76)</b>	<b>(6,668.04)</b>	<b>979.88</b>	<b>-</b>	<b>(15,485.44)</b>



API Holdings Limited (formerly known as API Holdings Private Limited)  
**Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	As required by ICDR										Additional information				API Group Pro Forma Consolidated
	API Group (Restated Consolidated)	Acquisitions					Adjustments			API Consolidated (As per ICDR)	Acquisitions		Adjustments		
		Thyrocare Consolidated for the year ended 31 March 2021	Akna Consolidated for the year ended 31 March 2021	Vardhman for the year ended 31 March 2021	Novogene Carved out for the year ended 31 March 2021	Shreeji from 1 April 2020 to 31 December 2020	Proforma Adjustments	Reclassifications	Inter-Company Eliminations		Ascent Consolidated for the period from 1 April 2020 to 26 August 2020	Medlife Consolidated for the period from 1 April 2020 to 21 January 2021	Proforma Adjustments	Inter-Company Eliminations	
1	2	3	4	5	6	7	8	9	10=SUM(1 to 9)	11	12	13	14	15=SUM (10 to 14)	
<b>Other comprehensive income/(loss) for the period</b>															
<b>Items that will not be reclassified to profit or loss</b>															
Remeasurment gains / (losses) on defined benefit plans	(34.50)	(18.69)	(1.07)	1.84	-	-	-	-	(52.42)	3.55	(21.80)	-	-	(70.67)	
Income tax relating to above items	(0.41)	4.80	-	(0.46)	-	-	-	-	3.93	-	-	-	-	3.93	
<b>Total other comprehensive income/(loss)</b>	<b>(34.91)</b>	<b>(13.89)</b>	<b>(1.07)</b>	<b>1.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48.49)</b>	<b>3.55</b>	<b>(21.80)</b>	<b>-</b>	<b>-</b>	<b>(66.74)</b>	
<b>Total comprehensive income/(loss) for the period</b>	<b>(6,448.27)</b>	<b>1,117.66</b>	<b>(123.94)</b>	<b>45.08</b>	<b>20.62</b>	<b>12.54</b>	<b>(4,377.70)</b>	<b>-</b>	<b>(9,754.01)</b>	<b>(88.21)</b>	<b>(6,689.84)</b>	<b>979.88</b>	<b>-</b>	<b>(15,552.18)</b>	
<b>Profit/(Loss) attributable to</b>															
(a) Owners of API	(6,361.89)	1,131.55	(122.87)	43.70	20.62	12.54	(4,525.52)	-	(9,801.87)	(111.07)	(6,668.04)	979.88	-	(15,601.10)	
(b) Non-controlling Interests	(51.47)	-	-	-	-	-	147.82	-	96.35	19.31	-	-	-	115.66	
<b>Other comprehensive income/(loss) attributable to</b>															
(a) Owners of API	(34.27)	(13.89)	(1.07)	1.38	-	-	4.00	-	(43.85)	2.80	(21.80)	-	-	(62.85)	
(b) Non-controlling Interests	(0.64)	-	-	-	-	-	(4.00)	-	(4.64)	0.75	-	-	-	(3.89)	
<b>Total comprehensive income/(loss) attributable to</b>															
(a) Owners of API	(6,396.16)	1,117.66	(123.94)	45.08	20.62	12.54	(4,521.52)	-	(9,845.72)	(108.27)	(6,689.84)	979.88	-	(15,663.95)	
(b) Non-controlling Interests	(52.12)	-	-	-	-	-	143.82	-	91.70	20.06	-	-	-	111.76	
Basic loss per share	(206.77)													(420.32)	
Diluted loss per share	(206.77)													(420.32)	

## GENERAL INFORMATION

Our Company was incorporated as ‘API Holdings Private Limited’, a private limited company under the Companies Act, 2013, and was granted a certificate of incorporation dated March 31, 2019 by the Registrar of Companies. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on October 1, 2021 and a fresh certificate of incorporation dated October 28, 2021 was issued by the Registrar of Companies consequent to the change in the name of our Company to ‘API Holdings Limited’.

### Registered and Corporate Office of our Company

902, 9<sup>th</sup> Floor, Raheja Plaza I, B-Wing  
Opposite R-City Mall, L.B.S. Marg  
Ghatkopar West  
Mumbai 400 086  
Maharashtra, India

**Corporate Identity Number:** U60100MH2019PLC323444

**Company Registration Number:** 323444

For details in relation to the change in the registered and corporate office of our Company, see “*History and Certain Corporate Matters*” beginning on page 197.

### Address of the Registrar of Companies

#### Registrar of Companies, Maharashtra at Mumbai

100, Everest  
Marine Drive  
Mumbai, 400 002  
Maharashtra, India

### Board of Directors of our Company

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

Name	Designation	DIN	Address
Siddharth Shah	Co-founder, Managing Director and Chief Executive Officer	05186193	Opposite Odeion Cinema, 701/702 B Wing, Kailash Tower, Vallabh Baug Lane, Ghatkopar (East), Mumbai 400 075, Maharashtra, India
Aditya Puri	Chairman and Non- Executive Director	00062650	1002, 10th Floor, Vinayak Angan, N.B. Parulekar Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India
Harsh Parekh	Co-founder and Whole-time Director	06661731	B-403, Aaradhya One, G.M. Road, Amar Mahal Junction, Chembur West, Mumbai 400 089, Maharashtra, India
Dharmil Sheth	Co-founder and Whole-time Director	06999772	8A, 804, Akash Deep CHS Damodar Park, LBS Marg, Near R City Mall, Ghatkopar West, Mumbai 400 086, Maharashtra, India
Ashutosh Sharma	Non-Executive Director	07825610	#9173, Prestige Shantiniketan, Opposite Blg Bazar, Whitefield, Bangalore 560 066, Karnataka, India
Ankur Thadani	Non-Executive Director	03566737	1101, Floor 11, Monte Carlo, Opposite P and T Colony, Madan Mohan Malviya Road, Mulund West, Mumbai 400 080, Maharashtra, India
Deepak Vaidya	Independent Director	00337276	251 Suraj Bldg, Walkeshwar Road, Malabar Hills, Mumbai 400 006, Maharashtra, India
Vineeta Rai	Independent Director	07013113	House no. 20-A, Poorvi Marg, Near E Block Market, Vasant Vihar, Vasant Vihar-I, South West Delhi, New Delhi 110 057, India
Subramaniam Somasundaram	Independent Director	01494407	H-46, Chaithanya Smaran, Whitefield Hoskote Road, Near Shell Petrol Bunk, Kannamangala, Bangalore 560 067, Karnataka, India
Ramakant Sharma	Independent Director	02318054	Flat no. DF04, Banyantree APTs, Kariyama Agarahara, Debarbisnahalli, Bellandur ORR, Bangalore 560 103, Karnataka, India
Jaydeep Tank	Independent Director	05014753	Near Somaiya College, 701, Madhav Meera, Neelkanth Valley, Ghatkopar (East), Mumbai, 400 077, Maharashtra, India

For further details of the Directors, see “Our Management” beginning on page 227.

## Filing

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI intermediary portal at <https://siportal.sebi.gov.in/intermediary/index.html>, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DILI/CIR/P/2018/011 dated January 19, 2018 and emailed at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in) in accordance with the instructions issued by SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the Registrar of Companies.

## Company Secretary and Compliance Officer

Drashti Shah is our Company Secretary and Chief Compliance Officer. Her contact details are set forth below:

### Drashti Shah

Company Secretary and Chief Compliance Officer  
902, 9<sup>th</sup> Floor, Raheja Plaza I, B-Wing  
Opposite R-City Mall, L.B.S. Marg  
Ghatkopar West  
Mumbai 400 086  
Maharashtra, India  
Tel: +91 22 6255 6255  
E-mail: [corporatesecretarial@apiholdings.in](mailto:corporatesecretarial@apiholdings.in)

## Book Running Lead Managers

### Kotak Mahindra Capital Company Limited

1<sup>st</sup> Floor, 27 BKC  
Plot No. C-27, ‘G’ Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051  
Maharashtra, India  
Tel: +91 22 4336 0000  
E-mail: [api.ipo@kotak.com](mailto:api.ipo@kotak.com)  
Investor Grievance E-mail: [kmccredressal@kotak.com](mailto:kmccredressal@kotak.com)  
Website: [www.investmentbank.kotak.com](http://www.investmentbank.kotak.com)  
Contact Person: Ganesh Rane  
SEBI Registration No.: INM000008704

### Morgan Stanley India Company Private Limited

18F, Tower 2, One World Centre, Plot 841  
Jupiter Textile Miss Compound, Sanapati Bapat Marg,  
Lower Parel  
Mumbai 400 013  
Maharashtra, India  
Tel: +91 22 6118 1000  
E-mail: [apiholdingsipo@morganstanley.com](mailto:apiholdingsipo@morganstanley.com)  
Investor Grievance E-mail:  
[investors\\_india@morganstanley.com](mailto:investors_india@morganstanley.com)  
Website: [www.morganstanley.com](http://www.morganstanley.com)  
Contact Person: Shantanu Tilak  
SEBI Registration No.: INM00001123

### BofA Securities India Limited

Ground Floor, “A” Wing, One BKC, “G” Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai 400 051, Maharashtra, India  
Tel: +91 22 6632 8000  
E-mail: [dg.api\\_ipo@bofa.com](mailto:dg.api_ipo@bofa.com)  
Investor Grievance E-mail:  
[dg.india\\_merchantbanking@bofa.com](mailto:dg.india_merchantbanking@bofa.com)  
Website: [www.ml-india.com](http://www.ml-india.com)  
Contact Person: Samya Mittal / Ankita Aggarwal  
SEBI Registration No.: INM000011625

### Citigroup Global Markets India Private Limited

1202, 12<sup>th</sup> Floor, First International Financial Centre  
G-Block, C 54 & 55, Bandra Kurla Complex  
Bandra East, Mumbai 400 098  
Maharashtra, India  
Tel: +91 22 6175 9999  
E-mail: [apiholdings.ipo@citi.com](mailto:apiholdings.ipo@citi.com)  
Investor Grievance E-mail: [investors.cgmb@citi.com](mailto:investors.cgmb@citi.com)  
Website:  
[www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm](http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm)  
Contact Person: Harsh Agarwal  
SEBI Registration No.: INM000010718

### JM Financial Limited

7<sup>th</sup> Floor Energy, Appasaheb Marathe Marg  
Prabhadevi, Mumbai 400 025  
Maharashtra, India  
Tel: +91 22 6630 3030  
E-mail: [api.ipo@jmf.com](mailto:api.ipo@jmf.com)

Investor Grievance E-mail: grievance.ibd@jmfl.com  
Website: www.jmfl.com  
Contact Person: Prachee Dhuri  
SEBI Registration No.: INM000010361

### **Legal Advisors to the Issue**

#### ***Domestic Legal Counsel to our Company as to Indian Law***

##### **Cyril Amarchand Mangaldas**

Level 1 & 2, Max Towers  
Plot No. C-001/A/1  
Sector 16B, Gautam Buddha Nagar  
Noida 201 301  
Uttar Pradesh, India

#### ***International Legal Counsel to our Company***

##### **Latham & Watkins LLP**

9 Raffles Place  
#42-02 Republic Plaza  
Singapore 048619

#### ***Domestic Legal Counsel to the BRLMs as to Indian Law***

##### **Shardul Amarchand Mangaldas & Co.**

Amarchand Towers  
216, Okhla Industrial Estate Phase III  
New Delhi 110 020

#### ***International Legal Counsel to the BRLMs***

##### **Linklaters Singapore Pte. Ltd.**

One George Street #17-01  
Singapore 049 145

#### ***Special Legal Counsel to our Company***

##### **AZB & Partners**

AZB House, Peninsula  
Corporate Park  
Ganpatrao Kadam Marg, Lower  
Parel  
Mumbai 400 013

### **Registrar to the Issue**

##### **Link Intime India Private Limited**

C-101, 247 Park  
L B S Marg, Vikhroli (West)  
Mumbai 400 083  
Maharashtra, India  
Tel: +91 22 4918 6000  
E-mail: apiholdings@linkintime.co.in  
Investor grievance E-mail: apiholdings@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration number: INR000004058

### **Statutory Auditors to our Company**

##### **Price Waterhouse Chartered Accountants LLP**

252, Veer Savarkar Marg,  
Shivaji Park, Dadar (West)

Mumbai 400 028  
 Maharashtra, India  
 Tel: +91 22 6669 1500  
 E-mail: nitin.khatri@pwc.com  
 Peer Review number: 012639  
 Firm Registration number: 012754N/N500016

### Changes in Auditors

Pursuant to the resolution of our Shareholders passed at the extraordinary general meeting held on March 29, 2021, Price Waterhouse Chartered Accountants LLP was appointed as the Statutory Auditors of our Company for the Financial Year 2020-21 till the conclusion of the next Annual General Meeting. Subsequently, our Shareholders, in the AGM held on October 1, 2021, approved the appointment of Statutory Auditors for a period of five consecutive years from the date of AGM.

Except as disclosed above, there has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Particulars	Date of change	Reason for change
<b>Price Waterhouse Chartered Accountants LLP</b> 252, Veer Savarkar Marg, Shivaji Park, Dadar (West) Mumbai-400028 Maharashtra, India Tel: +91 22 6669 1500 E-mail: nitin.khatri@pwc.com Peer Review number: 012639 Firm registration number: 012754N/N500016	March 29, 2021	Appointed as Statutory Auditor in lieu of casual vacancy caused by the resignation of A.R. Sodha & Co, Chartered Accountants.
<b>A.R. Sodha &amp; Co, Chartered Accountants</b> 503-504, K. L. Accolade, 6 <sup>th</sup> Road, Near Dena Bank, R. K. Hospital Lane, Santacruz (East), Mumbai, Maharashtra, India Tel: +91 22 2601 2465 E-mail: ars@arsco.in Peer Review number: 013700 Firm Registration number: I10324W	March 6, 2021	Resignation pursuant to the management's discussion to align the auditors on a group basis

### Bankers to the Issue

#### Escrow Collection Bank(s)

[•]

#### Refund Bank(s)

[•]

#### Public Issue Bank(s)

[•]

#### Sponsor Bank

[•]

### Bankers to our Company

#### HDFC Bank Limited

4<sup>th</sup> Floor, Tower B, Peninsula Business Park, Lower Parel West  
 Mumbai 400 011, Maharashtra, India  
 Tel: +91 22 33958080  
 E-mail: pankaj.agrawal@hdfcbank.com

Website: www.hdfcbank.com  
 Contact Person: Pankaj Kumar Agrawal

### ICICI Bank Limited

ICIC Bank Towers, Bandra-Kurla Complex  
 Mumbai 400 051, Maharashtra, India  
 Tel: +91 77100 51763  
 E-mail: gaurav.ahluwalia@icicibank.com  
 Website: www.icicibank.com  
 Contact Person: Gaurav Ahluwalia

### Syndicate Members

[•]

### Inter-se allocation of responsibilities among the BRLMs

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

S. No.	Activity	Responsibility	Co-ordinator
1.	Capital structuring and due diligence of our Company including its operations/management/business plans/legal etc. Drafting and design of the non-business sections of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and the Bid cum Application Form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Kotak
2.	Positioning strategy, drafting of business section, industry section and Management's Discussion and Analysis of Financial Condition and Results of Operations of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus	BRLMs	Morgan Stanley, Kotak
3.	Drafting and approval of all statutory advertisements	BRLMs	Kotak
4.	Drafting and approval of all publicity materials other than statutory advertisements as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	BofA Securities
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, printer, Syndicate, Sponsor Bank, Bankers to the Issue, Monitoring Agency and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Citi
6.	Preparation of road show presentation and frequently asked questions	BRLMs	Morgan Stanley
7.	International Institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>● Institutional marketing strategy;</li> <li>● Finalizing the list and division of international investors for one-to-one meetings; and</li> <li>● Finalizing international road show and investor meeting schedule</li> </ul>	BRLMs	Morgan Stanley, BofA Securities
8.	Domestic Institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>● Institutional marketing strategy;</li> <li>● Finalizing the list and division of domestic investors for one-to-one meetings; and</li> <li>● Finalizing domestic road show and investor meeting schedule</li> </ul>	BRLMs	Kotak
9.	Retail and Non-Institutional marketing of the Issue, which will cover, <i>inter alia</i> ,	BRLMs	JMFL

S. No.	Activity	Responsibility	Co-ordinator
	<ul style="list-style-type: none"> <li>Formulating marketing strategies, preparation of publicity budget</li> <li>Finalising media, marketing and public relations strategy;</li> <li>Finalising centres for holding conferences for brokers, etc.;</li> <li>Follow-up on distribution of publicity and Issue material including the Bid cum Application Form, the RHP/Prospectus and deciding on the quantum of the Issue material; and</li> <li>Finalising collection centres</li> </ul>		
10.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, Anchor CAN and intimation of anchor allocation	BRLMs	BofA Securities
11.	Managing the book and finalization of pricing in consultation with our Company	BRLMs	Morgan Stanley
12.	<p>Post- Issue activities, which shall involve essential follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, coordination for investor complaints related to the Issue, and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Issue and submission of all post Issue reports including the final post Offer report to SEBI</p>	BRLMs	JMFL

### Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations.

### Grading of the Issue

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

### Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution Credit Rating

### Credit Rating

As the Issue is of Equity Shares, credit rating is not required.

### Trustees

As the Issue is of Equity Shares, the appointment of trustees is not required.

### Designated Intermediaries

### Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34) or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other websites as may be prescribed by SEBI from time to time.

### **SCSBs and mobile applications enabled for UPI Mechanism**

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

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35> as updated from time to time.

### **Registered Brokers**

Bidders can submit ASBA Forms in the Issue using the stock broker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/> and <https://www.nseindia.com/>, as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](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 <https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx> and [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Expert(s) to the Issue**

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

Our Company has received written consent dated November 8, 2021 from Price Waterhouse Chartered Accountants LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated October 28, 2021 on our Restated Consolidated Financial Information and their report dated October 28, 2021 on the Pro Forma Consolidated Financial Information and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has also received written consents dated (a) November 8, 2021 from MSKA and Associates, Chartered Accountants; and (b) November 8, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as “experts” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Thyrocare, and in respect of their audit reports, dated October 27, 2021 and May 8, 2021 on the Thyrocare Historical Financial Statements and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated November 8, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Ascent, and in respect of their audit report, dated October 31, 2021 on the Ascent



Historical Financial Statements and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has also obtained consent dated November 2, 2021 from A.R. Sodha & Co, Chartered Accountants, in their capacity as predecessor auditors of our Company.

Our Company has also received consent dated October 28, 2021 from Saini Pati Shah & Co. LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as an “expert” in terms of the Companies Act, 2013, in relation to their certificate dated November 8, 2021 on the statement of special tax benefits available to (i) our Company and Shareholders; and (ii) our Material Subsidiaries, included in this Draft Red Herring Prospectus.

### Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company in consultation with the BRLMs, and which will either be included in the Red Herring Prospectus or will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and Mumbai editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/ Issue Closing Date. For details, see “Issue Procedure” beginning on page 748.

**All Bidders (other than Anchor Investors) shall participate in this Issue mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.**

**In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Issue Period and withdraw their Bid(s) until Bid/ Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Issue will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.**

For further details, see “Terms of the Issue” “Issue Structure” and “Issue Procedure” on pages 740, 745 and 748, respectively.

**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 Issue.**

### Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Issue and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

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

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

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

## CAPITAL STRUCTURE

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

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Issue Price
(in ₹, except share data)			
<b>A</b>	<b>AUTHORISED SHARE CAPITAL<sup>(1)</sup></b>		
	10,048,189,000 Equity Shares (having face value of ₹ 1 each)	10,048,189,000	
	262,611,000 Preference Shares (having face value of ₹ 1 each)	262,611,000	
	<b>Total</b>	<b>10,310,800,000</b>	
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	6,098,109,930 Equity Shares (having face value of ₹ 1 each)	6,098,109,930	
<b>C</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS<sup>(2)</sup></b>		
	Issue of up to [●] Equity Shares aggregating up to ₹ 62,500 million <sup>#(2)</sup>	[●]	[●]
<b>D</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE*</b>		
	[●] Equity Shares (having face value of ₹ 1 each)	[●]	[●]
<b>E</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		108,923.94 million <sup>(3)</sup>
	After the Issue		[●] million

\* To be included upon finalisation of Issue Price.

# A Pre-IPO Placement may be undertaken by our Company in consultation with the BRLMs for an aggregate amount not exceeding ₹ 12,500 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (comprising the Issue Size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company.

- (1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on pages 198.
- (2) The Issue has been authorised by a resolution of our Board of Directors at their meeting held on October 13, 2021, and a special resolution passed by our Shareholders at their meeting held on October 13, 2021.
- (3) The share premium account consists of the premium received by our Company from the Equity Shares and Preference Shares.

### Notes to the Capital Structure

#### I. Equity share capital history of our Company

- (a) The history of the equity share capital of our Company is set forth below:

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (approx in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
March 31, 2019	10,000	10	10	Subscription to the Memorandum of Association <sup>(1)</sup>	Cash	10,000	100,000
August 27, 2020	868,337	10	10	Allotment pursuant to Merger 2020 <sup>(2)</sup>	Other than cash	868,337 <sup>#</sup>	8,683,370
<b>Equity shares allotted in the preceding one year as on the date of this Draft Red Herring Prospectus</b>							
February 12, 2021	22,814,598	10	-	Bonus issuance of 2 equity shares for each fully paid-up equity share and preference share held as by shareholders	-	23,682,935	236,829,350

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (approx in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
				as on February 10, 2021 <sup>(3)</sup>			
March 1, 2021	1,287,072	10	1,867	Preferential allotment <sup>(4)</sup>	Cash	24,970,007	249,700,070
March 10, 2021	407,190	10	1,867	Preferential allotment <sup>(5)</sup>	Cash	25,377,197	253,771,970
March 19, 2021	178,192	10	607.96	Conversion of warrants <sup>(6)</sup>	Cash	25,555,389	255,553,890
March 25, 2021	40,170	10	1481.10	Conversion of CCDs <sup>(7)</sup>	NA*	25,595,559	255,955,590
March 26, 2021	24,561	10	1481.10	Conversion of CCDs <sup>(8)</sup>	NA*	25,620,120	256,201,200
April 5, 2021	3,734,878	10	2,000.33	Preferential allotment <sup>(9)</sup>	Cash	29,354,998	293,549,980
May 20, 2021	172,173	10	2,000.33	Preferential allotment <sup>(10)</sup>	Cash	29,527,171	295,271,710
June 2, 2021	159,018	10	2,515.77	Preferential allotment <sup>(11)</sup>	Cash	29,686,189	296,861,890 <sup>^</sup>
July 1, 2021	652,217	10	2,515.77	Preferential allotment <sup>(12)</sup>	Cash	30,338,406	303,384,060 <sup>^^</sup>
July 1, 2021	425,103	10	1481.10	Conversion of CCDs <sup>(13)</sup>	NA*	30,763,509	307,635,090
July 24, 2021	4,200	10	NA	Conversion of Optionally Convertible Redeemable Debentures <sup>(14)</sup>	NA	30,767,709	307,677,090
August 13, 2021	231,652	10	5,396	Preferential allotment <sup>(15)</sup>	Cash	30,999,361	309,993,610
August 13, 2021	127,875	10	1481.10	Conversion of CCDs <sup>(16)</sup>	NA*	31,127,236	311,272,360
August 21, 2021	1,424,385	10	5,396	Preferential allotment <sup>(17)</sup>	Cash	32,551,621	325,516,210
September 2, 2021	1,853,224	10	5,396	Preferential allotment <sup>(18)</sup>	Cash	34,404,845	344,048,450
September 04, 2021	30	10	1481.10	Conversion of CCDs <sup>(19)</sup>	NA*	34,404,875	344,048,750
September 06, 2021	31,504	10	NA	Conversion of CCPS-XXIV <sup>(20)</sup>	NA**	34,436,379	344,363,790
September 15, 2021	153,450	10	1481.10	Conversion of CCDs <sup>(21)</sup>	NA*	34,589,829	345,898,290
September 16, 2021	310,968	10	5,396	Preferential allotment <sup>(22)</sup>	Cash	34,900,797	349,007,970
September 20, 2021	224,740	10	5,865	Preferential allotment <sup>(23)</sup>	Cash	35,125,537	351,255,370
September 28, 2021	401,712	10	NA	Conversion of CCDs <sup>(24)</sup>	NA*	35,527,249	355,272,490
September 30, 2021	1,460,874	10	1481.10	Conversion of CCDs <sup>(25)</sup>	NA*	36,988,123	369,881,230
October 9, 2021	1,229,153	10	5,900	Preferential allotment <sup>(26)</sup>	Cash	38,217,276	382,172,760
October 13, 2021	378,362	10	5,900	Preferential allotment <sup>(27)</sup>	Cash	38,595,638	385,956,380
October 20, 2021	556,610	10	5,900	Preferential allotment <sup>(28)</sup>	Cash	39,152,248	391,522,480
October 20, 2021	11,103	10	10	Allotment pursuant to ESOP Plan 2020 <sup>(29)</sup>	Cash	39,163,351	391,633,510

Date of allotment of equity shares	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (approx in ₹)	Nature of allotment	Nature of consideration	Cumulative number of equity shares	Cumulative paid-up equity share capital
October 20, 2021	40,748	10	440.99	Allotment pursuant to ESOP Plan 2020 <sup>(30)</sup>	Cash	39,204,099	392,040,990
October 26, 2021	16,233,264	10	NA	Conversion of CCPS <sup>(31)</sup>	NA <sup>***</sup>	55,437,363	554,373,630
October 29, 2021	554,373,630	10	NA	Bonus issuance of 10 equity shares for each fully paid-up equity share held by Shareholders as on record date October 28, 2021 <sup>(32)</sup>	NA	609,810,993	6,098,109,930
October 29, 2021	Pursuant to a resolution passed by our Board on October 13, 2021 and a resolution passed by our Shareholders in the EGM held on October 13, 2021, our Company has subdivided its share capital from face value of ₹10 each to face value of ₹1 each, held by shareholders of the Company, as on the record date i.e. October 29, 2021					6,098,109,930	6,098,109,930

# Pursuant to the NCLT Mumbai order dated June 8, 2020 in regard to Merger 2020, the 10,000 equity shares held by Shareholders prior to August 27, 2020 stood cancelled.

\* The CCD having face value of ₹ 4,443.31/- per CCD was partly paid to the extent of ₹ 1 per CCD at the time of allotment and the balance of ₹ 4,442.31/- per CCD was paid prior to conversion into equity shares, further the issue price per equity shares is approx. ₹ 1481.10/- pursuant to the conversion ratio of each CCD held to 3 equity shares held by the relevant CCD holders.

\*\* CCPS-XXIV was fully paid up in cash at the time of allotment.

\*\*\* Except for allotments pursuant to conversion of CCPS-I, CCPS-II, CCPS-III, CCPS-IV, CCPS-V, CCPS-VIII, CCPS-IX, CCPS-X, CCPS-XI which were allotted pursuant to Merger 2020, CCPS-XVI, CCPS-XVI-A, CCPS-XVII and CCPS-XVIII which were allotted pursuant to Securities Subscription Agreement dated December 16, 2020, as amended vide an amendment agreement dated December 30, 2020 and CCPS-XII, CCPS-XIII, CCPS-XIV which were allotted pursuant to conversion of CCD-I, CCD-II and CCD-III, and CCPS-VI which were partly paid at the time of allotment pursuant to Merger 2020 and were fully paid-up on January 14, 2021, and CCPS-VII which was allotted pursuant to exercise of warrants, cash was paid at the time of allotment for the other series of Preference Shares.

^ Cash of approx. ₹ 125.79 was paid at the time of allotment and the balance of approx. ₹ 2,389.98 was paid on August 13, 2021.

^^ Cash of approx. ₹ 125.79 was paid at the time of allotment and the balance of approx. ₹ 2,389.98 was paid on July 24, 2021.

- (1) Allotment of 1 equity share to Nimesh Rungta and 9,999 equity shares to Namita Rungta pursuant to subscription to the Memorandum of Association.
- (2) Allotment of 152,500 equity shares to Evermed Holding Pte. Ltd., 26 equity shares to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, 5 equity shares to Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 8,187 equity shares to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 26,676 equity shares to Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 5,418 equity shares to Siddharth Bagadia, 527 equity shares to Bharat Bagadia, 93,675 equity shares to JM Financial and Investment Consultancy Services Private Limited, 923 equity shares to Rita Vasudevan, 17,956 equity shares to TIMF Holdings, 58,074 equity shares to Macritchie Investments Pte. Ltd, 7,897 equity shares to Jasmine Bhaskar Shah, 281,979 equity shares to Siddharth Shah, 6,034 equity shares to Arpi Mehta, 5,768 equity shares to Priyanka Bhaskar Shah, 30,507 equity shares to Harsh Parekh, 30,274 equity shares to Hardik Dedhia, 17,752 equity shares to Dharmil Sheth, 2,688 equity shares to Dhaval Shah, 916 equity shares to Dilip Mehta, 112 equity shares to Siddharth Kothari, 822 equity shares to Mahesh Shah, 206 equity shares to Shweta Mehta, 1,712 equity shares to Dhaval Mehta, 1,712 equity shares to Bhavini Gala, 103 equity shares to Manish Sheth, 1,131 equity shares to Jisal Shah, 16,072 equity shares to The Fundamentum Partnership Fund I acting through its investment manager Sanjeev Aggarwal, 38,024 equity shares to Eight Roads Ventures India III LP, 9,912 equity shares to F-Prime Capital Partners Healthcare Fund V LP, 560 equity shares to CDPQ Private Equity Asia Pte. Ltd., 10,037 equity shares to Lightstone Fund S.A., 56 equity shares to Trifecta Venture Debt Fund-I acting through its investment manager Trifecta Capital VDF Management LLP, 56 equity shares to Bennett Coleman and Company Limited and 40,040 equity shares to Bessemer India Capital Holdings II Ltd.
- (3) 22,814,598 equity shares were allotted to 64 shareholders of the Company in the ratio of 2 equity shares for every fully paid-up equity share and Preference Share held as on the record date fixed by our Board i.e. February 10, 2021.
- (4) Allotment of 1,287,072 equity shares to TPG Growth V SF Markets Pte. Ltd.
- (5) Allotment of 407,190 equity shares to CDPQ Private Equity Asia Pte. Ltd.
- (6) Allotment of 178,192 equity shares to Bennett Coleman and Company Limited pursuant to conversion of warrants which were issued pursuant to Merger 2020 at a price of ₹ 580,357.1 per warrant and partly paid up to the extent of ten percent of value of each warrant amounting to approximately ₹ 58,035.71 per warrant which were paid fully up on March 19, 2021
- (7) Allotment of 13,593 equity shares pursuant to conversion of 4,531 CCD IV held by Siddharth Shah in the ratio of 1:3, 12,180 equity shares pursuant to conversion of 4,060 CCD VI held by Hardik Dedhia in the ratio of 1:3 and 14,397 equity shares pursuant to conversion of 4,799 CCD VIII held by Dharmil Sheth in the ratio of 1:3.
- (8) Allotment of 12,180 equity shares pursuant to conversion of 4,060 CCD V held by Harsh Parekh in the ratio of 1:3 and 12,381 equity shares pursuant to conversion of 4,127 CCD VII to Dhaval Shah in the ratio of 1:3.
- (9) Allotment of 3,734,878 equity shares to Naspers Ventures B.V.

- (10) Allotment of 41,659 equity shares to Shobha Surajratan Agrawal, 66,655 equity shares to Siddhant Partners (represented by Prashant Singh) and 63,859 equity shares to Tulip Lab Private Limited.
- (11) Allotment of 97,386 equity shares to JM Financial Products Limited (for and on behalf of JM Financial India Growth Trust III, for a scheme of trust named JM Financial India Growth Fund III), 39,730 equity shares to JM Financial Products Limited and 21,902 equity shares to Elizabeth Mathew.
- (12) Allotment of 392,442 equity shares to Internet Fund VI Pte. Ltd, 2,651 equity shares to Shalibhadra Navinchandra Shah, 529 equity shares to Navinchandra Bhogilal Shah, 529 equity shares to Deepika Navinchandra Shah, 265 equity shares to Saroj Mahesh Shah, 17,305 equity shares to Chetan Gopaldas Cholera, 99,373 equity shares to Deepak Vaidya, 19,875 equity shares to Chaitanya Vaidya, 119,248 equity shares to Aditya Puri.
- (13) Allotment of 81,087 equity shares pursuant to conversion of 27,029 CCD IV to Siddharth Shah in the ratio of 1:3, 79,212 equity shares pursuant to conversion of 26,404 CCD V held by Harsh Parekh in the ratio of 1:3, 79,212 equity shares pursuant to conversion of 26,404 CCD VI held by Hardik Dedhia in the ratio of 1:3, 92,253 equity shares pursuant to conversion of 30,751 CCD VII held by Dhaval Shah in the ratio of 1:3 and 93,339 equity shares pursuant to conversion of 31,113 CCD VIII held by Dharmil Sheth in the ratio of 1:3.
- (14) Allotment of 4,200 equity shares to Beetle Ventures Private Limited, pursuant to conversion of Optionally Convertible Redeemable Debentures Compulsorily to equity shares.
- (15) Allotment of 231,652 equity shares to Kotak Pre-IPO Opportunities Fund.
- (16) Allotment of 25,575 equity shares pursuant to conversion of 8,525 CCD IV held by Siddharth Shah in the ratio of 1:3, 25,575 equity shares pursuant to conversion of 8,525 CCD V held by Harsh Parekh in the ratio of 1:3, 25,575 equity shares pursuant to conversion of 8,525 CCD VI held by Hardik Dedhia in the ratio of 1:3, 25,575 equity shares pursuant to conversion of 8,525 CCD VII held by Dhaval Shah in the ratio of 1:3 and 25,575 equity shares pursuant to conversion of 8,525 CCD VIII held by Dharmil Sheth in the ratio of 1:3.
- (17) Allotment of 265,628 equity shares to Naspers Ventures B.V., 210,032 equity shares to TPG Growth V SF Markets Pte. Ltd., 231,652 equity shares to Macritchie Investments Pte. Ltd., 60,539 equity shares to Orios Fund IIIa, 63,010 equity shares to Orios Advisors LLP, 310,848 equity shares to TIMF Holdings, 146,280 equity shares to Think Investments PCC, 136,396 equity shares to B Capital Asia II, Ltd.
- (18) Allotment of 1,853,224 equity shares to A. Velumani
- (19) Allotment of 30 equity shares pursuant to conversion of 10 CCD VIII held by Dharmil Sheth in the ratio of 1:3.
- (20) Allotment of 31,504 equity shares to Orios Advisors LLP pursuant to conversion of 31,504 CCPS-XXIV held by Orios Advisors LLP.
- (21) Allotment of 30,690 equity shares pursuant to conversion of 10,230 CCD IV held by Siddharth Shah in the ratio of 1:3, 30,690 equity shares pursuant to conversion of 10,230 CCD V held by Harsh Parekh, 30,690 equity shares pursuant to conversion of 10,230 CCD VI held by Hardik Dedhia in the ratio of 1:3, 30,690 equity shares pursuant to conversion of 10,230 CCD VII held by Dhaval Shah in the ratio of 1:3 and 30,690 equity shares pursuant to conversion of 10,230 CCD VIII held by Dharmil in the ratio of 1:3.
- (22) Allotment of 45,464 equity shares to B Capital Asia II, Ltd, 227,328 equity shares to B Capital Asia III, LLC, 618 equity shares to Daksha Alpesh Sheth, 1,236 equity shares to Ramakant Sharma, 1,236 equity shares to Logx Ventures partners LLP, 1,236 equity shares to Govinda Rajan Mehta, 185 equity shares to Harsh Vardhan Khandelwal, 1,482 equity shares to Suresh Ramchand Mandhyan, 62 equity shares to Kruti Bhavin Sheth, 247 equity shares to Shekhar Suresh Agrawal, 8,648 equity shares to Shobha Agrawal, 1,112 equity shares to Jaydeep Dahyalal Tank, 124 equity shares to Jaydeep Dahyalal Tank HUF, 926 equity shares to Parikshit Dahyalal Tank, 926 equity shares to Rajesh Harilal Chauhan, 1,668 equity shares to Ashok Mohanlal Shah, 1,668 equity shares to Harshit Ashok Shah, 1,668 equity shares to Jawaharlal Mohanlal Shah, 1,668 equity shares to Pushpa Jawaharlal Shah, 1,853 equity shares to Sanket Sharad Mehta, 618 equity shares to Kunal Dilip Jhaveri, 9,266 equity shares to Astarc Ventures Private Trust, 618 equity shares to Reena Jatin Solanki, 309 equity shares to Sejal Bhavin Gandhi, 148 equity shares to Satvik Utkarsh Mehta, 506 equity shares to Sameer Lalitchandra Parekh, 148 equity shares to Utkarsh Vasantkumar Mehta
- (23) Allotment of 77,226 equity shares to Amaara Partners, through its Partner, Mahadevan Narayanamoni, 22,987 equity shares to Mayank Kapoor, 94,335 equity shares to RISA Partners, through its Partner, Saurabh Pandey, 10,064 equity shares to Shaunak Joshi and 20,128 equity shares to Varun Vohra
- (24) Allotment of 401,712 equity shares pursuant to conversion of 133,904 CCD IX held by Ivy Icon Solutions LLP in the ratio of 1:3.
- (25) Allotment of 256,668 equity shares pursuant to conversion of 85,556 CCD IV held by Siddharth Shah in the ratio of 1:3, 234,321 equity shares pursuant to conversion of 78,107 CCD V held by Harsh Parekh in the ratio of 1:3, 234,321 equity shares pursuant to conversion of 78,107 CCD VI held by Hardik Dedhia in the ratio of 1:3, 362,292 equity shares pursuant to conversion of 120,764 CCD VII held by Dhaval Shah in the ratio of 1:3 and 373,272 equity shares pursuant to conversion of 124,424 CCD VIII held by Dharmil Sheth in the ratio of 1:3.
- (26) Allotment of 418,079 equity shares to Amansa Investments Ltd., 501,695 equity shares to SARV Investments Limited, 183,955 equity shares to Worldwide Healthcare Trust PLC and 125,424 equity shares to Steadview Capital Mauritius Limited
- (27) Allotment of 83,616 equity shares to ApaH Opportunity Fund I, 75,254 equity shares to Neuberger Berman Emerging Markets Equity Fund, 50,170 equity shares to Neuberger Berman Emerging Markets Equity Master Fund L.P., 117,653 equity shares to Janus Henderson Global Research Fund, 6,894 equity shares to Janus Henderson Emerging Markets Fund, 11,733 equity shares to Janus Henderson Investment Fund Series I – Janus Henderson Emerging Markets Opportunities Fund, 29,377 equity shares to Janus Henderson Global Research Portfolio and 3,665 equity shares to Janus Henderson Fund – Janus Henderson Emerging Markets Fund.
- (28) Allotment of 84,882 equity shares to Anup Singh, 63,661 equity shares to Sudhir Singh, 63,661 equity shares to Mahender Singh, 100,339 equity shares to Worldwide Healthcare Trust PLC, 118,664 equity shares to Prasad Uno family Trust, 125,423 equity shares to Beta Oryx Limited
- (29) Allotment of equity shares to our employees pursuant to exercise of stock options by following employees as follows: Allotment of 378 equity shares to Jayaprakash Chandrasekaran, 807 equity shares to Anand Saboo, 2,296 equity shares to Nikhil Patel, 998 equity shares to Ashutosh Navgaje; 256 equity shares to Dammar Oli, 547 equity shares to Rushikesh Khadsare, 129 equity shares to Mohit Ldha, 231 equity shares to Swapnil Gusani, 751 equity shares to Rajesh Nagda, 109 equity shares to Shrikrishna Kotkar, 936 equity shares to Chandresh Dedhia, and 3,665 equity shares to Bhavini Gala
- (30) Allotment of equity shares to our employees pursuant to exercise of stock options by following employees as follows: Allotment of 444 equity shares to Abhishek Sharma, 673 equity shares to Vikas Verma, 57 equity shares to Anant Nema, 69 equity shares to Siddharth Kumar, 123 equity shares to Hitesh Mahipal, 27 equity shares to Sourabh Jain, 720 equity shares to Aditya Jain, 835 equity shares to Divya Hullur, 202 equity shares to Naveen Goel, 747 equity shares to Anand Saboo, 135 equity shares to Hemant Pansare, 27 equity shares to Somnath Kundu, 978 equity shares to Deeptanshu Baranwal, 1,500 equity shares to Ankit Agarwal, 462 equity shares to Vinit Rajnikant Thaker, 112 equity shares to G V Sandeep, 1,000 equity shares to Sankshap Malhotra, 84 equity shares to Ankit Gupta, 54 equity shares to Lennon Dsouza, 64 equity shares to Gopalkrishna Hegde, 27 equity shares to Akshay Jain, 30 equity shares to Puneet Kr. Jain, 186 equity shares to Akanksha Sharma 75 equity shares to Gaurav Bajaj, 48 equity shares to Suma Prasanth Pulakala, 636 equity shares to Krishna Modi, 93 equity shares to Sanjiv Roy, 33 equity shares to Musthyala Kishore Kumar, 1,694 equity shares to Chethan Kumar G, 153 equity shares to Anirudh Bharadwaj Vitala, 1,585 equity shares to Nishant Kashyap, 54 equity shares to G Reddy Siddaiah, 72 equity shares to Sahil Dupare, 2,184 equity shares to Vivek Kumar Singh, 391 equity shares to Sudhir Jorwekar, 96 equity shares to Andrea Dsouza, 126 equity shares to Karan Patel, 93 equity shares to Shrestha Kapoor, 27 equity shares to P Kishore Kumar, 51 equity shares to Johnson Prabu A, 387 equity shares to Rakesh Shah, 974 equity shares to Arpit Varshney, 2,978 equity shares to Karan Sehgal, 98 equity shares to Routhu Kiran Kumar, 150 equity shares to Prabhjot Kaur, 644 equity shares to Nishant Takkar, 1,117 equity shares to Shradha Kandpal, 5 equity shares to Vinod Rathod, 513 equity shares to Prakhar S. Jain, 72 equity shares to Veena Mathew, 117 equity shares to Kaushik Evani, 126

equity shares to Lakshay Batra, 1,780 equity shares to Yogesh Pandey, 75 equity shares to Namit Shah, 191 equity shares to Nikhil Kothari, 5,940 equity shares to Ankit Solanki, 420 equity shares to Sarath Kumar Purushothaman, 252 equity shares to Kartik Singhvi, 81 equity shares to Gayyak Sanghi, 155 equity shares to Pankaj Gadia, 413 equity shares to Ashish Kumar, 171 equity shares to Venkatesh P R, 141 equity shares to Soniya Lal, 4,509 equity shares to Priyanka Dinesh Gosai, 48 equity shares to Prabhanjan Manoli, 36 equity shares to Sasmita Mishra, 162 equity shares to Mohit Lodha, 147 equity shares to Ashish Kumar, 57 equity shares to Nirav Gokulgandhi, 22 equity shares to Ohith M V, 96 equity shares to Soumitra Saxena, 120 equity shares to Akshay Joshi, 954 equity shares to Amey Joshi, 144 equity shares to Shrunagar T R, 75 equity shares to Manas Pradip Sane, 225 equity shares to Pratik Doshi, 75 equity shares to Khushal Suresh Khanna, 150 equity shares to Darshan Haria, 75 equity shares to Sahil Ahuja, 150 equity shares to Aman Verma, and 936 equity shares to Chandresh Dedhia.

- (31) Allotment of 34,968 equity shares to Naspers Ventures BV pursuant to conversion of 34,968 CCPS-I held by Naspers Ventures BV, allotment of 16,344 equity shares to TPG Growth V SF Markets Pte. Ltd. pursuant to conversion of 16,344 CCPS-I held by TPG Growth V SF Markets Pte. Ltd, allotment of 16,016 equity shares to The Fundamentum Partnership Fund I pursuant to conversion of 16,016 CCPS-I held by The Fundamentum Partnership Fund I, allotment of 8,000 equity shares to Pradeep Vishanji Chheda pursuant to conversion of 8,000 CCPS-I held by Pradeep Vishanji Chheda, allotment of 7,000 equity shares to Kishor Jethalal Morbia pursuant to conversion of 7,000 CCPS-I held by Kishor Jethalal Morbia, allotment of 4,000 equity shares to Kavita Kishor Morbia pursuant to conversion of 4,000 CCPS-I held by Kavita Kishor Morbia, allotment of 2,184 equity shares to Pradip Jethalal Morbia pursuant to conversion of 2,184 CCPS-I held by Pradip Jethalal Morbia, allotment of 840 equity shares to Twinkle Ramesh Morbia pursuant to conversion of 840 CCPS-I held by Twinkle Ramesh Morbia, allotment of 808 equity shares to Ronak Kishor Morbia pursuant to conversion of 808 CCPS-I held by Ronak Kishor Morbia, allotment of 560 equity shares to Jayshree Pradip Morbia pursuant to conversion of 560 CCPS-I held by Jayshree Pradip Morbia. Allotment of 115,604 equity shares to Naspers Ventures BV pursuant to conversion of 115,604 CCPS-II held by Naspers Ventures BV, allotment of 105,257 equity shares to Lightstone Fund S.A. pursuant to conversion of 105,257 CCPS-II held by Lightstone Fund S.A, allotment of 68,588 equity shares to J M Financial and Investment Consultancy Services Pvt Ltd. pursuant to conversion of 68,588 CCPS-II held by J M Financial and Investment Consultancy Services Pvt Ltd, allotment of 54,042 equity shares to Jasmine Bhaskar Shah pursuant to conversion of 54,042 CCPS-II held by Jasmine Bhaskar Shah, allotment of 31,867 equity shares to TIMF Holdings pursuant to conversion of 31,867 CCPS-II held by TIMF Holdings, allotment of 25,547 equity shares to Siddharth Bharatbhai Bagadia pursuant to conversion of 25,547 CCPS-II held by Siddharth Bharatbhai Bagadia, allotment of 25,550 equity shares to CR Retail Malls India Ltd. pursuant to conversion of 25,550 CCPS-II held by CR Retail Malls India Ltd, allotment of 15,182 equity shares to Priyanka Bhaskar Shah pursuant to conversion of 15,182 CCPS-II held by Priyanka Bhaskar Shah, allotment of 6,941 equity shares to Siddharth Shah pursuant to conversion of 6,941 CCPS-II held by Siddharth Shah, allotment of 3,458 equity shares to Mahesh Mahendra Shah pursuant to conversion of 3,458 CCPS-II held by Mahesh Mahendra Shah, allotment of 3,356 equity shares to Rita Vasudev Velan pursuant to conversion of 3,356 CCPS-II held by Rita Vasudev Velan, allotment of 2,113 equity shares to Jisal Jaxay Shah pursuant to conversion of 2,113 CCPS-II held by Jisal Jaxay Shah, allotment of 967 equity shares to Manish Chhabildas Sheth pursuant to conversion of 967 CCPS-II held by Manish Chhabildas Sheth, allotment of 447 equity shares to Kedar Shivanand Mankekar pursuant to conversion of 447 CCPS-II held by Kedar Shivanand Mankekar, allotment of 355 equity shares to Surbhi Singh pursuant to conversion of 355 CCPS-II held by Surbhi Singh, allotment of 248 equity shares to Shivanand Shankar Mankekar pursuant to conversion of 248 CCPS-II held by Shivanand Shankar Mankekar, allotment of 181 equity shares to Siddharth Pradip Kothari pursuant to conversion of 181 CCPS-II held by Siddharth Pradip Kothari, allotment of 50 equity shares to Laxmi Shivanand Mankekar pursuant to conversion of 50 CCPS-II held by Laxmi Shivanand Mankekar. Allotment of 120,493 equity shares to TPG Growth V SF Markets Pte. Ltd. pursuant to conversion of 120,493 CCPS-III held by TPG Growth V SF Markets Pte. Ltd, allotment of 70,056 equity shares to Orios Venture Partners Fund – I pursuant to conversion of 70,056 CCPS-III held by Orios Venture Partners Fund – I, allotment of 35,028 equity shares to Bessemer India Capital Holdings II Ltd. pursuant to conversion of 35,028 CCPS-III held by Bessemer India Capital Holdings II Ltd, allotment of 35,028 equity shares to Response Plus Holding P.J.S.C. pursuant to conversion of 35,028 CCPS-III held by Response Plus Holding P.J.S.C, allotment of 15,369 equity shares to Macritchie Investments Pte. Ltd. pursuant to conversion of 15,369 CCPS-III held by Macritchie Investments Pte. Ltd, allotment of 12,544 equity shares to Growthseed Regent Private Limited pursuant to conversion of 12,544 CCPS-III held by Growthseed Regent Private Limited, allotment of 8,657 equity shares to Naspers Ventures BV pursuant to conversion of 8,657 CCPS-III held by Naspers Ventures BV, allotment of 5,482 equity shares to Lightstone Fund SA pursuant to conversion of 5,482 CCPS-III held by Lightstone Fund SA, allotment of 4,679 equity shares to TIMF Holdings pursuant to conversion of 4,679 CCPS-III held by TIMF Holdings, allotment of 3,852 equity shares to Siddharth Shah pursuant to conversion of 3,852 CCPS-III held by Siddharth Shah, allotment of 2,464 equity shares to Ramakant Sharma pursuant to conversion of 2,464 CCPS-III held by Ramakant Sharma, allotment of 2,264 equity shares to J M Financial and Investment Consultancy Services Pvt Ltd. pursuant to conversion of 2,264 CCPS-III held by J M Financial and Investment Consultancy Services Pvt Ltd, allotment of 2,167 equity shares to Kedar Shivanand Mankekar pursuant to conversion of 2,167 CCPS-III held by Kedar Shivanand Mankekar, allotment of 2,090 equity shares to Jasmine Bhaskar Shah pursuant to conversion of 2,090 CCPS-III held by Jasmine Bhaskar Shah, allotment of 1,433 equity shares to Siddharth Bharatbhai Bagadia pursuant to conversion of 1,433 CCPS-III held by Siddharth Bharatbhai Bagadia, allotment of 1,379 equity shares to Priyanka Bhaskar Shah pursuant to conversion of 1,379 CCPS-III held by Priyanka Bhaskar Shah, allotment of 708 equity shares to Hemangi K Desai pursuant to conversion of 708 CCPS-III held by Hemangi K Desai, allotment of 701 equity shares to Manjula Kishor Dedhia pursuant to conversion of 701 CCPS-III held by Manjula Kishore Dedhia, allotment of 299 equity shares to Jisal Jaxay Shah pursuant to conversion of 299 CCPS-III held by Jisal Jaxay Shah, allotment of 244 equity shares to Rita Vasudevan Velu pursuant to conversion of 244 CCPS-III held by Rita Vasudevan Velu, allotment of 218 equity shares to Mahesh Mahendra Shah pursuant to conversion of 218 CCPS-III held by Mahesh Mahendra Shah, allotment of 54 equity shares to Surbhi Singh pursuant to conversion of 54 CCPS-III held by Surbhi Singh, allotment of 44 equity shares to Bhavini Harshad Gala pursuant to conversion of 44 CCPS-III held by Bhavini Harshad Gala, allotment of 44 equity shares to Dhaval Rakesh Mehta pursuant to conversion of 44 CCPS-III held by Dhaval Rakesh Mehta, allotment of 30 equity shares to Siddharth Pradip Kothari pursuant to conversion of 30 CCPS-III held by Siddharth Pradip Kothari, allotment of 27 equity shares to Manish Chhabildas Sheth pursuant to conversion of 27 CCPS-III held by Manish Chhabildas Sheth, allotment of 7 equity shares to Shivanand Shankar Mankekar pursuant to conversion of 7 CCPS-III held by Shivanand Shankar Mankekar, allotment of 1 equity share to Laxmi Shivanand Mankekar pursuant to conversion of 1 CCPS-III held by Laxmi Shivanand Mankekar. Allotment of 865,836 equity shares to Macritchie Investments Pte. Ltd. pursuant to conversion of 865,836 CCPS-IV held by Macritchie Investments Pte. Ltd, allotment of 364,041 equity shares to CDPQ Private Equity Asia Pte. Ltd. pursuant to conversion of 364,041 CCPS-IV held by CDPQ Private Equity Asia Pte. Ltd, allotment of 90,105 equity shares to Prashant Dharamdeo Singh pursuant to conversion of 90,105 CCPS-IV held by Prashant Dharamdeo Singh, allotment of 89,894 equity shares to Shivanand Shankar Mankekar HUF pursuant to conversion of 89,894 CCPS-IV held by Shivanand Shankar Mankekar HUF, allotment of 79,321 equity shares to TPG Growth V SF Markets Pte. Ltd. pursuant to conversion of 79,321 CCPS-IV held by TPG Growth V SF Markets Pte. Ltd, allotment of 62,544 equity shares to Naspers Ventures BV pursuant to conversion of 62,544 CCPS-IV held by Naspers Ventures BV, allotment of 41,745 equity shares to Lightstone Fund SA pursuant to conversion of 41,745 CCPS-IV held by Lightstone Fund SA, allotment of 6,738 equity shares to B Capital Asia II, Ltd. pursuant to conversion of 6,738 CCPS-IV held by B Capital Asia II, Ltd. Allotment of 148,162 equity shares to Kedar Shivanand Mankekar pursuant to conversion of 148,162 CCPS-V held by Kedar Shivanand Mankekar, allotment of 131,264 equity shares to Orios Venture Partners Fund – I pursuant to conversion of 131,264 CCPS-V held by Orios Venture Partners Fund – I, allotment of 107,345 equity shares to Bessemer India Capital Holdings II Ltd. pursuant to conversion of 107,345 CCPS-V held by Bessemer India Capital Holdings II Ltd, allotment of 90,395 equity shares to Response Plus Holding P.J.S.C. pursuant to conversion of 90,395 CCPS-V held by Response Plus Holding P.J.S.C, allotment of 57,749 equity shares to Macritchie Holdings Pte. Ltd. pursuant to conversion of 57,749 CCPS-V held by Macritchie Investments Pte. Ltd, allotment of 45,681 equity shares to Orios Select Fund – I pursuant to conversion of 45,681 CCPS-V held

by Orios Select Fund – I. Allotment of 37,047 equity shares to Surbhi Singh pursuant to conversion of 37,047 CCPS-V held by Surbhi Singh, allotment of 34,086 equity shares to Prashant Dharamdeo Singh pursuant to conversion of 34,086 CCPS-V held by Prashant Dharamdeo Singh, allotment of 19,672 equity shares to Shivanand Shankar Mankekar HUF pursuant to conversion of 19,672 CCPS-V held by Shivanand Shankar Mankekar HUF, allotment of 17,311 equity shares to Lightstone Fund SA pursuant to conversion of 17,311 CCPS-V held by Lightstone Fund SA, allotment of 13,359 equity shares to B Capital Asia II, Ltd. pursuant to conversion of 13,349 CCPS-V held by B Capital Asia II, Ltd, allotment of 12,664 equity shares to TIMF Holdings pursuant to conversion of 12,664 CCPS-V held by TIMF Holdings, allotment of 7,964 equity shares to Siddharth Shah pursuant to conversion of 7,964 CCPS-V held by Siddharth Shah, allotment of 6,129 equity shares to J M Financial and Investment Consultancy Services Pvt. Ltd. pursuant to conversion of 6,129 CCPS-V held by J M Financial and Investment Consultancy Services Pvt. Ltd, allotment of 5,657 equity shares to Jasmine Bhaskar Shah pursuant to conversion of 5,657 CCPS-V held by Jasmine Bhaskar Shah, allotment of 4,323 equity shares to Arpi Mehta pursuant to conversion of 4,323 CCPS-V held by Arpi Mehta, allotment of 3,881 equity shares to Siddharth Bharatbhai Bagadia pursuant to conversion of 3,881 CCPS-V held by Siddharth Bharatbhai Bagadia. Allotment of 3,731 equity shares to Priyanka Bhaskar Shah pursuant to conversion of 3,731 CCPS-V held by Priyanka Bhaskar Shah, allotment of 1,899 equity shares to Manjula Kishor Dedhia pursuant to conversion of 1,899 CCPS-V held by Manjula Kishor Dedhia, allotment of 811 equity shares to Jisal Jaxay Shah pursuant to conversion of 811 CCPS-V held by Jisal Jaxay Shah, allotment of 661 equity shares to Rita Vasudevan Velu pursuant to conversion of 661 CCPS-V held by Rita Vasudevan Velu, allotment of 589 equity shares to Mahesh Mahendra Shah pursuant to conversion of 589 CCPS-V held by Mahesh Mahendra Shah, allotment of 579 equity shares to Shivanand Shankar Mankekar pursuant to conversion of 579 CCPS-V held by Shivanand Shankar Mankekar, allotment of 118 equity shares to Bhavini Harshad Gala pursuant to conversion of 118 CCPS-V held by Bhavini Harshad Gala, allotment of 118 equity shares to Dhaval Rakesh Mehta pursuant to conversion of 118 CCPS-V held by Dhaval Rakesh Mehta, allotment of 80 equity shares to Siddharth Pradip Kothari pursuant to conversion of 80 CCPS-V held by Siddharth Pradip Kothari, allotment of 74 equity shares to Manish Chhabildas Sheth pursuant to conversion of 74 CCPS-V held by Manish Chhabildas Sheth, allotment of 60 equity shares to Laxmi Shivanand Mankekar pursuant to conversion of 60 CCPS-V held by Laxmi Shivanand Mankekar. Allotment of 13,104 equity shares to Trifecta Venture Debt Fund I pursuant to conversion of 13,104 CCPS-VI held by Trifecta Venture Debt Fund I. Allotment of 89,096 equity shares to Macritchie Holdings Pte. Ltd. pursuant to conversion of 89,096 CCPS-VII held by Macritchie Investments Pte. Ltd, allotment of 413,934 equity shares to Macritchie Holdings Pte. Ltd. pursuant to conversion of 413,934 CCPS-VIII held by Macritchie Investments Pte. Ltd. Allotment of 154,559 equity shares to B Capital Asia II, Ltd. pursuant to conversion of 154,559 CCPS-VIII held by B Capital Asia II, Ltd. Allotment of 54,511 equity shares to Orios Select Fund I pursuant to conversion of 54,511 CCPS-VIII held by Orios Select Fund I, allotment of 39,760 equity shares to Shivanand Shankar Mankekar HUF pursuant to conversion of 39,760 CCPS-VIII held by Shivanand Shankar Mankekar HUF, allotment of 28,988 equity shares to Kedar Shivanand Mankekar pursuant to conversion of 28,988 CCPS-VIII held by Kedar Shivanand Mankekar, allotment of 11,913 equity shares to J M Financial and Investment Consultancy Services Pvt. Ltd. pursuant to conversion of 11,913 CCPS-VIII held by J M Financial and Investment Consultancy Services Pvt. Ltd. Allotment of 255,824 equity shares to Bessemer India Capital Holdings II Ltd. pursuant to conversion of 255,824 CCPS-IX held by Bessemer India Capital Holdings II Ltd., allotment of 204,480 equity shares to Beta Oryx Limited pursuant to conversion of 204,480 CCPS-IX held by Beta Oryx Limited., allotment of 144,480 equity shares to TPG Growth V SF Markets Pte. Ltd. pursuant to conversion of 144,480 CCPS-IX held by TPG Growth V SF Markets Pte. Ltd., allotment of 144,364 equity shares to TIMF Holdings pursuant to conversion of 144,364 CCPS-IX held by TIMF Holdings, allotment of 136,612 equity shares to IIFL Special Opportunities Fund - Series 8 pursuant to conversion of 136,612 CCPS-IX held by IIFL Special Opportunities Fund - Series 8, allotment of 88,167 equity shares to The Fundamentum Partnership Fund I pursuant to conversion of 88,167 CCPS-IX held by The Fundamentum Partnership Fund I, allotment of 79,460 equity shares to IIFL Monopolistic Market Intermediaries Fund pursuant to conversion of 79,460 CCPS-IX held by IIFL Monopolistic Market Intermediaries Fund, allotment of 75,050 equity shares to Macritchie Investments Pte Ltd. pursuant to conversion of 75,050 CCPS-IX held by Macritchie Investments Pte Ltd., allotment of 71,229 equity shares to B Capital Asia II, Ltd. pursuant to conversion of 71,229 CCPS-IX held by B Capital Asia II, Ltd., allotment of 55,944 equity shares to Orios Venture Partners Fund – I pursuant to conversion of 55,944 CCPS-IX held by Orios Venture Partners Fund – I, allotment of 49,909 equity shares to J M Financial And Investment Consultancy Services Pvt Ltd pursuant to conversion of 49,909 CCPS-IX held by J M Financial And Investment Consultancy Services Pvt Ltd, allotment of 49,783 equity shares to Orios Select Fund I pursuant to conversion of 49,783 CCPS-IX held by Orios Select Fund I, allotment of 31,087 equity shares to Surbhi Singh pursuant to conversion of 31,087 CCPS-IX held by Surbhi Singh, allotment of 27,368 equity shares to Siddharth Shah pursuant to conversion of 27,368 CCPS-IX held by Siddharth Shah, allotment of 24,838 equity shares to Shivanand Shankar Mankekar HUF pursuant to conversion of 24,838 CCPS-IX held by Shivanand Shankar Mankekar HUF, allotment of 20,500 equity shares to Prashant Singh pursuant to conversion of 20,500 CCPS-IX held by Prashant Singh, allotment of 20,338 equity shares to Domeet Mahesh Shah pursuant to conversion of 20,338 CCPS-IX held by Domeet Mahesh Shah, allotment of 14,407 equity shares to Growthseed Regent Private Limited pursuant to conversion of 14,407 CCPS-IX held by Growthseed Regent Private Limited, allotment of 13,049 equity shares to Akira Properties Private Limited pursuant to conversion of 13,049 CCPS-IX held by Akira Properties Private Limited, allotment of 10,200 equity shares to Shri Pack Private Limited pursuant to conversion of 10,200 CCPS-IX held by Shri Pack Private Limited, allotment of 10,200 equity shares to Prashant Packaging Pvt Limited pursuant to conversion of 10,200 CCPS-IX held by Prashant Packaging Pvt Limited, allotment of 10,169 equity shares to Suyash Sharadrao Motarwar pursuant to conversion of 10,169 CCPS-IX held by Suyash Sharadrao Motarwar, allotment of 9,296 equity shares to Trifecta Venture Debt Fund I pursuant to conversion of 9,296 CCPS-IX held by Trifecta Venture Debt Fund I, allotment of 7,623 equity shares to Kedar Shivanand Mankekar pursuant to conversion of 7,623 CCPS-IX held by Kedar Shivanand Mankekar, allotment of 7,352 equity shares to Jasmine Bhaskar Shah pursuant to conversion of 7,352 CCPS-IX held by Jasmine Bhaskar Shah, allotment of 5,618 equity shares to Naspers Ventures BV pursuant to conversion of 5,618 CCPS-IX held by Naspers Ventures BV, allotment of 5,525 equity shares to Santosh Pawar pursuant to conversion of 5,525 CCPS-IX held by Santosh Pawar, allotment of 5,474 equity shares to Lightstone Fund S A pursuant to conversion of 5,474 CCPS-IX held by Lightstone Fund S A, allotment of 5,339 equity shares to Harshil Vijay Shah pursuant to conversion of 5,339 CCPS-IX held by Harshil Vijay Shah, allotment of 5,044 equity shares to Siddharth Bharatbhai Bagadia pursuant to conversion of 5,044 CCPS-IX held by Siddharth Bharatbhai Bagadia, allotment of 5,000 equity shares to Sonali Vipul Desai pursuant to conversion of 5,000 CCPS-IX held by Sonali Vipul Desai, allotment of 4,849 equity shares to Priyanka Bhaskar Shah pursuant to conversion of 4,849 CCPS-IX held by Priyanka Bhaskar Shah, allotment of 2,489 equity shares to Hemangi K Desai pursuant to conversion of 2,489 CCPS-IX held by Hemangi K Desai, allotment of 2,467 equity shares to Manjula Kishor Dedhia pursuant to conversion of 2,467 CCPS-IX held by Manjula Kishor Dedhia, allotment of 2,250 equity shares to Manuj Investment Private Limited pursuant to conversion of 2,250 CCPS-IX held by Manuj Investment Private Limited, allotment of 2,203 equity shares to Chandresh Dedhia pursuant to conversion of 2,203 CCPS-IX held by Chandresh Dedhia, allotment of 2,203 equity shares to Shatanand Niranjn Rao pursuant to conversion of 2,203 CCPS-IX held by Shatanand Niranjn Rao, allotment of 2,186 equity shares to Nishant Kashyap pursuant to conversion of 2,186 CCPS-IX held by Nishant Kashyap, allotment of 1,786 equity shares to F Prime Capital Partners Health Care Fund V L P pursuant to conversion of 1,786 CCPS-IX held by F Prime Capital Partners Health Care Fund V L P, allotment of 1,694 equity shares to Nirmal Bhogilal pursuant to conversion of 1,694 CCPS-IX held by Nirmal Bhogilal, allotment of 1,694 equity shares to Imtiaz Sattar Oomerbhoy pursuant to conversion of 1,694 CCPS-IX held by Imtiaz Sattar Oomerbhoy, allotment of 1,694 equity shares to Gaj Singh Jodhpur pursuant to conversion of 1,694 CCPS-IX held by Gaj Singh Jodhpur, allotment of 1,356 equity shares to Shrey Mittal pursuant to conversion of 1,356 CCPS-IX held by Shrey Mittal, allotment of 1,271 equity shares to Rahul Mehta pursuant to conversion of 1,271 CCPS-IX held by Rahul Mehta, allotment of 1,186 equity shares to Sudhir Mohan Jorwekar pursuant to conversion of 1,186 CCPS-IX held by Sudhir Mohan Jorwekar, allotment of 1,176 equity shares to Ramakant Sharma pursuant to conversion of 1,176 CCPS-IX held by Ramakant Sharma, allotment of 1,176 equity shares to Ekta Thakur pursuant to conversion of 1,176 CCPS-IX held by Ekta Thakur, allotment of 1,053 equity shares to Jisal Jaxay Shah pursuant



to conversion of 1,053 CCPS-IX held by Jisal Jaxay Shah, allotment of 1,016 equity shares to Rohit Anand pursuant to conversion of 1,016 CCPS-IX held by Rohit Anand, allotment of 1,000 equity shares to Krishna Chaitanya Kurra pursuant to conversion of 1,000 CCPS-IX held by Krishna Chaitanya Kurra, allotment of 860 equity shares to Rita Vasudevan Velu pursuant to conversion of 860 CCPS-IX held by Rita Vasudevan Velu, allotment of 847 equity shares to Chetan Ajmera pursuant to conversion of 847 CCPS-IX held by Chetan Ajmera, allotment of 847 equity shares to Priyanka Dinesh Gosai pursuant to conversion of 847 CCPS-IX held by Priyanka Dinesh Gosai, allotment of 847 equity shares to Jayesh Jain pursuant to conversion of 847 CCPS-IX held by Jayesh Jain, allotment of 847 equity shares to Akash Valia pursuant to conversion of 847 CCPS-IX held by Akash Valia, allotment of 847 equity shares to Manoj K Sanghani pursuant to conversion of 847 CCPS-IX held by Manoj K Sanghani, allotment of 847 equity shares to Ankit Ashok Solanki pursuant to conversion of 847 CCPS-IX held by Ankit Ashok Solanki, allotment of 847 equity shares to Ranjeeta Bose pursuant to conversion of 847 CCPS-IX held by Ranjeeta Bose, allotment of 766 equity shares to Mahesh Mahendra Shah pursuant to conversion of 766 CCPS-IX held by Mahesh Mahendra Shah, allotment of 593 equity shares to Srishti Sethi pursuant to conversion of 593 CCPS-IX held by Srishti Sethi, allotment of 593 equity shares to Gaurav Verma pursuant to conversion of 593 CCPS-IX held by Gaurav Verma, allotment of 492 equity shares to Dhaval Rakesh Mehta pursuant to conversion of 492 CCPS-IX held by Dhaval Rakesh Mehta, allotment of 423 equity shares to Prashant P Maheshwari pursuant to conversion of 423 CCPS-IX held by Prashant P Maheshwari, allotment of 423 equity shares to Rupa Apurva Bhow pursuant to conversion of 423 CCPS-IX held by Rupa Apurva Bhow, allotment of 423 equity shares to Rahul Maheswari pursuant to conversion of 423 CCPS-IX held by Rahul Maheswari, allotment of 339 equity shares to Nitish Jalan pursuant to conversion of 339 CCPS-IX held by Nitish Jalan, allotment of 339 equity shares to Ravi Bansal pursuant to conversion of 339 CCPS-IX held by Ravi Bansal, allotment of 339 equity shares to Mithil Jain pursuant to conversion of 339 CCPS-IX held by Mithil Jain, allotment of 338 equity shares to Kiran Pathak Nee Jha pursuant to conversion of 338 CCPS-IX held by Kiran Pathak Nee Jha, allotment of 283 equity shares to Bina Kamalesh Jhaveri pursuant to conversion of 283 CCPS-IX held by Bina Kamalesh Jhaveri, allotment of 283 equity shares to Manju Singh pursuant to conversion of 283 CCPS-IX held by Manju Singh, allotment of 254 equity shares to Sudhir Chandulal Mehta pursuant to conversion of 254 CCPS-IX held by Sudhir Chandulal Mehta, allotment of 254 equity shares to Priyoma Majumder pursuant to conversion of 254 CCPS-IX held by Priyoma Majumder, allotment of 254 equity shares to Hitesh Chandulal Mehta pursuant to conversion of 254 CCPS-IX held by Hitesh Chandulal Mehta, allotment of 254 equity shares to Vaibhav Dilip Parekh pursuant to conversion of 254 CCPS-IX held by Vaibhav Dilip Parekh, allotment of 169 equity shares to Nitin Chugh pursuant to conversion of 169 CCPS-IX held by Nitin Chugh, allotment of 169 equity shares to Amit Tandon pursuant to conversion of 169 CCPS-IX held by Amit Tandon, allotment of 169 equity shares to Karan Sehgal pursuant to conversion of 169 CCPS-IX held by Karan Sehgal, allotment of 153 equity shares to Bhavini Harshad Gala pursuant to conversion of 153 CCPS-IX held by Bhavini Harshad Gala, allotment of 145 equity shares to Pradip Kothari pursuant to conversion of 145 CCPS-IX held by Pradip Kothari, allotment of 127 equity shares to Bandana Kankani pursuant to conversion of 127 CCPS-IX held by Bandana Kankani, allotment of 127 equity shares to Kawaral Padma pursuant to conversion of 127 CCPS-IX held by Kawaral Padma, allotment of 104 equity shares to Siddharth Pradip Kothari pursuant to conversion of 104 CCPS-IX held by Siddharth Pradip Kothari, allotment of 96 equity shares to Manish Chhabildas Sheth pursuant to conversion of 96 CCPS-IX held by Manish Chhabildas Sheth, allotment of 85 equity shares to Ajay Sahasrabudde pursuant to conversion of 85 CCPS-IX held by Ajay Sahasrabudde, allotment of 25 equity shares to Shivanand Shankar Mankekar pursuant to conversion of 25 CCPS-IX held by Shivanand Shankar Mankekar, allotment of 25 equity shares to Danish Ojha pursuant to conversion of 25 CCPS-IX held by Danish Ojha, allotment of 5 equity shares to Laxmi Shivanand Mankekar pursuant to conversion of 5 CCPS-IX held by Laxmi Shivanand Mankekar. Allotment of 134,469 equity shares to TIMF Holdings pursuant to conversion of 134,469 CCPS-X held by TIMF Holdings. Allotment of 134,469 equity shares to TIMF Holdings pursuant to conversion of 134,469 CCPS-X held by TIMF Holdings. Allotment of 523,264 equity shares to CDPQ Private Equity Asia Pte. Ltd. pursuant to conversion of 523,264 CCPS-XI held by CDPQ Private Equity Asia Pte. Ltd, allotment of 121,219 equity shares to KB Global Platform Fund pursuant to conversion of 121,219 CCPS-XI held by KB Global Platform Fund, allotment of 112,224 equity shares to Bessemer India Capital Holdings II Ltd. pursuant to conversion of 112,224 CCPS-XI held by Bessemer India Capital Holdings II Ltd, allotment of 102,928 equity shares to The Fundamentum Partnership Fund I pursuant to conversion of 102,928 CCPS-XI held by The Fundamentum Partnership Fund I, allotment of 74,816 equity shares to TIMF Holdings pursuant to conversion of 74,816 CCPS-XI held by TIMF Holdings, allotment of 53,389 equity shares to Zeal Global Opportunities Fund pursuant to conversion of 53,389 CCPS-XI held by Zeal Global Opportunities Fund, allotment of 46,367 equity shares to Beta Oryx Limited pursuant to conversion of 46,367 CCPS-XI held by Beta Oryx Limited, allotment of 40,198 equity shares to Eight Roads Ventures India III LP pursuant to conversion of 40,198 CCPS-XI held by Eight Roads Ventures India III LP, allotment of 21,987 equity shares to IIFL Special Opportunities Fund – Series 8 pursuant to conversion of 21,987 CCPS-XI held by IIFL Special Opportunities Fund – Series 8, allotment of 12,788 equity shares to IIFL Monopolistic Market Intermediaries Fund pursuant to conversion of 12,788 CCPS-XI held by IIFL Monopolistic Markets Intermediaries Fund, allotment of 9,588 equity shares to F Prime Capital Partners Health Care Fund V LP pursuant to conversion of 9,588 CCPS-XI held by F Prime Capital Partners Health Care Fund V LP. Allotment of 475,608 equity shares to Lightstone Fund SA pursuant to conversion of 475,608 CCPS-XII held by Lightstone Fund SA. Allotment of 847,952 equity shares to Macritchie Investments Pte. Ltd. pursuant to conversion of 847,952 CCPS-XIII held by Macritchie Investments Pte. Ltd. Allotment of 35,392 equity shares to Orios Select Fund I pursuant to conversion of 35,392 CCPS-XIV held by Orios Select Fund I. Allotment of 76,235 equity shares to Lightstone Fund S.A. pursuant to conversion of 76,235 CCPS-XV held by Lightstone Fund S.A., allotment of 5,824 equity shares to The Fundamentum Partnership Fund I pursuant to conversion of 5,824 CCPS-XV held by The Fundamentum Partnership Fund I. Allotment of 1,308,047 equity shares to Surbhi Singh pursuant to conversion of 1,308,047 CCPS-XVI held by Surbhi Singh, allotment of 337,983 equity shares to Naspers Ventures BV pursuant to conversion of 337,983 CCPS-XVI held by Naspers Ventures BV, allotment of 42,575 equity shares to B Capital Asia II, Ltd. pursuant to conversion of 42,575 CCPS-XVI held by B Capital Asia II, Ltd. Allotment of 105,983 equity shares to TPG Growth V Sf Markets Pte. Ltd. pursuant to conversion of 105,983 CCPS-XVII held by TPG Growth V Sf Markets Pte. Ltd. Allotment of 52,524 equity shares to Matrix Partners India Investment Holdings II, LLC pursuant to conversion of 52,524 CCPS-XVII held by Matrix Partners India Investment Holdings II, LLC, allotment of 48,116 equity shares to Times Internet Limited pursuant to conversion of 48,116 CCPS-XVII held by Times Internet Limited, allotment of 16,305 equity shares to Dream Incubator Inc pursuant to conversion of 16,305 CCPS-XVII held by Dream Incubator Inc, allotment of 12,078 equity shares to Matrix Partners India Investments II Extension, LLC pursuant to conversion of 12,078 CCPS-XVII held by Matrix Partners India Investments II Extension, LLC. Allotment of 7,207 equity shares to Ananth Sankaranarayanan pursuant to conversion of 7,207 CCPS-XVIII held by Ananth Sankaranarayanan, allotment of 2,337 equity shares to Sandhya Subramanyam pursuant to conversion of 2,337 CCPS-XVIII held by Sandhya Subramanyam. Allotment of 643,536 equity shares to TPG Growth V Sf Markets Pte. Ltd. pursuant to conversion of 643,536 CCPS-XIX held by TPG Growth V Sf Markets Pte. Ltd., allotment of 203,595 equity shares to CDPQ Private Equity Asia Pte. Ltd. pursuant to conversion of 203,595 CCPS-XIX held by CDPQ Private Equity Asia Pte. Ltd., allotment of 161,086 equity shares to Macritchie Investments Pte. Ltd. pursuant to conversion of 161,086 CCPS-XIX held by Macritchie Investments Pte. Ltd., allotment of 63,763 equity shares to TIMF Holdings pursuant to conversion of 63,763 CCPS-XIX held by TIMF Holdings, allotment of 54,455 equity shares to Lightstone Fund S.A. pursuant to conversion of 54,455 CCPS-XIX held by Lightstone Fund S.A., allotment of 34,007 equity shares to Eight Roads Ventures India III LP pursuant to conversion of 34,007 CCPS-XIX held by Eight Roads Ventures India III LP, allotment of 8,502 equity shares to F Prime Capital Partners Health Care Fund V LP pursuant to conversion of 8,502 CCPS-XIX held by F Prime Capital Partners Health Care Fund V LP. Allotment of 1,867,439 equity shares to Naspers Ventures BV pursuant to conversion of 1,867,439 CCPS-XX held by Naspers Ventures BV. Allotment of 33,328 equity shares to Prashant Dharamdeo Singh pursuant to conversion of 33,328 CCPS-XXI held by Prashant Dharamdeo Singh, allotment of 31,930 equity shares to Tulip Lab Private Limited pursuant to conversion of 31,930 CCPS-XXI held by Tulip Lab Private Limited, allotment of 20,830 equity shares to Shobha Surajratan Agarwal pursuant to conversion of 20,830 CCPS-XXI held by Shobha Surajratan Agarwal. Allotment of 196,221 equity shares to Internet Fund VI Pte. Ltd. pursuant to conversion of 196,221 CCPS-XXII held by Internet Fund VI Pte. Ltd. Allotment of 8,653 equity

shares to Chetan Gopaldas Cholera pursuant to conversion of 8,653 CCPS-XXIII held by Chetan Gopaldas Cholera, allotment of 1,326 equity shares to Shalibhadra Navinchandra Shah pursuant to conversion of 1,326 CCPS-XXIII held by Shalibhadra Navinchandra Shah, allotment of 265 equity shares to Deepika Navinchandra Shah pursuant to conversion of 265 CCPS-XXIII held by Deepika Navinchandra Shah, allotment of 265 equity shares to Navinchandra Bhogilal Shah pursuant to conversion of 265 CCPS-XXIII held by Navinchandra Bhogilal Shah, allotment of 132 equity shares to Saroj Mahesh Shah pursuant to conversion of 132 CCPS-XXIII held by Saroj Mahesh Shah. Allotment of 926,612 equity shares to A. Velumani pursuant to conversion of 926,612 CCPS-XXIV held by A. Velumani, allotment of 155,424 equity shares to TIMF Holdings pursuant to conversion of 155,424 CCPS-XXIV held by TIMF Holdings, allotment of 132,814 equity shares to Naspers Ventures BV pursuant to conversion of 132,814 CCPS-XXIV held by Naspers Ventures BV, allotment of 115,826 equity shares to Macritchie Investments Pte. Ltd. pursuant to conversion of 115,826 CCPS-XXIV held by Macritchie Investments Pte. Ltd., allotment of 115,826 equity shares to Kotak Pre IPO Opportunities Fund pursuant to conversion of 115,826 CCPS-XXIV held by Kotak pre IPO Opportunities Fund, allotment of 113,664 equity shares to B Capital Asia III LLC pursuant to conversion of 113,664 CCPS-XXIV held by B Capital Asia III LLC, allotment of 105,016 equity shares to TPG Growth V Sf Markets Pte. Ltd. pursuant to conversion of 105,016 CCPS-XXIV held by TPG Growth V Sf Markets Pte. Ltd., allotment of 90,930 equity shares to B Capital Asia II, Ltd. pursuant to conversion of 90,930 CCPS-XXIV held by B Capital Asia II, Ltd., allotment of 73,140 equity shares to Think Investments PCC pursuant to conversion of 73,140 CCPS-XXIV held by Think Investments PCC, allotment of 30,269 equity shares to Orios Fund IIIA pursuant to conversion of 30,269 CCPS-XXIV held by Orios Fund IIIA. Allotment of 4,663 equity shares to Growthseed Regent Private Limited pursuant to conversion of 4,663 CCPS-XXV held by Growthseed Regent Private Limited, allotment of 4,324 equity shares to Shobha Surajratan Agarwal pursuant to conversion of 4,324 CCPS-XXV held by Shobha Surajratan Agarwal, allotment of 926 equity shares to Sanket Mehta pursuant to conversion of 926 CCPS-XXV held by Sanket Mehta, allotment of 833 equity shares to Jawaharlal Mohanlal Shah pursuant to conversion of 833 CCPS-XXV held by Jawaharlal Mohanlal Shah, allotment of 833 equity shares to Ashok Mohanlal Shah pursuant to conversion of 833 CCPS-XXV held by Ashok Mohanlal Shah, allotment of 833 equity shares to Harshit Ashok Shah pursuant to conversion of 833 CCPS-XXV held by Harshit Ashok Shah, allotment of 833 equity shares to Pushpa Jawaharlal Shah pursuant to conversion of 833 CCPS-XXV held by Pushpa Jawaharlal Shah, allotment of 741 equity shares to Suresh Ramchand Mandhyan pursuant to conversion of 741 CCPS-XXV held by Suresh Ramchand Mandhyan, allotment of 617 equity shares to Ramkant Sharma pursuant to conversion of 617 CCPS-XXV held by Ramkant Sharma, allotment of 617 equity shares to LOGX Venture pursuant to conversion of 617 CCPS-XXV held by LOGX Venture, allotment of 617 equity shares to Govind R Mehta pursuant to conversion of 617 CCPS-XXV held by Govind R Mehta, allotment of 555 equity shares to Jaydeep Dahyalal Tank pursuant to conversion of 555 CCPS-XXV held by Jaydeep Dahyalal Tank, allotment of 463 equity shares to Rajesh Harilal Chauhan pursuant to conversion of 463 CCPS-XXV held by Rajesh Harilal Chauhan, allotment of 463 equity shares to Parikshit Tank pursuant to conversion of 463 CCPS-XXV held by Parikshit Tank, allotment of 308 equity shares to Kunal Dilip Jhaveri pursuant to conversion of 308 CCPS-XXV held by Kunal Dilip Jhaveri, allotment of 308 equity shares to Daksha Alpesh Sheth pursuant to conversion of 308 CCPS-XXV held by Daksha Alpesh Sheth, allotment of 308 equity shares to Reena Jatin Solanki pursuant to conversion of 308 CCPS-XXV held by Reena Jatin Solanki, allotment of 253 equity shares to Samir Lalitchandra Parekh pursuant to conversion of 253 CCPS-XXV held by Samir Lalitchandra Parekh, allotment of 154 equity shares to Sejal Bhavin Gandhi pursuant to conversion of 154 CCPS-XXV held by Sejal Bhavin Gandhi, allotment of 123 equity shares to Agarwal Shekhar Suresh pursuant to conversion of 123 CCPS-XXV held by Agarwal Shekhar Suresh, allotment of 92 equity shares to Harsh Vardhan Khandelwal pursuant to conversion of 92 CCPS-XXV held by Harsh Vardhan Khandelwal, allotment of 74 equity shares to Utkarsh Vasntkumar Mehta pursuant to conversion of 74 CCPS-XXV held by Utkarsh Vasntkumar Mehta, allotment of 74 equity shares to Satvik Utkarsh Mehta pursuant to conversion of 74 CCPS-XXV held by Satvik Utkarsh Mehta, allotment of 61 equity shares to Jaydeep Dahyalal Tank HUF pursuant to conversion of 61 CCPS-XXV held by Jaydeep Dahyalal Tank HUF, allotment of 30 equity shares to Kruti Bhavin Sheth pursuant to conversion of 30 CCPS-XXV held by Kruti Bhavin Sheth. Allotment of 250,847 equity shares to SARV Investments Limited pursuant to conversion of 250,847 CCPS-XXVI held by SARV Investments Limited, allotment of 209,039 equity shares to Amansa Investments Ltd pursuant to conversion of 209,039 CCPS-XXVI held by Amansa Investments Ltd., allotment of 91,977 equity shares to Worldwide Healthcare Trust PLC pursuant to conversion of 91,977 CCPS-XXVI held by Worldwide Healthcare Trust PLC, allotment of 62,711 equity shares to Steadview Capital Mauritius Limited pursuant to conversion of 62,711 CCPS-XXVI held by Steadview Capital Mauritius Limited, allotment of 41,807 equity shares to Apah Opportunity Fund I pursuant to conversion of 41,807 CCPS-XXVI held by Apah Opportunity Fund I, allotment of 37,627 equity shares to Neuberger Berman Emerging Markets Equity Fund pursuant to conversion of 37,627 CCPS-XXVI held by Neuberger Berman Emerging Markets Equity Fund, allotment of 25,084 equity shares to Neuberger Berman Emerging Markets Equity Master Fund LP pursuant to conversion of 25,084 CCPS-XXVI held by Neuberger Berman Emerging Markets Equity Master Fund LP.

(32) 554,373,630 equity shares were allotted to 304 shareholders of the Company in the ratio of 10 equity shares for every fully paid-up equity share held as on the record date of fixed by our Board i.e October 28, 2021.

## II. Preference Share capital history of our Company

Our Company does not have any outstanding Preference Shares as on the date of this Draft Red Herring Prospectus.

### I. Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves

Except as disclosed below, our Company has not issued equity shares or CCPS through bonus issue or for consideration other than cash:

Types of Securities	Date of allotment	No. of Securities allotted	Face value per Security (₹)	Issue price per Security (approx. ₹)	Reason for allotment	Benefits accrued to our Company
Equity shares	February 12, 2021	22,814,598	10	NA	Bonus issue in the ratio of 2 equity shares for each fully paid-up equity share and Preference Share held in the Company by the Shareholders <sup>(1)</sup>	NA
	August 27, 2020	868,337	10	10	Allotment pursuant to Merger 2020 <sup>(2)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private

Types of Securities	Date of allotment	No. of Securities allotted	Face value per Security (₹)	Issue price per Security (approx. ₹)	Reason for allotment	Benefits accrued to our Company
	October 29, 2021	554,373,630	10	NA	Bonus issue in the ratio of 10 equity shares for every 1 equity share held in our Company by the Shareholders <sup>(3)</sup>	Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company NA
CCPS-I	August 27, 2020	90,720	10	441	Allotment pursuant to Merger 2020 <sup>(4)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-II	August 27, 2020	459,703	10	462	Allotment pursuant to Merger 2020 <sup>(5)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-III	August 27, 2020	325,362	10	999	Allotment pursuant to Merger 2020 <sup>(6)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-IV	August 27, 2020	1,600,224	10	1,319	Allotment pursuant to Merger 2020 <sup>(7)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-V	August 27, 2020	753,313	10	1,394	Allotment pursuant to Merger 2020 <sup>(8)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-VI	August 27, 2020	13,104	10	1,394	Allotment pursuant to Merger 2020 <sup>(9)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their

Types of Securities	Date of allotment	No. of Securities allotted	Face value per Security (₹)	Issue price per Security (approx. ₹)	Reason for allotment	Benefits accrued to our Company
						respective shareholders with our Company
CCPS-VIII	August 27, 2020	703,665	10	1,921	Allotment pursuant to Merger 2020 <sup>(10)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-IX	August 27, 2020	1,643,655	10	2,145	Allotment pursuant to Merger 2020 <sup>(11)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-X	August 27, 2020	134,469	10	3,429	Allotment pursuant to Merger 2020 <sup>(12)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-XI	August 27, 2020	1,118,768	10	4,009	Allotment pursuant to Merger 2020 <sup>(13)</sup>	Amalgamation of Thea, 91Streets, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
CCPS-XVI, CCPS XVI-A, CCPS-XVII and CCPS-XVIII	January 25, 2021	1,933,155	10	5,601	Allotment pursuant to Securities Subscription Agreement dated December 16, 2020, as amended vide an amendment agreement dated December 30, 2020 entered into between the Company, Prasad Uno Family Trust, Matrix Partners India Investment Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Times Internet, Dream Incubator Inc., Ananth Sankaranarayanan and Ananth Sankaranarayanan Family Trust <sup>(14)</sup>	Our Company acquired the entire share capital of Medlife International Private Limited under the Subscription Agreement dated December 16, 2020, as amended vide an amendment agreement dated December 30, 2020 to expand presence across the digital healthcare value chain

(1) 22,814,598 equity shares were allotted to 64 shareholders of the Company in the ratio of 2 equity shares for every fully paid-up equity share or Preference Share held as on the record date of fixed by our Board i.e. February 10, 2021.

(2) Allotment of 152,500 equity shares to Evermed Holding Pte. Ltd, 26 equity shares to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, 5 equity shares to Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 8,187 equity shares to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 26,676 equity shares to Shivanand Shankar Mankekar (HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 5,418 equity shares to Siddharth Bagadia, 527 equity shares to Bharat Bagadia, 93,675 equity shares to J M Financial and Investment Consultancy Services Private Limited, 923 equity shares to Rita Vasudevan, 17,956 equity shares to TIMF Holdings, 58,074 equity shares to Macritchie Investments Pte. Ltd, 7,897 equity shares to Jasmine Bhaskar Shah, 281,979 equity shares to Siddharth Shah, 6,034 equity shares to Arpi Mehta, 5,768 equity shares to Priyanka Bhaskar

Shah, 30,507 equity shares to Harsh Parekh, 30,274 equity shares to Hardik Dedhia, 17,752 equity shares to Dharmil Sheth, 2,688 equity shares to Dhaval Shah, 916 equity shares to Dilip Mehta, 112 equity shares to Siddharth Kothari, 822 equity shares to Mahesh Shah, 206 equity shares to Shweta Mehta, 1,712 equity shares to Dhaval Mehta, 1,712 equity shares to Bhavini Gala, 103 equity shares to Manish Sheth, 1,131 equity shares to Jisal Shah, 16,072 equity shares to The Fundamentum Partnership Fund I acting through its investment manager Sanjeev Aggarwal, 38,024 equity shares to Eight Roads Ventures India III LP, 9,912 equity shares to F-Prime Capital Partners Healthcare Fund V LP, 560 equity shares to CDPQ Private Equity Asia Pte. Ltd., 10,037 equity shares to Lightstone Fund S.A., 56 equity shares to Trifecta Venture Debt Fund-I acting through its investment manager Trifecta Capital VDF Management LLP, 56 equity shares to Bennett Coleman and Company Limited and 40,040 equity shares to Bessemer India Capital Holdings II Ltd.

- (3) 554,373,630 equity shares were allotted to 304 shareholders of the Company in the ratio of 10 equity shares for every fully paid-up equity share held as on the record date of fixed by our Board i.e. October 28, 2021.
- (4) Allotment of 12,096 CCPS-I to Ronak Morbia, 14,840 CCPS-I to Ramesh Jethalal Morbia, 6,552 CCPS-I to Dhanlaxmi Ramesh Morbia, 560 CCPS-I to Jayshree Pradij Morbia, 1,120 CCPS-I to Manjula Jethalal Morbia, 2,184 CCPS-I to Pradij Jethalal Morbia, 840 CCPS-I to Rashi Kishor Morbia, 840 CCPS-I to Rinkle Apurva Ambavi, 840 CCPS-I to Twinkle Ramesh Morbia, 14,840 CCPS-I to Kishor Jethalal Morbia, 9,184 CCPS-I to Kavita Kishor Morbia, 840 CCPS-I to Rohan Ramesh Morbia, 9,968 CCPS-I to Pradeep Vishanji Chheda, and 16,016 CCPS-I to The Fundamentum Partnership Fund I (acting through its investment manager Sanjeev Aggarwal).
- (5) Allotment of 248 CCPS-II to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, 50 CCPS-II to Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 447 CCPS-II to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 58,821 CCPS-II to Shivanand Shankar Mankekar(HUF) through its Karta Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 50,979 to Siddharth Bagadia, 4,964 CCPS-II to Bharat Bagadia, 68,588 CCPS-II to J M Financial and Investment Consultancy Services Private Limited, 8,687 CCPS-II to Rita Vasudevan, 31,867 CCPS-II to TIMF Holdings, 74,297 CCPS-II to Jasmine Bhaskar Shah, 24,002 CCPS-II to Siddharth Shah, 56,783 CCPS-II to Arpi Mehta, 49,009 to Priyanka Bhaskar Shah, 9,492 CCPS-II to Dilip Mehta, 181 CCPS-II to Siddharth Kothari, 7,739 CCPS-II to Mahesh Shah, 1,935 CCPS-II to Shweta Mehta, 967 CCPS-II to Manish Sheth, and 10,647 CCPS-II to Jisal Shah.
- (6) Allotment of 40,357 CCPS-III to Evermed Holdings Pte. Ltd, 7 CCPS-III to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, 1 CCPS-III to Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 2,167 CCPS-III to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 7,060 CCPS-III to Shivanand Shankar Mankekar(HUF) through its Karta Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 1,433 CCPS-III to Siddharth Bagadia, 140 CCPS-III to Bharat Bagadia, 2,264 CCPS-III to J M Financial and Investment Consultancy Services Private Limited, 244 CCPS-III to Rita Vasudevan, 4,679 CCPS-III to TIMF Holdings, 1,172 CCPS-III to Lightstone Fund S.A.(for and on behalf of Lightstone Global Fund), 15,369 CCPS-III to MacRitchie Investments Pte. Ltd., 2,090 CCPS-III to Jasmine Bhaskar Shah, 7,780 CCPS-III to Siddharth Shah, 1,597 CCPS-III to Arpi Mehta, 1,379 CCPS-III to Priyanka Bhaskar Shah, 708 CCPS-III to Harsh Parekh, 701 CCPS-III to Hardik Dedhia, 242 CCPS-III to Dilip Mehta, 30 CCPS-III to Siddharth Kothari, 218 CCPS-III to Mahesh Shah, 54 CCPS-III to Shweta Mehta, 44 CCPS-III to Dhaval Mehta, 44 CCPS-III to Bhavini Gala, 27 CCPS-III to Manish Sheth, 299 CCPS-III to Jisal Shah, 70,056 CCPS-III to Bessemer India Capital Holdings II, 70,056 CCPS-III to Orios Venture Partners Fund-I(acting through its investment manager Orios Advisors LLP), 60,088 CCPS-III to Aarin Capital Partners, 20,048 CCPS-III to Medi Assist Healthcare Services Limited, 12,544 CCPS-III to Astarc Ventures Private Trust(acting through its trustee Growthseed Regent Private Limited), and 2,464 CCPS-III to Ramakant Sharma.
- (7) Allotment of 811,976 CCPS-IV to Evermed Holdings Pte. Ltd, 47,602 CCPS-IV to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 152,438 CCPS-IV to Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 41,745 CCPS-IV to Lightstone Fund S.A. (for and on behalf of Lightstone Global Fund), and 546,463 CCPS-IV to MacRitchie Investments Pte. Ltd.
- (8) Allotment of 109,258 to CCPS-V to Evermed Holdings Pte. Ltd, 579 CCPS-V to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, 60 CCPS-V to Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 148,162 CCPS-V to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 19,672 CCPS-V to Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 3,881 CCPS-V to Siddharth Bagadia, ,378 CCPS-V to Bharat Bagadia, 6,129 CCPS-V to J M Financial and Investment Consultancy Services Private Limited, 661 CCPS-V to Rita Vasudevan, 12,664 CCPS-V to TIMF Holdings, 3,181 CCPS-V to Lightstone Fund S.A.(for and on behalf of Lightstone Global Fund),, 41,607 CCPS-V to MacRitchie Investments Pte. Ltd., 5,657 CCPS-V to Jasmine Bhaskar Shah, 21,059 CCPS-V to Siddharth Shah, , 4,323 CCPS-V to Arpi Mehta, 3,731 CCPS-V to Priyanka Bhaskar Shah, 1,914 CCPS-V to Harsh Parekh, 1,899 CCPS-V to Hardik Dedhia, 657 CCPS-V to Dilip Mehta, 80 CCPS-V to Siddharth Kothari, 589 CCPS-V to Mahesh Shah, 147 CCPS-V to Shweta Mehta, 118 CCPS-V to Dhaval Mehta, 118 CCPS-V to Bhavini Gala, 74 CCPS-V to Manish Sheth, 811 CCPS-V to Jisal Shah, 234,640 CCPS-V to Bessemer India Capital Holdings II, and 131,264 CCPS-V to Orios Venture Partners Fund-I, a trust acting through its investment manager Orios Advisors LLP.
- (9) Allotment of 13,104 CCPS-VI to Trifecta Venture Debt Fund-I(acting through its investment manager Trifecta Capital VDF Management LLP)
- (10) Allotment of 623,004 to CCPS-VIII to Evermed Holdings Pte. Ltd, 28,988 CCPS-VIII to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 39,760 CCPS-VIII to Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar and 11,913 CCPS-VIII to J M Financial and Investment Consultancy Services Private Limited.
- (11) Allotment of 141,990 CCPS-IX to Evermed Holdings Pte. Ltd, 25 CCPS-IX to Shivanand Shankar Mankekar jointly with Laxmi Shivanand Mankekar jointly with Kedar Shivanand Mankekar, 5 CCPS-IX to Laxmi Shivanand Mankekar jointly with Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 7,623 CCPS-IX to Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar, 24,838 CCPS-IX to Shivanand Shankar Mankekar(HUF) through its Karta, Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar, 5,044 CCPS-IX to Siddharth Bagadia, ,491 CCPS-IX to Bharat Bagadia, 49,909 CCPS-IX to J M Financial and Investment Consultancy Services Private Limited, 860 CCPS-IX to Rita Vasudevan, 144,364 CCPS-IX to TIMF Holdings, 4,130 CCPS-IX to Lightstone Fund S.A.(incorporated as a public limited company acting on behalf of and for the account of Lightstone Global Fund by its alternative investment fund manager LGT capital Partners(Ireland) Limited). 54,072 CCPS-IX to MacRitchie Investments Pte. Ltd., 7,352 CCPS-IX to Jasmine Bhaskar Shah, 27,368 CCPS-IX to Siddharth Shah, 5,618 CCPS-IX to Arpi Mehta, 4,849 CCPS-IX to Priyanka Bhaskar Shah, 2,489 CCPS-IX to Harsh Parekh, 2,467 CCPS-IX to Hardik Dedhia, 853 CCPS-IX to Dilip Mehta, 104 CCPS-IX to Siddharth Kothari, 766 CCPS-IX to Mahesh Shah, 191 CCPS-IX to Shweta Mehta, 153 CCPS-IX to Dhaval Mehta, 153 CCPS-IX to Bhavini Gala, 96 CCPS-IX to Manish Sheth, 1,053 CCPS-IX to Jisal Shah, 286,720 CCPS-IX to Bessemer India Capital Holdings II, 55,944 CCPS-IX to Orios Venture Partners Fund-I, 139,832 CCPS-IX to MEMG Family Office LLP, 4,648 CCPS-IX to Medi Assist Healthcare Services Limited, 1,176 CCPS-IX to Ramakant Sharma, 297,808 CCPS-IX to The Fundamentum Partnership Fund I(scheme of The Fundamentum Partnership, a trust incorporated under the laws of India and registered as a Category I alternate investment fund acting through its investment manager Sanjeev Aggarwal), 286,608 CCPS-IX to Eight Roads Ventures India III LP, 71,232 CCPS-IX to F-Prime Capital Partners Healthcare Fund V LP, 1,176 CCPS-IX to Bina Jhaveri, 1,176 CCPS-IX to Manju

Singh, 1,176 CCPS-IX to Anuj Srivastava, and 9,296 CCPS-IX to Trifecta Venture Debt Fund-I (acting through its investment manager Trifecta capital VDF Management LLP).

(12) Allotment of 134,469 CCPS-X to TIMF Holdings.

(13) Allotment of 74,816 CCPS-XI to TIMF Holdings, 112,224 CCPS-XI to Bessemer India Capital Holdings II Ltd, 102,928 CCPS-XI to The Fundamentum Partnership (scheme of The Fundamentum Partnership, acting through its investment manager Sanjeev Aggarwal), 104,776 CCPS-XI to Eight Roads Ventures India III LP, 26,152 CCPS-XI to F-Prime Capital Partners Healthcare Fund V LP, 174,608 CCPS-XI to KB Global Platform Fund Limited (acting through its general partner KB Investment Co., Ltd.), and 523,264 CCPS-XI to CDPQ Private Equity Asia Pte. Ltd.

(14) Allotment of 1,688,605 CCPS-XVI to Prasad Uno Family Trust, allotment of 105,983 CCPS-XVII to Prasad Uno Family Trust, allotment of 52,524 CCPS-XVII to Matrix Partners India Investment Holdings II, LLC, 12,078 CCPS-XVII to Matrix Partners India Investment Holdings II Extension, LLC, 48,116 CCPS-XVII to Times Internet Limited and 16,305 CCPS-XVII to Dream Incubator Inc, allotment of 7,207 CCPS-XVIII to Ananth Sankaranarayanan and 2,337 CCPS-XVIII to Ananth Sankaranarayanan Family Trust. For further details, see "History and Certain Corporate Matters" beginning on page 197.

## 2. Issue of Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013

Except for the allotment of 868,337 equity shares on August 27, 2020 as disclosed above in the "Notes to the Capital Structure – Equity share capital history of our Company" on page 104 and the allotment of 90,720 CCPS-I, 459,703 CCPS-II, 325,362 CCPS-III, 1,600,224 CCPS-IV, 753,313 CCPS-V, 13,104 CCPS-VI, 703,665 CCPS-VIII, 1,643,655 CCPS-IX, 134,469 CCPS-X and 1,118,768 CCPS-XI pursuant to Merger 2020, our Company has not allotted any equity shares and Preference Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013. For details, see "History and Certain Corporate Matters – Material acquisitions or divestments of business or undertaking, mergers, amalgamations or revaluation of assets in the last ten years - Scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91 Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company" beginning on page 217.

## 3. Issue of equity shares under employee stock option schemes

For details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the ESOP Plan 2020, see "Notes to the Capital Structure – Equity share capital history of our Company" on pages 104.

## 4. Issue of specified securities at a price lower than the Issue Price in the last year

- a) Except for the allotment of equity shares as disclosed above in the "Notes to the Capital Structure – Equity share capital history of our Company" on page 104, our Company has not issued any equity shares in the preceding one year below the Issue Price.
- b) Our Company has issued Preference Shares during a period of one year preceding the date of this Draft Red Herring Prospectus, that may be at a price lower than the Issue Price. Further, these Preference Shares have been converted to equity shares on October 26, 2021. For details of equity shares issued by our Company pursuant to the conversion of Preference Shares, see "Notes to the Capital Structure – Equity share capital history of our Company" on page 104 with the details as provided in the table below:

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (approx. ₹)	Reason for allotment
<b>CCPS-VII</b>				
March 19, 2021	89,096	10	607.96	Exercise of warrants <sup>(1)</sup>
<b>CCPS-XV</b>				
November 19, 2020	82,059	10	4,443.30	Preferential allotment <sup>(2)</sup>
<b>CCPS-XIX</b>				
December 29, 2020	34,007	10	5,601.00	Preferential allotment <sup>(3)</sup>
December 30, 2020	8,502	10	5,601.00	Preferential allotment <sup>(4)</sup>
December 30, 2020	63,763	10	5,601.00	Preferential allotment <sup>(5)</sup>
January 14, 2021	54,455	10	5,601.00	Preferential allotment <sup>(6)</sup>
January 21, 2021	161,086	10	5,601.00	Preferential allotment <sup>(7)</sup>
March 1, 2021	643,536	10	1,867.00	Preferential allotment <sup>(8)</sup>
March 10, 2021	203,595	10	1,867.00	Preferential allotment <sup>(9)</sup>
<b>CCPS-XX</b>				
April 5, 2021	1,867,439	10	2,000.33	Preferential allotment <sup>(10)</sup>
<b>CCPS-XXI</b>				
May 20, 2021	86,088	10	2,000.33	Preferential allotment <sup>(11)</sup>

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (approx. ₹)	Reason for allotment
<b>CCPS-XXII</b>				
July 1, 2021	196,221	10	2,515.77	Preferential allotment <sup>(12)</sup>
<b>CCPS-XXIII</b>				
July 1, 2021	10,641	10	2,515.77	Preferential allotment <sup>(13)</sup>
<b>CCPS-XXIV</b>				
August 13, 2021	115,826	10	5,396.00	Preferential allotment <sup>(14)</sup>
August 21, 2021	712,191	10	5,396.00	Preferential allotment <sup>(15)</sup>
September 2, 2021	926,612	10	5,396.00	Preferential allotment <sup>(16)</sup>
September 16, 2021	136,396	10	5,396.00	Preferential allotment <sup>(17)</sup>
<b>CCPS-XXV</b>				
September 16, 2021	19,073	10	5,396.00	Preferential allotment <sup>(18)</sup>
<b>CCPS-XXVI</b>				
October 9, 2021	614,574	10	5,900.00	Preferential allotment <sup>(19)</sup>
October 13, 2021	104,518	10	5,900.00	Preferential allotment <sup>(20)</sup>

- (1) Allotment of 89,096 CCPS-VII to Bennett Coleman and Company Limited
- (2) Allotment of 76,235 CCPS-XV to Lightstone Fund S.A.(for and on behalf of Lightstone Global Fund). and 5,824 CCPS-XV to The Fundamentum Partnership Fund I
- (3) Allotment of 34,007 CCPS-XIX to Eight Roads Ventures India III LP
- (4) Allotment of 8,502 CCPS-XIX to F-Prime Capital Partners Healthcare Fund V LP
- (5) Allotment of 63,763 CCPS-XIX to TIMF Holdings
- (6) Allotment of 54,455 CCPS-XIX to Lightstone Fund S.A.(for and on behalf of Lightstone Global Fund).
- (7) Allotment of 161,086 CCPS-XIX to MacRitchie Investments Pte. Ltd.
- (8) Allotment of 643,536 CCPS-XIX to TPG Growth V SF Markets Pte. Ltd.
- (9) Allotment of 203,595 CCPS-XIX to CDPQ Private Equity Asia Pte. Ltd.
- (10) Allotment of 1,867,439 CCPS-XX to Naspers Venture B.V.
- (11) Allotment of 20,830 CCPS-XXI to Shobha Surajratan Agrawal, 33,328 CCPS-XXI to Siddhant Partners(represented by Partner Prashant Singh) and 31,930 CCPS-XXI to Tulip Lab Private Limited
- (12) Allotment of 196,221 CCPS-XXII to Internet Fund VI Pte. Ltd
- (13) Allotment of 1,326 CCPS-XXIII to Shalibhadra Navinchandra Shah, 265 CCPS-XXIII to Navinchandra Bhogilal Shah, 265 CCPS-XXIII to Deepika Navinchandra Shah, 132 CCPS-XXIII to Saroj Mahesh Shah, 8,653 CCPS-XXIII to Chetan Gopaldas Cholera.
- (14) Allotment of 115,826 CCPS-XXIV to Kotak Pre-IPO Opportunities Fund
- (15) Allotment of 132,814 CCPS-XXIV to Naspers Ventures B.V., 105,016 CCPS-XXIV to TPG Growth V SF Markets Pte. Ltd., 115,826 CCPS-XXIV to Macritchie Investments Pte. Ltd, 30,269 CCPS-XXIV to Orios Fund IIIa, 31,504 CCPS-XXIV to Orios Advisors LLP, 155,424 CCPS-XXIV to TIMF Holdings, 73,140 CCPS-XXIV to Think Investments PCC and 68,198 CCPS-XXIV to B Capital Asia II, Ltd.
- (16) Allotment of 926,612 CCPS-XXIV to A.Velumani
- (17) Allotment of 22,732 CCPS-XXIV to B Capital Asia II, Ltd., and 113,664 CCPS-XXIV to B Capital Asia III, LLC
- (18) Allotment of 308 CCPS-XXV to Daksha Alpesh Sheth, 617 CCPS-XXV to Ramakant Sharma, 617 CCPS-XXV to Logx Ventures Partners LLP, 617 CCPS-XXV to Govinda Rajan Mehta, 92 CCPS-XXV to Harsh Vardhan Khandelwal, 741 CCPS-XXV to Suresh Ramchand Mandhyan, 30 CCPS-XXV to Kruti Bhavin Sheth, 123 CCPS-XXV to Shekhar Suresh Agrawal, 4,324 CCPS-XXV to Shobha Agrawal, 555 CCPS-XXV to Jaydeep Dahyalal Tank, 61 CCPS-XXV to Jaydeep Dahyalal Tank HUF, 463 CCPS-XXV to Parikshit Dahyalal Tank, 463 CCPS-XXV to Rajesh Harilal Chauhan, 833 CCPS-XXV to Ashok Mohanlal Shah, 833 CCPS-XXV to Harshit Ashok Shah, 833 CCPS-XXV to Jawaharlal Mohanlal Shah, 833 CCPS-XXV to Pushpa Jawaharlal Shah, 926 CCPS-XXV to Sanket Sharad Mehta, 308 CCPS-XXV to Kunal Dilip Jhaveri, 4,633 CCPS-XXV to Astarc Ventures Private Trust, 308 CCPS-XXV to Reeta Jatin Solanki, 154 CCPS-XXV to Sejal Bhavin Gandhi, 74 CCPS-XXV to Satvik Utarksh Mehta, 253 CCPS-XXV to Sameer Lalitchandra Parekh and 74 CCPS-XXV to Utarksh Vasantkumar Mehta.
- (19) Allotment of 209,039 CCPS-XXVI to Amansa Investments Ltd., 250,847 CCPS-XXVI to SARV Investments Limited, 91,977 CCPS-XXVI to Worldwide Healthcare Trust PLC and 62,711 CCPS-XXVI to Steadview Capital Mauritius Limited.
- (20) Allotment of 41,807 CCPS-XXVI to ApaH Opportunity Fund I, 37,627 CCPS-XXVI to Neuberger Berman Emerging Markets Equity Fund, and 25,084 CCPS-XXVI to Neuberger Berman Emerging Markets Equity Master Fund LP.

- c) Our Company has issued CCDs during a period of one year preceding the date of this Draft Red Herring Prospectus, that may be at a price lower than the Issue Price with the details as provided in the table below:

Date of allotment	Number of CCDs allotted	Face value per CCDs (₹)	Issue price per CCD (₹)	Reason for allotment
<b>CCD IV, CCD V, CCD VI, CCD VII, CCD VIII</b>				
November 25, 2020	744,021	4,443.31	4,443.31	Private placement <sup>(1)</sup>
<b>CCD IX</b>				
January 25, 2021	133,904	5,601.00	5,601.00	Allotment pursuant to CCD Agreement dated December 16, 2020, as entered into between

Date of allotment	Number of CCDs allotted	Face value per CCDs (₹)	Issue price per CCD (₹)	Reason for allotment
<b>CCD IV, CCD V, CCD VI, CCD VII, CCD VIII</b>				
				the Company, Ivy Icon Solutions LLP, Prasad Uno Family Trust, Prashant Singh, and Tushar Kumar for consideration on swap for securities <sup>(2)</sup>
<b>CCD X, CCD XI, CCD XII, CCD XIII, CCD XIV</b>				
April 5, 2021	399,935	2000.33	2,000.33	Private placement <sup>(3)</sup>

(1) Allotment of 135,871 CCD IV to Siddharth Shah, 127,326 CCD V to Harsh Parekh, 127,326 CCD VI to Hardik Dedhia, 174,397 CCD VII to Dhaval Shah and 179,101 CCD VIII to Dharmil Sheth

(2) Allotment of 133,904 CCD IX to Ivy Icon Solutions LLP

(3) Allotment of 79,987 CCD X to Siddharth Shah, 79,987 CCD XI to Hardik Dedhia, 79,987 CCD XII to Harsh Parekh, 79,987 CCD XIII to Dhaval Shah and 79,987 CCD XIV to Dharmil Sheth.

## 5. Shareholding Pattern of our Company

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

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Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total Shares held (b)	Number (a)		As a % of total Shares held (b)
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(B)	Public	632	6,098,109,930	0	-	6,098,109,930	100%	100%	0	100%	100%	0	0	-	11,773,050	0.19%	6,098,109,930	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>632</b>	<b>6,098,109,930</b>	<b>-</b>	<b>-</b>	<b>6,098,109,930</b>	<b>100%</b>	<b>100%</b>	<b>0</b>	<b>100%</b>	<b>100%</b>	<b>0</b>	<b>-</b>	<b>11,773,050</b>	<b>0.19%</b>	<b>6,098,109,930</b>		

6. **Details of equity shareholding of the major Shareholders of our Company:**

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

S. No	Name of the shareholder	Pre-Issue#	
		Number of Equity Shares on a fully diluted basis*	Percentage of the Equity Share capital on a fully diluted basis* (%)
1.	Naspers Ventures BV	813,316,570	12.04
2.	Macritchie Investments Pte. Ltd	732,516,290	10.84
3.	Surbhi Singh jointly with Universal Trustees Private Limited	452,780,680	6.70
4.	TPG Growth V SF Markets Pte. Ltd.	449,492,340	6.65
5.	Evermed Holdings Pte Ltd	396,033,000	5.86
6.	A. Velumani	305,781,960	4.52
7.	CDPQ Private Equity Asia Pte. Ltd.	280,092,780	4.14
8.	Lightstone Fund S A	261,229,320	3.87
9.	TIMF Holdings	211,200,660	3.13
10.	Bessemer India Capital Holdings II Ltd	210,363,670	3.11
11.	The Fundamentum Partnership Fund I	121,693,330	1.80
12.	Eight Roads Ventures India III LP	120,985,260	1.79
13.	Shivanand Shankar Mankekar HUF	91,596,340	1.36
14.	Siddharth Shah	89,176,340	1.32
15.	Orios Venture Partners Fund – I	84,897,120	1.26
16.	SARV Investments Limited	82,779,620	1.22
17.	Jasmine Bhaskar Shah jointly with Bhaskar Prataprai Shah jointly with Siddharth Shah	82,500,000	1.22
18.	J M Financial and Investment Consultancy Services Pvt Ltd	76,717,740	1.14
19.	B Capital Asia II, Ltd	73,152,420	1.08
20.	Amansa Investments Ltd	68,982,980	1.02
21.	Internet Fund VI Pte. Ltd.	64,752,930	0.96
22.	Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar	63,638,850	0.94
23.	Prashant Dharamdeo Singh jointly with Tushar Kumar	63,521,150	0.94
24.	KB Global Platform Fund	51,747,850	0.77
25.	Ivy Icon Solutions LLP	44,188,320	0.65
26.	Worldwide Healthcare Trust PLC	41,389,810	0.61
27.	Beta Oryx Limited	41,389,700	0.61
28.	Kotak Pre IPO Opportunities Fund	38,222,580	0.57
29.	B Capital Asia III LLC	37,509,120	0.56
	<b>Total</b>	<b>5,451,648,730</b>	<b>80.68</b>

\*Assuming dilution impact of options granted and outstanding under ESOP Plan 2020.

#Number of Equity Shares on a fully diluted basis have been taken from the beneficiary position statement dated November 5, 2021.

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

S. No	Name of the shareholder	Pre-Issue#	
		Number of Equity Shares on a fully diluted basis*	Percentage of the Equity Share capital on a fully diluted basis*(%)
1.	Naspers Ventures BV	81,331,657	12.04
2.	Macritchie Investments Pte Ltd	73,251,629	10.84
3.	Surbhi Singh jointly with Universal Trustees Private Limited	45,278,068	6.70
4.	TPG Growth V SF Markets Pte. Ltd.	44,949,234	6.65
5.	Evermed Holdings Pte Ltd	39,603,300	5.86

S. No	Name of the shareholder	Pre-Issue#	
		Number of Equity Shares on a fully diluted basis*	Percentage of the Equity Share capital on a fully diluted basis*(%)
6.	A. Velumani	30,578,196	4.52
7.	CDPQ Private Equity Asia Pte. Ltd.	28,009,278	4.14
8.	Lightstone Fund S A	26,122,932	3.87
9.	TIMF Holdings	21,120,066	3.13
10.	Bessemer India Capital Holdings II Ltd	21,036,367	3.11
11.	The Fundamentum Partnership Fund I	12,169,333	1.80
12.	Eight Roads Ventures India III LP	12,098,526	1.79
13.	Siddharth Shah	9,522,634	1.41
14.	Shivanand Shankar Mankekar HUF	9,159,634	1.36
15.	Orios Venture Partners Fund – I	8,489,712	1.26
16.	SARV Investments Limited	8,277,962	1.22
17.	Jasmine Bhaskar Shah jointly with Bhaskar Prataprai Shah jointly with Siddharth Shah	8,250,000	1.22
18.	J M Financial and Investment Consultancy Services Pvt Ltd	7,671,774	1.14
19.	B Capital Asia II, Ltd	7,315,242	1.08
20.	Amansa Investments Ltd	6,898,298	1.02
21.	Internet Fund VI Pte. Ltd.	6,475,293	0.96
22.	Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar	6,363,885	0.94
23.	Prashant Dharamdeo Singh jointly with Tushar Kumar	6,352,115	0.94
24.	KB Global Platform Fund	5,174,785	0.77
25.	Ivy Icon Solutions LLP	4,418,832	0.65
26.	Worldwide Healthcare Trust PLC	4,138,981	0.61
27.	Beta Oryx Limited	4,138,970	0.61
28.	Kotak Pre IPO Opportunities Fund	3,822,258	0.57
29.	B Capital Asia III LLC	3,750,912	0.56
	<b>Total</b>	<b>545,769,873</b>	<b>80.77</b>

\*Assuming the dilution impact of options granted and outstanding under ESOP Plan 2020.

# Number of Equity Shares on a fully diluted basis have been taken from the beneficiary position statement dated October 29, 2021.

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

S. No.	Name of the shareholder	Pre-Issue	
		Number of equity shares on a fully diluted basis*	Percentage of the Equity Share capital on a fully diluted basis*(%)
1.	Evermed Holdings Pte. Ltd.	1,879,085	19.31
2.	MacRitchie Investments Pte. Ltd.	1,563,537	16.06
3.	Bessemer India Capital Holdings II Ltd.	743,680	7.64
4.	Lightstone Fund S.A., for and on behalf of Lightstone Global Fund	535,873	5.51
5.	CDPQ Private Equity Asia Pte. Ltd	523,824	5.38
6.	The Fundamentum Partnership Fund I	432,824	4.45
7.	Eight Roads Ventures India III LP	429,408	4.41
8.	TIMF Holdings	420,815	4.32
9.	Siddharth Shah	362,188	3.72
10.	Shivanand Shankar Mankekar (HUF) through its karta Shivanand Shankar Mankekar jointly with Kedar Shivanand Mankekar	329,265	3.38
11.	Orios Venture Partners Fund – I	257,264	2.64
12.	Kedar Shivanand Mankekar jointly with Shivanand Shankar Mankekar	243,176	2.50
13.	J M Financial and Investment Consultancy Services Private Limited	232,478	2.39
14.	KB Global Platform Fund Limited Partnership	174,608	1.79

S. No.	Name of the shareholder	Pre-Issue	
		Number of equity shares on a fully diluted basis*	Percentage of the Equity Share capital on a fully diluted basis*(%)
15.	MEMG Family Office LLP	139,832	1.44
16.	F-Prime Capital Partners Healthcare Fund V LP	107,296	1.10
17.	Jasmine Bhaskar Shah	97,293	1.00
	<b>Total</b>	<b>8,472,446</b>	<b>87.05</b>

\*Assuming conversion of outstanding CCPS held by the respective shareholder as on November 8, 2020 and the dilution impact of options granted and outstanding under ESOP Plan 2020

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

	Name of the Shareholder	Pre-Issue	
		Number of equity shares on a fully diluted basis	Percentage of the equity share capital on a fully diluted basis (%)
1.	Dhaval Shah	5,000	50
2.	Harsh Parekh	5,000	50
	<b>Total</b>	<b>10,000</b>	<b>100</b>

7. Our Company does not have an identifiable promoter either in terms of the SEBI ICDR Regulations or the Companies Act, 2013. Accordingly, in terms of the SEBI ICDR Regulations, there is no requirement of minimum promoter's contribution in this Issue and none of the Equity Shares will be locked in for a period of eighteen months pursuant to the Issue.
8. Details of Equity Shares locked-in under the SEBI ICDR Regulations:
- a) The entire pre-Issue Equity Share capital of our Company will be locked-in for a period of six months under the SEBI ICDR Regulations from the date of Allotment, except for:
- the Equity Shares sold pursuant to the Issue;
  - Equity Shares allotted to the employees of our Company, whether currently our employee or not of our Company under the ESOP Plan 2020, as applicable; and
  - any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI as on the date of this Draft Red Herring Prospectus, as applicable, provided that such Equity Shares shall be locked in for a period of at least six months prescribed under the SEBI ICDR Regulations from the date of purchase by such shareholders.
  - The Equity Shares held by any person and locked-in for a period of six months from the date of Allotment in the Issue 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 such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the SEBI Takeover Regulations.
- b) Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors
- Any Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.
9. Except for the issue of any Equity Shares pursuant to exercise of options granted under ESOP Plan 2020, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.
10. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 632.
11. Except as disclosed below, none of our Directors or any of their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus

Name	Directors/ Relatives of Directors	Sale/Purchase	Number of Equity Shares
<b>Directors</b>			
Siddharth Shah	Director	Sale	6,943,070
Dharmil Sheth	Director	Sale	18,269,329
Harsh Parekh	Director	Sale	17,037,456
<b>Relative of Directors</b>			
Arpi Mehta	Relative of Siddharth Shah, Director	Sale	148,760
Bhaskar Shah	Relative of Siddharth Shah, Director	Purchase	1,129,319
		Sale	1,129,319
Bhaskar Shah (HUF) (through karta, Bhaskar Shah)	Relative of Siddharth Shah, Director	Purchase	15,718
		Sale	15,718
Hemangi K Desai	Relative of Harsh Parekh, Director	Purchase	5,111
Jasmine Bhaskar Shah	Relative of Siddharth Shah, Director	Sale	926,473
Priyanka Bhaskar Shah	Relative of Siddharth Shah, Director	Sale	144,086
Nirupam Sheth	Relative of Dharmil Sheth, Director	Purchase	15,026,825
		Sale	15,026,825
Parul Desai	Relative of Harsh Parekh, Director	Purchase	13,543,750
		Sale	13,543,750

12. There have been no financing arrangements whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
13. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.
14. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.
15. All Equity Shares transferred pursuant to the Issue will be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
16. Except for the options granted pursuant to ESOP Plan 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.
17. Any oversubscription to the extent of 1% of the Issue size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.
18. Except for any exercise of options vested pursuant to ESOP Plan 2020, the Pre-IPO Placement and the Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

19. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Issue, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.
20. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
21. Except as disclosed in “Our Management” beginning on page 227, none of our Directors or Key Managerial Personnel hold any Equity Shares of our Company.

#### **ESOP Plan 2020**

22. Our Company, pursuant to the resolutions passed by our Board on August 27, 2020 and our Shareholders on August 28, 2020, adopted the ESOP Plan 2020 which stands amended by the resolution of the Board of Directors on September 9, 2021 and the resolution passed by our Shareholders of the Company on October 1, 2021. The objective of the ESOP Plan 2020 is to create a sense of ownership amongst the employees, motivate, attract, retain and incentivize employees for their performance and contribution to the growth and profitability of our Company, subject to applicable law. Further, the objective of the ESOP Plan 2020 is also to grant employee stock options to eligible employees of transferor companies i.e. 91Streets, Ascent Health and Wellness Solutions Private Limited and Medlife International pursuant to previously existing employee stock option plans of such transferor companies, which have merged into our Company by way various schemes of mergers from time to time. Pursuant to such mergers, our Company granted options to such eligible employees in lieu of the options held by such employees in the transferor companies. The ESOP Plan 2020 shall also govern employees of any other transferor companies, if so contemplated under schemes of amalgamations to be entered by into our Company in the future, subject to applicable law.

As on the date of this Draft Red Herring Prospectus, 470,868,860 options have been granted by our Company under the ESOP Plan 2020.

The details of grants, exercise and lapsed options as on the date of this Draft Red Herring Prospectus on a cumulative basis are as follows:

<b>Particulars</b>	<b>Details*</b>
No. of options currently in the ESOP pool (granted + ungranted)	1,428,420,840
No. of options granted and outstanding (vested + unvested)	616,247,500
- Of which no. of vested options	121,355,190

\*Adjusted to incorporate the impact of corporate actions viz. bonus issue and sub-division of Equity Shares pursuant to Board resolution dated October 28, 2021.

The ESOP Plan 2020 is in compliance with the Companies Act and the SEBI SBEB Regulations.

The details of the ESOP Plan 2020, as certified by Saini Pati Shah & Co LLP, through a certificate dated November 8, 2021 are as follows:

<b>Particulars</b>	<b>Financial Year 2019-20*</b>	<b>Financial Year 2020-21**</b>	<b>Period April 1, 2021 till November 8, 2021***</b>
Options granted (A)	NA	188,938,860	470,419,400
Cumulative options granted (B)		659,358,260	
Options vested (excluding the options exercised/lapsed/surrendered/forfeited/cancelled) (C)	NA	68,109,360	53,245,830
Cumulative options vested (excluding the options lapsed/surrendered/forfeited/cancelled) (D)		121,355,190	
Options exercised (E)	NA	Nil	57,03,610
Cumulative options exercised (F)		5,703,610	
Options forfeited/ lapsed/ cancelled/surrendered (G)	NA	18,302,790	19,104,360

Cumulative options forfeited/ lapsed/ cancelled/surrendered (H)		37,407,150	
Options outstanding (including vested and unvested options) (A)- (E)- (G)	NA	170,636,070	445,611,430
Cumulative options outstanding (including vested and unvested options) (B)-(F)- (H)		616,247,500	
Exercise price of options	NA	₹ 1 to ₹ 18.18	₹ 1 to ₹ 18.18
Total number of Equity Shares that would arise as a result of full exercise of options granted (net of forfeited/ lapsed/ cancelled options) (only for vested options)	NA	68,109,360	121,355,190
Variation in terms of options	NA	NA	***
Money realized by exercise of options (amount in ₹)	NA	NA	18,080,627
Total number of options in force (excluding options not granted)	NA	170,636,070	616,247,500
Fully diluted EPS on a pre-Issue as is pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings per Share' (in ₹) post sub-division of shares and bonus issue	Not Applicable, as the Company has incurred losses		
Where the issuer has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options and the impact of this difference on profits and on the Earnings Per Share of the issuer.	Employee Compensation cost has been computed basis fair value of options.		
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	The Black Scholes valuation model has been used for computing the weighted average fair value. The following method and assumptions were used for computing the weighted average fair value: (not adjusted for bonus and sub-division of equity shares)		
- Expected life of options (years)	NA	2.75 years	NA
- Expected price volatility per share (% p.a.)	NA	21.67% to 41.1%	NA
- Risk Free Rate of Return (%)	NA	4.40% to 8%	NA
- Dividend Yield (% p.a.)	NA	Nil	NA
- Price of the underlying share on the grant date	NA	₹ 887.41 to ₹ 5,601	NA
- The weighted average share price in market at the time of grant of the option (₹)	NA	NA	NA
Impact on profits and EPS of the last three years if the Company had followed the accounting policies specified in the SEBI SBEB Regulations in respect of options granted in the last three years	Not Applicable as Company has followed similar accounting policies, as mentioned in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.		

Intention of the Key Managerial Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme or allotted under an employee stock purchase scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares in the Issue (aggregate number of Equity Shares intended to be sold by the holders of options), if any	NA	Nil	Nil
Intention to sell Equity Shares arising out of an employee stock option scheme or allotted under an employee stock purchase scheme within three months after the date of listing, by Directors, key managerial personnel and employees having Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	NA	NA No employees have Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	NA No employees have Equity Shares issued under an employee stock option scheme or employee stock purchase scheme amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) of the Company

\* Pursuant to Merger 2020, our Company has adopted the ESOP Plan 2020 with effect from August 27, 2020, hence information pertaining to financial year 2019-20 is not applicable and information pertaining to financial year 2021-22 has been given with effect from August 27, 2020 (date of adoption of scheme).

\*\*This includes details of options replaced to the employees of the Ascent and modified options issued to the employees of 91 Streets pursuant to Merger 2020.

\*\*\* Pursuant to the Medlife Merger 53,550,420 options have been granted by the Company, out of which 49,701,300 options vested as at September 30, 2021 and 52,030,770 as at November 8, 2021.

\*\*\*\* Following variations were approved at Board meeting held on September 28, 2021:

- modification of vesting schedule of granted Employee Stock Options under ESOP Plan 2020 to quarterly vesting post the 1 year cliff period for all ESOPs with effect from October 1, 2021
- modification of exercise price of ESOPs Pool 1 to 5, 16 and 17 under the ESOP Plan 2020 to ₹ 11/- and ESOPs Pool 6 to 11 under the ESOP Plan 2020 to ₹ 4.011/- with effect from October 1, 2021 post adjustment of bonus issue and share division.

<b>Employee wise details of options granted to Key Management Personnel as on November 8, 2021</b>				
<b>Name and Designation</b>	<b>No. of Options Granted</b>	<b>No. of Options lapsed / cancelled/surrendered</b>	<b>No. of Options Exercised</b>	<b>No. of options outstanding</b>
Dhaval Shah	48,288,460	Nil	Nil	48,288,460
Dharmil Sheth	48,288,460	Nil	Nil	48,288,460
Siddharth Shah	48,288,460	Nil	Nil	48,288,460
Harsh Parekh	48,288,460	Nil	Nil	48,288,460
Hardik Dedhia	48,288,460	Nil	Nil	48,288,460
Abhinav Yajurvedi	23,235,410	595,980	Nil	22,639,430
Savita Sharma	691,570	Nil	Nil	691,570
Akarsh Bhardwaj	9,094,140	2,762,430	Nil	6,331,710
Drashti Shah	6,198,280	1,808,180	Nil	4,390,100
Chebolu V. Ram	2,371,050	Nil	Nil	2,371,050



<b>List of Employees who received a grant in any one year/ period of options amounting to 5% or more of the options granted during the year / period</b>				
<b>Name</b>	<b>No. of Options Granted</b>	<b>No. of Options lapsed / cancelled/surrendered</b>	<b>No. of Options Exercised</b>	<b>No. of options outstanding</b>
<b>For the period from April 1, 2021 till November 8, 2021</b>				
Ananth Sankaranarayanan	48,185,940	Nil	Nil	48,185,940
Dhaval Shah	48,288,460	Nil	Nil	48,288,460
Dharmil Sheth	48,288,460	Nil	Nil	48,288,460
Siddharth Shah	48,288,460	Nil	Nil	48,288,460
Harsh Parekh	48,288,460	Nil	Nil	48,288,460
Hardik Dedhia	48,288,460	Nil	Nil	48,288,460
Saurabh Pandey	24,462,790	Nil	Nil	24,462,790
<b>Fiscal Year ending March 31, 2021</b>				
Abhinav Yajurvedi	20,008,560	595,980	Nil	19,412,580
<b>Fiscal Year ending March 31, 2020</b>				
NA	NA	NA	NA	NA

<b>Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of the grant</b>				
<b>Name</b>	<b>No. of Options Granted</b>	<b>No. of Options lapsed / cancelled/surrendered</b>	<b>No. of Options Exercised</b>	<b>No. of options outstanding</b>
<b>For the period from April 1, 2021 till November 8, 2021</b>	-	-	-	-
<b>Fiscal Year ending March 31, 2021</b>	-	-	-	-
<b>Fiscal Year ending March 31, 2020</b>				
NA	NA	NA	NA	NA

<p style="text-align: center;"><b>Additional Entitlement of Options to our Founders</b></p>	<p style="text-align: center;">605,000,000*</p>
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*\*Up to 330,000,000 options ("IPO ESOPs") to be granted to the Founders pursuant to ESOP Plan 2020 during the period commencing from the date six months subsequent to the commencement of listing and trading of the Equity Shares pursuant to the Issue until eighteen months subsequent to the listing and trading of Equity Shares pursuant to the Issue. The vesting of IPO ESOPs shall take place on the third and sixth anniversary of the date of listing of the Equity Shares subject to the volume weighted average closing price of the Equity Shares being more than certain percentage of the price at which the Equity Shares will be issued in the Issue. Remainder of up to 275,000,000 options shall be granted to the Founders, by the Nomination and Remuneration Committee within six months of the commencement of listing and trading of the Equity Shares pursuant to the Issue subject to satisfactory completion of integration of all acquisitions as determined by the Nomination and Remuneration Committee. The grant of IPO ESOPs and the aforementioned up to 275,000,000 options under the ESOP Plan 2020 will be subject to Shareholders' approval post the commencement of listing and trading of the Equity Shares pursuant to the Issue*

## OBJECTS OF THE ISSUE

Issue of up to [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 62,500.00 million.

### Net Proceeds

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

Particulars	Estimated amount (₹ in million)
Gross Proceeds of the Issue <sup>(1)</sup>	62,500.00
(Less) Issue Expenses in relation to the Issue <sup>(2)</sup>	[●]
<b>Net Proceeds<sup>(1)(2)</sup></b>	<b>[●]</b>

<sup>(1)</sup> Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue prior to completion of the Issue. If the Pre-IPO Placement is undertaken, the Issue Size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company subject to compliance with Rule 19(2)(b) of the SCRR. The proceeds from such Pre-IPO Placement will be accordingly deducted from the Net Proceeds and will not be subject to monitoring of funds by the Monitoring Agency.

<sup>(2)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. For further details on Issue Expenses, see “- Issue Expenses” on page 137.

### Utilisation of Net Proceeds

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

Particulars	Amount* (₹ in million)
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and certain of our Subsidiaries	19,290.00
Funding organic growth initiatives	12,590.00
Pursuing inorganic growth through acquisitions and other strategic initiatives	15,000.00
General corporate purposes <sup>(1)</sup>	[●]
<b>Net Proceeds</b>	<b>[●]</b>

\* Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Issue prior to completion of the Issue. If the Pre-IPO Placement is undertaken, the Issue Size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company subject to compliance with Rule 19(2)(b) of the SCRR. The proceeds from such Pre-IPO Placement will be accordingly deducted from the Net Proceeds and will not be subject to monitoring of funds by the Monitoring Agency.

<sup>(1)</sup> To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds.

### Requirement of funds

We operate an integrated, end-to-end business that aims to solve consumer healthcare needs through technology and fulfilment capabilities. We work closely with, and build services for consumers, pharmaceutical companies, wholesalers, pharmacies, hospitals, doctors, clinics and diagnostic labs.

We intend to continue to invest in three core areas for the growth of our business which include a) marketing and promotional activities to increase awareness about our offerings and brands, b) supply chain infrastructure and fulfilment, and c) technology capabilities and infrastructure. Further, acquiring and integrating companies, teams and business models in the healthcare value chain is one of our key business focus areas, and we intend to continue to pursue strategic investments and acquisitions which are complementary to our businesses. We have made these investments in the past, and we expect these to continue to be critical for the growth of our business in the future. We have funded our growth through owned funds as well as borrowings and we intend to deleverage at a consolidated level by repayment or prepayment of some of our borrowings.

Accordingly, our Company proposes to utilise the Net Proceeds towards the following objects:

1. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and certain of our Subsidiaries;
2. Funding organic growth initiatives;
3. Pursuing inorganic growth through acquisitions and other strategic initiatives; and
4. General corporate purposes.

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges, including to enhance our visibility and the image of our portfolio of brands among our existing and potential customers / end-users and creation of a public market for our Equity Shares in India.

The main objects and objects considered necessary in furtherance to our main objects set out in our Memorandum of Association enable us to undertake our existing business activities and the activities proposed to be funded from the Net Proceeds.

The fund requirements as set out below are based on internal management estimates and the deployment of funds have not been appraised by any bank or financial institution or any other independent agency.

### **Proposed schedule of implementation and deployment of Net Proceeds**

As detailed below, we propose to undertake prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and certain of our Subsidiaries by Financial Year 2023, and we propose to utilize the Net Proceeds towards acquisition of additional stake in Aknamed by Financial Year 2024. We intend to deploy the Net Proceeds towards the other Objects (including towards general corporate purposes) over the next five Financial Years from listing of the Equity Shares pursuant to the Issue, in accordance with the business needs of our Company and our Subsidiaries and as set out below. However, the actual deployment of funds will depend on a number of factors, including timing of the completion of the Issue, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identify and consummate inorganic growth opportunities as well as general factors affecting our results of operations, financial condition and access to capital. Depending upon such factors, we may have to reduce or extend the deployment period for the stated Objects beyond the estimated Financial Years as indicated above, at the discretion of our management, and in accordance with applicable laws.

These are subject to revisions on account of changes in costs, financial condition, business strategy or external circumstances which may not be in our control. In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such balance surplus towards general corporate purposes. Further, in case of any variations in the actual utilisation of funds earmarked towards the Objects set forth above, then any increased fund requirements for a particular Object may be financed by surplus funds. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals and/or seeking additional debt from existing and/or other lenders, as permissible under applicable laws. We believe that such alternate arrangements would be available to fund any such shortfalls. See *"Risk Factors – Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval"* and *"Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected]"* on pages 73 and 72, respectively.

Further, to utilise the Net Proceeds for the proposed Objects, we will be required to invest in some of our Subsidiaries. The investment by our Company in such Subsidiaries may be undertaken in the form of equity or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. We believe that the said investments will result in furtherance of our growth strategies. For further details, please see *"Our Business – Our Strategies"* beginning on page 185.

### **Means of finance**

Fund requirements for the Objects as set out below are proposed to be met from the Net Proceeds. Accordingly, we confirm 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 through the Issue or through existing identifiable internal accruals as required under Regulation 7(1)(e) the SEBI ICDR Regulations.

### **Details of the Objects**

#### **I. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and certain of our Subsidiaries**

Our Company and certain of our Subsidiaries have entered into financing arrangements for availing various credit facilities from banks and financial institutions including borrowings in the form of terms loans, fund based and non-fund based working capital facilities. For disclosure of our borrowings as at June 30, 2021 as required by Schedule III of the Companies Act, 2013, see *"Restated Consolidated Financial Information"* beginning on page 250. For further details, including for further information on the terms and conditions of these financing arrangements, see *"Financial Indebtedness"* beginning on page 684. As on September 15, 2021, we had total outstanding borrowings of ₹ 24,947.30 million on a consolidated basis.

We intend to utilise an estimated amount of ₹ 19,290.00 million from the Net Proceeds towards prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company and certain of our Subsidiaries. This shall include investments to be made by our Company in certain Subsidiaries (as disclosed in the table below), who in turn shall utilise these funds for repayment or prepayment of all or a portion of their borrowings. Prepayment or repayment of our borrowings will include payment of principal amount, certain additional fees payable as indicated under the relevant facility agreements and the accrued interest thereon. Some of such loans may be

assigned by the existing lenders to other lenders, in accordance with the provisions of the respective facility agreements. We propose to complete the deployment of such amounts for prepayment or repayment of our outstanding loans by the Financial Year 2023. We may repay or refinance some loans set out in the table below, prior to Allotment. In such a situation, we may utilise the Net Proceeds for part or full repayment of any such additional loan or loans obtained to refinance any of our existing loans. The investment by our Company in such Subsidiaries is proposed to be undertaken in the form of equity or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

We believe that such repayment or prepayment will help reduce our outstanding consolidated indebtedness, assist us in maintaining a favourable debt-equity ratio on a consolidated basis and enable utilisation of the internal accruals of our Company and its Subsidiaries for further investment in business growth and expansion. In addition, we believe that the strength of our consolidated balance sheet and our leverage capacity will further improve, which shall enable us to raise further capital at competitive rates to fund potential business development opportunities and plans to grow and expand our business in the future.

The facility agreements entered into between us and the lenders ("**Facility Agreements**") set out in the table below do not require us to obtain any prior consents from our lenders for any prepayment / repayment of our loans post the date falling on the expiry of 90 days from the first drawdown date ("**First Put/ Call Date**"). In the event any prepayment or repayment is done by us after the First Put / Call Date and thereafter, on the last date of each month until the expiry of the tenure of the facilities ("**Monthly Put / Call Date**"), we are permitted to prepay or repay such loans by issuance of a 30 days' written notice to such lenders along with additional fees in terms of the Facility Agreements. The Net Proceeds shall be utilised for any prepayment / repayment of our loans only after the First Put / Call Date.

The following table provides details of certain loans and facilities availed by us as at September 15, 2021, out of which we propose to repay or prepay, in full or in part, any or all of the below mentioned loans and/or facilities, an amount aggregating to ₹ 19,290.00 million from the Net Proceeds:

Sr. No.	Name of the Subsidiary	Name of Bank/ Financial institution	Nature of borrowing	Principal loan amount sanctioned as on September 15, 2021 (₹ in million)	Principal loan amount outstanding as on September 15, 2021 (₹ in million)	Interest rate (% per annum per month)	Repayment schedule / Tenure	Prepayment penalty / Additional fees	Purpose for which disbursed loan amount was utilised*
1	Threpsi Solutions Pvt Ltd	Kotak Mahindra Bank	Short term borrowing	2,810	2,810	9%	Bullet repayment on August 26, 2022	Refer note below	Repayment of unsecured loans from our Company
2		JM Financial Products Ltd		1,960	1,960	12.5%	Bullet repayment on August 27, 2022		
3		JM Financial Credit Solutions Ltd		1,860	1,860	12.5%			
4		Arka Fincap Limited		480	480	9%			
5		Hero Fin Corp Ltd		850	850	9%			
6		Aditya Birla Finance Limited		710	710	9%	Bullet repayment on August 26, 2022		
7		IIFL Wealth Prime Ltd		520	520	9%	Bullet repayment on August 24, 2022		
8	Aycon Graph Connect Pvt Ltd	JM Financial Products Ltd		160	160	12.5%	Bullet repayment on August 27, 2022		
9		JM Financial Credit Solutions Ltd		160	160	12.5%			
10		Infina Finance Pvt Ltd		240	240	9%			
11	Ascent Wellness & Pharma Solutions Pvt Ltd	Kotak Mahindra Bank		2,090	2,090	9%	Bullet repayment on August 26, 2022		
12		JM Financial Products Ltd		1,450	1,450	12.5%	Bullet repayment on August 27, 2022		
13		JM Financial Credit Solutions Ltd		1,390	1,390	12.5%			
14		Arka Fincap Limited		350	350	9%			
15		Hero Fin Corp Ltd		640	640	9%			
16		Aditya Birla Finance Limited		540	540	9%	Bullet repayment on August 26, 2022		
17		IIFL Wealth Prime Ltd		380	380	9%	Bullet repayment on August 24, 2022		
18	Medlife International Pvt Ltd**	JM Financial Products Ltd		580	580	12.5%	Bullet repayment on August 27, 2022		
19		JM Financial Credit Solutions Ltd		540	540	12.5%			
20		Arka Fincap Limited		170	170	9%			

Sr. No.	Name of the Subsidiary	Name of Bank/ Financial institution	Nature of borrowing	Principal loan amount sanctioned as on September 15, 2021 (₹ in million)	Principal loan amount outstanding as on September 15, 2021 (₹ in million)	Interest rate (% per annum per month)	Repayment schedule / Tenure	Prepayment penalty / Additional fees	Purpose for which disbursed loan amount was utilised*
21		Hero Fin Corp Ltd		300	300	9%			
22		Aditya Birla Finance Limited		250	250	9%	Bullet repayment on August 26, 2022		
23		IIFL Wealth Prime Ltd		100	100	9%	Bullet repayment on August 24, 2022		
24		Infina Finance Pvt Ltd		760	760	9%	Bullet repayment on August 27, 2022		
	<b>Total</b>			<b>19,290</b>	<b>19,290</b>				

Note: The Facility Agreements provide for payment of pre-payment premium of 0.5% on the principal amount being prepaid to the abovementioned lenders, only in the event of prepayment of loans prior to the First Put / Call Date. As indicated above, the Net Proceeds shall be utilised for any prepayment / repayment of our loans only after the First Put / Call Date and accordingly, no prepayment premium or penalty is required to be paid by us. Further, under the Facility Agreements, if the principal amount is outstanding as on the First Put / Call Date, we are required to pay additional fees of 0.5% on the outstanding principal amounts as on the First Put / Call Date. We shall pay such additional fees from our internal accruals.

\* In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, Price Waterhouse Chartered Accountants LLP, the Statutory Auditors of our Company and of the Subsidiaries disclosed in the table above, vide their reports each dated November 8, 2021 have confirmed that these borrowings have been utilised for the purpose for which they were availed, as provided under the relevant borrowing documents.

\*\* Pursuant to the scheme of amalgamation of Medlife International Private Limited and our Company, the outstanding loans and liabilities, including the above mentioned loans of Medlife International Private Limited were transferred to our Company. Accordingly, as on the date of this Draft Red Herring Prospectus, such loans form part of the outstanding loans of our Company. For further details in relation to such amalgamation, see "History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Scheme of amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited ("Transferred Entities") and their respective shareholders with our Company" beginning on page 220.

Kotak Mahindra Capital Company Limited, one of the BRLMs, is related to our lenders, namely, Kotak Mahindra Bank Limited and Infina Finance Private Limited. Further, JM Financial Limited, one of the BRLMs, is related to our lenders, namely, JM Financial Products Limited and JM Financial Credit Solutions Limited. However, on account of this relationship, Kotak Mahindra Capital Company Limited and JM Financial Limited do not qualify as an associate of our Company in terms of Regulation 21(A)(1) of the SEBI (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 23(3) of the SEBI ICDR Regulations. Further, please note that the loans provided by Kotak Mahindra Bank Limited, Infina Finance Private Limited, JM Financial Products Limited and JM Financial Credit Solutions Private Limited to us, are in the ordinary course of their respective lending businesses.

## 2. Funding our organic growth initiatives

We intend to utilize ₹ 12,590.00 million out of the Net Proceeds towards funding business expansion through organic growth initiatives, including through investment in our Subsidiaries, as a significant portion of our business activities are undertaken through our Subsidiaries. The investment by our Company in our Subsidiaries is proposed to be undertaken in the form of equity or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. The key factors which contribute to our organic growth, and towards which the Net Proceeds may be utilised, include:

### (a) Marketing and promotional activities

We have historically incurred significant expenditure towards marketing and promotion activities to build our brands' identities, create awareness for and communicate the value proposition of our various products and service offerings with a view to enhance the visibility of all our brands for the purpose of customer acquisition and retention. We own the "PharmEasy" brand (which has been licensed by us to Axelia), along with a portfolio of brands such as "Retailio", "Thyrocare", "Docon", "Aknamed". For further details on the licensing arrangement entered into between Threpsi, our wholly owned Subsidiary and Axelia, see "History and Certain Corporate Matters - Summary of key agreements - Amended and restated licensing and services agreement dated July 29, 2021 entered into by and between Threpsi Solutions Private Limited ("Licensor") and Axelia Solutions Private Limited ("Licensee") (the "Licensing Agreement")" beginning on page 223. Our marketing activities include outlay towards sales promotions, discounts, television and print advertisements, digital marketing campaigns (search engine optimisation, banner ads, social media marketing) and sponsorship of events and reality shows on television, affiliate marketing programs and celebrity endorsements. Over the years, as our business has grown, our marketing strategies have evolved. As the pharma market in India is heavily fragmented with low penetration of organized providers (Source: RedSeer Report), we will continue to invest substantially in such activities to increase awareness of our brands across customers in different parts of the country through various mediums, including outlay towards discounts, digital brand advertising campaigns, social media, celebrity endorsements, sponsorship of events and reality shows on television, targeted and personalized messages/push notifications, content media partnerships and other marketing activities while also expanding our marketing and promotional activities to capture shifts in consumers' media consumption habits. The amount spent on marketing activities includes costs incurred towards agency, professional fees, and promotional materials.

In the three months ended June 30, 2021, Financial Years 2021 and 2020, we have incurred an expenditure of ₹ 948.27 million, ₹ 1,347.26 million, and ₹ 1,379.81 million respectively, in sales promotion and marketing expense, which amounts to 7.9%, 5.8% and 20.7% of revenue from operations respectively. For further details, see "Restated Consolidated Financial Information – 43" on page 310. We have an in-house team comprising experienced sales and marketing professionals who are engaged in developing and implementing our marketing and promotional activities.

### (b) Supply chain infrastructure and fulfilment

We develop and operate supply chain infrastructure to meet the logistics requirements of primarily our Subsidiaries, and pharmacies who sell on the PharmEasy marketplace. We provide last mile delivery services to Axelia for fulfilling the orders on the PharmEasy marketplace and earn income for this service. We incur costs to operate our expansive supply chain and fulfilment network to provide better inventory visibility, authentic medicines, shorter delivery timelines, industry leading fill rates, easy returns, and digital payments thereby bringing in transparency across the supply chain and delivering efficient services to pharmacies and customers.

We will continue to invest to augment our supply chain infrastructure and fulfilment capabilities, as we expand the portfolio of our products and services as well as to ensure faster delivery, high fill rates and to manage reverse logistics to/for our customers across markets. This enables us to attract more wholesalers and pharmacies to offer their services on or procure products through our marketplace platforms, thereby expanding our wholesaler and retailer/pharmacy base. This would also assist pharmacies to ensure no



stockouts and timely fulfilment of their customer requirements. Likewise, our last mile delivery capabilities facilitate delivery of medicines and other products to consumers on the PharmEasy marketplace. In addition, these capabilities help us maintain optimal levels of inventory across our warehouses and ensure timely procurement to avoid stock outs.

The key costs we incur in respect of our supply chain infrastructure consist of manpower charges, consumption of packing materials and consumables, contractual payment for delivery associates, depreciation on right of use assets, repairs and maintenance, water, electricity and fuel expenses. In the three months ended June 30, 2021, Financial Years 2021 and 2020, we have incurred an expenditure of ₹ 727.39 million, ₹ 1,088.94 million and ₹ 668.79 million, respectively, in relation to these costs, which amounts to 6.1%, 4.7% and 10.0% of revenue from operations respectively. We have an in-house team comprising experienced operations, supply chain executives and phlebotomists. For further details, see “Restated Consolidated Financial Information – Note 42 and 43” on page 310.

(c) Technology infrastructure

Digital healthcare is a technology intensive business (Source: RedSeer Report). For our digital healthcare platforms, we require real-time technology integration and precision for efficient operations. This requires our front-end infrastructure to be up and running continuously without any technical issues causing an unsatisfactory experience to users. Along with front end infrastructure our back-end systems need to be in sync across all systems to provide seamless experience to all users as well as ensure all internal processes and various stages of fulfilment, logistics, online consultations, diagnostics, medical records, payments and delivery operate smoothly. We also invest significantly in data analytics and intelligence to ensure we can drive efficiency in our operations through predictive analytics as well as building deep understanding of customer demand to ensure we have adequate inventory to deliver high fill rates, build effective recommendation systems and ensure fast deliveries. We also intend to continue to maintain and upgrade our technology infrastructure to meet our customers’ needs and expectations, adapt to new technology developments, as well as to expand our service offerings to customers.

Our information technology expenses include hosting charges, software development, technology expenses and IT related expenses incurred. In the three months ended June 30, 2021, Financial Years 2021 and 2020, we have incurred information technology expenses of ₹ 181.28 million, ₹ 265.90 million and ₹ 164.02 million, respectively, in relation to these costs, which amounts to 1.5%, 1.1% and 2.5% of revenue from operations, respectively. For further details, see “Restated Consolidated Financial Information – Note 43” on page 310.

On account of our recent significant acquisitions, our historical investments as indicated above may not be fully reflective of our future growth plans and new developments and business trends may arise within our categories of offerings. Our organic growth strategy and associated investments and expenditure are and will continue to be subject to internal and external factors, including business requirements such as investments and expenditure in newer technology infrastructure and platforms and towards complementary and ancillary business offerings to compete effectively and to adapt to changes in end-users’ preferences and technological advancements. For details of risks in relation to our funding not being appraised by a bank or a financial institution, see “Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.” on page 72.

**3. Pursuing inorganic growth through acquisitions and other strategic initiatives**

We believe that we have benefited significantly from the acquisitions undertaken by us in the past. The table below summarizes the acquisitions that we have undertaken in the past two years. For details of business transfer and other acquisition arrangements entered into by us, pursuant to which certain businesses were acquired by us, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

Sr. no.	Name of entity	Business – product/ service	Nature of Acquisition	Consideration*	Financial Year of acquisition	Acquisition rationale
1.	AHWSPL India Private Limited	Healthcare	100.00% equity share capital	This entity was incorporated in FY 2020 (consideration for subscription to the memorandum of association of this entity is ₹ 0.1 million) and our Company had subscribed to its memorandum of	FY 2020	Expand presence across the healthcare value chain

Sr. no.	Name of entity	Business – product/ service	Nature of Acquisition	Consideration*	Financial Year of acquisition	Acquisition rationale
				association and merged with our Company pursuant to the Merger 2020.		
2.	Erstwhile Medlife International Private Limited	Healthcare	100.00% equity share capital	Securities Purchase agreement dated December 16, 2020 (for an aggregate consideration of ₹ 10,827.61 million) and merged into our Company basis Scheme of Amalgamation with order dated September 24, 2021, for further details see “History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years” beginning on page 217.	FY 2021	Expand presence across the digital healthcare value chain
3.	Akna Medical Private Limited	Hospital supplies business	67.30% equity share capital	₹ 7,007.08 million	FY 2022	Expand presence in hospital supplies business
4.	Thyrocare Technologies Limited	Diagnostics	71.22% equity share capital	₹ 48,952.90 million	FY 2022	Expand presence in the diagnostics business
5.	Marg ERP Limited	B2B pharma and software and solutions	49.17% of equity share capital	₹ 2,548.00 million	FY 2022	Expand presence in ERP software and Services for pharma, FMCG in and outside India

\* As disclosed under the relevant shareholders’ / subscription agreements.

For further details, see “Our Business” beginning on page 162.

We intend to utilize ₹ 15,000.00 million of the Net Proceeds towards funding inorganic growth initiatives such as increasing our holding in our Subsidiaries, or strategic investments, or acquisitions which are consistent with or complementary to our business objectives. This amount is based on our management’s current estimates and budgets, and our Company’s historical acquisitions, and other considerations. The proposed acquisitions include the acquisition of the remaining equity share capital of Akna Medical Private Limited (“**Aknamed**”) in accordance with the terms of the Lightrock ATS (as defined below) and the Angel Akna ATS (as defined below), which is expected to be completed by the Financial Year 2024 and towards which our Company will incur an outlay of up to ₹ 5,200.00 million. For further details of the agreement to acquire additional shares in Aknamed, see “- Proposed schedule of implementation and deployment of Net Proceeds”, “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Agreement to Sell dated October 7, 2021 entered into by and amongst our Company, Lightrock Growth Fund I S.A., SICAV – RAIF (“Lightrock”) and Akna Medical Private Limited (“Aknamed”, and the Agreement to Sell, “Lightrock ATS”)” and “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriya LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Akna Medical Private Limited (“Aknamed”, and the Agreement to Sell, “Angel Akna ATS”)” beginning on pages 129, 217 and 217, respectively. We expect this acquisition of the residual stake in Aknamed to enable the speedy and efficient integration of Aknamed into our Company, as well as ensuring that the interests of Aknamed and our Company are completely aligned. Aknamed acquisition will strengthen our sale to institution business for supplies of pharmaceutical, medical consumables and other surgical products. The capital structure of our Company will not undergo any changes post completion of such identified investments/acquisitions.

For further details in relation to the business of Aknamed, see “Our Business – Who we are today” and “Our Business – Products and Services” on pages 165 and 167. Aknamed derives revenues predominantly from sale of traded goods. Also see “Financial Statements – Pro forma Consolidated Financial Statements” beginning on page 367.

Our Company holds 2,256,145 equity shares of Aknamed aggregating to 67.30% of the issued, subscribed and paid-up share capital of Aknamed as on the date of this Draft Red herring Prospectus. Our Company has paid an aggregate consideration of ₹ 7,007.08 million to acquire these equity shares of Aknamed.

Our Company has entered into an Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriya LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Aknamed (“**Angel Akna ATS**”). Pursuant to the Angel Akna ATS, our Company has agreed to purchase in tranches 45,886 equity shares of Aknamed for an aggregate consideration of ₹ 144.81 million representing 1.37% of the issued and paid-up share capital of Aknamed (“**Angel Sale Shares**”), from Akriya LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy. The completion date for Angel Sale Shares as per Angel Akna ATS is February 1, 2022 or such other later as may be mutually agreed between the parties to the Angel Akna ATS.

Further, our Company has entered into the agreement dated October 7, 2021 with Lightrock Growth Fund I S.A., SICAV – RAIF (“**Lightrock**”) and Aknamed (“**Lightrock ATS**”). Pursuant to the Lightrock ATS, our Company has agreed to purchase in tranches (a) 693,248 equity shares of Aknamed for an aggregate consideration of ₹ 3,281.77 million representing 20.68% of the issued and paid-up share capital of Aknamed (“**Tranche I Shares**”); and (b) 357,128 equity shares of Aknamed for an aggregate consideration of ₹ 1,690.61 million representing 10.65% of the issued and paid-up share capital of Aknamed (“**Tranche II Shares**”), from Lightrock. Post completion of the transactions contemplated under the Angel Akna ATS and Lightrock ATS, our Company will hold 100% of the issued, subscribed and paid-up share capital of Aknamed. For further details of Angel Akna ATS and Lightrock ATS, see “*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Agreement to Sell dated October 7, 2021 entered into by and amongst our Company, Lightrock Growth Fund I S.A., SICAV – RAIF (“Lightrock”) and Akna Medical Private Limited (“Aknamed”, and the Agreement to Sell, “Lightrock ATS”)*” and “*History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriya LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Akna Medical Private Limited (“Aknamed”, and the Agreement to Sell, “Angel Akna ATS”)*” beginning on page 167.

Our potential future investments/ acquisitions / partnerships, will be intended to expand our presence in healthcare value chain, diagnostics business, geographical presence, etc. We will, from time to time, continue to seek inorganic opportunities that we believe will fit well with our strategic business objectives to continue driving consolidation of the fragmented pharmaceutical distribution market, enter new product segments and offer more services under our digital healthcare ecosystem to end-users. As on the date of this Draft Red Herring Prospectus to enable such inorganic growth, except for the proposed acquisition of the remaining share capital of Aknamed, (a) the form of investments / acquisitions / partnerships, including whether the form of investment will be cash, equity or any other instrument or combinations thereof (b) the size of potential strategic investments or acquisitions, (c) whether such investment will be undertaken in domestic or international markets or both, (d) whether such investments / acquisitions / partnerships will be in the same industry or complementary or in segments supporting existing business model, have not been determined by our Board. As on the date of this Draft Red Herring Prospectus, other than by allocating a portion of the Net Proceeds towards this object of the Offer, our Company has not sourced any financing or entered into any arrangement towards financial leverage for any future acquisitions or other strategic initiatives.

The amount of Net Proceeds to be used for each acquisition and investment will be based on our management’s decision and may not be the total value or cost of any such acquisitions, however it is expected to provide us with sufficient financial leverage to pursue such acquisitions. In the event that there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or any combination thereof. For further details, see “*Risk Factors - In the event that our Net Proceeds to be utilised towards inorganic growth initiatives are insufficient for the cost of our proposed inorganic acquisition, we may have to seek alternative forms of funding*” on page 72.

#### *Rationale for acquisitions in future*

Some of the selection criteria that we may consider when evaluating strategic acquisitions include:

- Synergies with existing offerings;
- expertise in the domain we operate in or wish to expand into;
- strategic fit to our existing business(es) or serving connected extensions;
- acquiring new customers;
- new capabilities to serve existing end customers;

- access to technology infrastructure and capabilities, including ones which supplement or complement our existing infrastructure or provide access to newer technology infrastructure;
- expand our geographical reach;
- increase market share in existing markets;
- strong management team;
- timing the acquisitions depending on existing competition, market opportunity and prevailing conditions in the relevant markets; and
- identifying opportunities based on pricing/valuation, board and shareholders' rights and any other specific terms in relation to any specific transaction.

These factors will also determine the form of investment for these potential acquisitions, i.e., whether they will be directly done by our Company or through investments in our Subsidiaries in the form of equity or any other instrument or combination thereof, or whether these will be in the nature of asset or technology acquisitions or joint ventures. Acquisitions and inorganic growth initiatives may be undertaken as cash transactions or be undertaken as share-based transactions, including share swaps, or a combination thereof.

#### *Acquisition process*

The typical framework and process followed by us for acquisitions involves identifying the strategic acquisitions based on the criteria set out above, entering into requisite non-disclosure agreements, obtaining regulatory approvals, if any, arrange requisite funds for acquisitions. Our management enters into discussions with the potential targets to outline the potential terms of a transaction and undertakes due diligence to confirm its assumptions regarding commercial, financial, legal, intellectual property, integrity, tax and other aspects of the target and transaction. Upon satisfactory completion of due diligence and negotiation on transaction documentation, we enter into definitive agreements to acquire the target based on the approval of our Board and our Shareholders, as required under applicable laws. As on the date of this Draft Red Herring Prospectus, except as disclosed in “*History and Certain Corporate Matters*” beginning on page 197, our Company has not entered into any agreements or definitive arrangement in relation to any proposed acquisition.

#### **4. General corporate purposes**

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] million, towards general corporate purposes, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include acquisition of fixed assets, working capital expenditure, other capital expenditure requirements including for refurbishment, meeting exigencies and expenses incurred by our Company in the ordinary course of business such as corporate overheads and employee benefit expenses, as may be applicable. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and the SEBI Listing Regulations.

#### **Issue Expenses**

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

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

All Issue expenses will be borne by our Company.

The estimated Issue related expenses are as under:

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

<sup>(1)</sup> Amounts will be finalised and incorporated in the Prospectus on determination of Issue Price

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

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

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

<sup>(3)</sup> No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

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

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

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

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

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with the UPI Circulars.

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

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

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

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with the SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/I/M dated March 16, 2021.

### Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described in this section, our Company will temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies

Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company.

### **Appraising entity**

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

### **Bridge financing facilities**

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

### **Monitoring of utilisation of funds**

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company will appoint a monitoring agency prior to filing of the Red Herring Prospectus. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis with all applicable expense heads, until such time as the Net Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our consolidated financial statements. Pursuant to Regulation 32(3) and Part C of Schedule II of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the Issue proceeds; and (ii) details of category wise variations in the actual utilisation of the Issue proceeds. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Our Company will disclose and continue to disclose, the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such Financial Years as required under applicable law, clearly specifying the purposes for which the Net Proceeds have been utilized, till the time any part of the Net Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, on an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. The statement shall be certified by the statutory auditor of our Company and such certification shall be provided to the Monitoring Agency.

As our Company intends to utilize a portion of the Net Proceeds towards potential acquisitions and strategic initiatives, details pertaining to which, as and when the investment is undertaken, will be published on the website of the Company and will be disclosed to the Stock Exchanges in accordance with Regulation 30 and Part A of Schedule III, of the SEBI Listing Regulations.

### **Variation in Objects**

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013.

### **Other confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Board of Directors or our Key Management Personnel, and there are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Board, our Key Management Personnel. Our Company does not have any identifiable promoter and it does not have any group companies as on the date of this Draft Red Herring Prospectus.

The Net Proceeds shall not be used for lending, or for financing transactions with any related parties of our Company (except our Subsidiaries). The Net Proceeds shall be maintained by our Company in a separate account to be monitored by the Monitoring Agency, until utilization in accordance with the SEBI ICDR Regulations.

## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 1 each and the Issue Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Bidders should also see “Our Business”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Consolidated Financial Information” on pages 162, 43, 687 and 250, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- Integrated business model with stakeholder relationships across the healthcare value chain;
- Recognized PharmEasy brand;
- Technology driven approach;
- Track record of Acquiring and Integrating Businesses;
- Scaled supply chain capabilities;
- Resilient business model with scale and improving financial metrics; and
- Experienced, Committed and Passionate founding and professional management team.

For details, see “Our Business – Our Competitive Strengths” on page 182.

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “Financial Information - Restated Consolidated Financial Information” beginning on page 250.

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

#### A. Basic and Diluted Loss Per Share at face value of ₹ 1, as adjusted for change in capital:

Financial Year ended	Basic Loss per share (in ₹)	Diluted Loss per share (in ₹)	Weight
March 31, 2020	(1.17)	(1.17)	1
March 31, 2021	(1.88)	(1.88)	2
<b>Weighted Average</b>	<b>(1.64)</b>	<b>(1.64)</b>	
For three months ended June 30, 2021*	(0.70)	(0.70)	

\* Figures have not been annualized

Notes:

(i) Basic and diluted loss per Equity Share are computed in accordance with Indian Accounting Standard (Ind AS) 33 ‘Earnings per Share’ prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirement of SEBI ICDR Regulations.

(ii) The ratios have been computed as below:

$$\text{Basic loss per share (₹)} = \frac{\text{Restated loss for the year / period attributable to owners of the parent}}{\text{Weighted average number of shares considered for calculating basic loss per share adjusted for stock split and issuance of bonus equity shares}}$$

$$\text{Diluted loss per share (₹)} = \frac{\text{Restated loss for the year / period attributable to owners of the parent}}{\text{Weighted average number of shares considered for calculating diluted loss per share adjusted for stock split and issuance of bonus equity shares}}$$

(iii) Weighted Average Number of Shares is the number of shares outstanding at the beginning of the year adjusted by the number of shares issued during the year multiplied by the time weighting factor and adjusted for stock split and issuance of bonus equity shares. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(iv) The Weighted Average basic and diluted loss per share is a product of basic and diluted loss per share and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.

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

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic loss per share for Fiscal 2021	[●]	[●]
Based on diluted loss per share for Fiscal 2021	[●]	[●]

**Industry Peer Group P/E ratio**

Particulars	Industry P/E
Highest	NA
Lowest	NA
Industry Composite	NA

There are no listed companies in India whose business portfolio is comparable with that of our business and comparable to our scale of operations.

**C. Return on Net Worth (“RoNW”)**

Derived from the Restated Consolidated Financial Information:

Financial Year / period ended	RoNW (%)	Weight
March 31, 2020	(136.14%)	1
March 31, 2021	(18.50%)	2
<b>Weighted Average</b>	<b>(57.71)%</b>	
For three months ended June 30, 2021*	(7.34%)	

\* Figures have not been annualized

Restated loss for the year / period attributable to owners of the parent

(i) Return on Net Worth (%)=

Net Worth

(ii) Net worth is computed as the sum of the aggregate of paid-up equity share capital, Share application money, instruments entirely in the nature of equity, equity component of compound financial instruments, money received against share warrants and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Statements). Net worth represents equity attributable to owners of the Company and does not include amount attributable to non-controlling interests. Return on Net Worth is calculated as Restated loss for the year / period attributable to owners of the parent divided by Net worth at the end of the year/period.

(iii) The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weight. Weights applied have been determined by the management of our Company.

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

Fiscal year ended/ Period ended	NAV per Equity Share (basic) (₹)	NAV per Equity Share (diluted) (₹)
As on June 30, 2021	8.91	8.91
As on March 31, 2021	8.00	8.00
After the completion of the Issue	At Floor Price: [●]	At Floor Price: [●]
	At Cap Price: [●]	At Cap Price: [●]
Issue Price	[●]	[●]

(i) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

(ii) Net asset value per equity share: Net worth divided by Number of equity shares outstanding at the end of the period/year used in calculation of basic and diluted loss per share adjusted for stock split and issuance of bonus equity shares.

(iii) Net worth is computed as the sum of the aggregate of paid-up equity share capital, Share application money, instruments entirely in the nature of equity, Equity component of compound financial instruments, Money received against share warrants and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Statements). Net worth represents equity attributable to owners of the Company and does not include amount attributable to non-controlling interests.

**E. Comparison with Listed Industry Peers**

There are no listed companies in India whose business portfolio is comparable with that of our business and comparable to our scale of operations.

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

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

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Consolidated Financial Information” on pages 43, 162, 687 and 250, respectively, to have a more informed view.



## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To

### The Board of Directors

#### API Holdings Limited

(formerly known as API Holdings Private Limited)  
902, 9<sup>th</sup> Floor, Raheja Plaza 1, B-Wing,  
Opposite R-City Mall, Lal Bahadur Shastri Marg,  
Ghatkopar West, Mumbai 400 086,  
Maharashtra, India

#### Kotak Mahindra Capital Company Limited

1<sup>st</sup> Floor, 27 BKC, Plot No. C – 27  
"G" Block, Bandra Kurla Complex  
Bandra (East),  
Mumbai – 400 051  
Maharashtra, India

#### BofA Securities India Limited

Ground Floor, "A" Wing, One BKC, "G" Block  
Bandra Kurla Complex  
Bandra (East), Mumbai 400 051  
Maharashtra, India

#### Citigroup Global Markets India Private Limited

1202, 12<sup>th</sup> Floor, First International Financial Centre  
G-Block, Bandra Kurla Complex  
Bandra (East)  
Mumbai 400 05  
Maharashtra, India

#### JM Financial Limited

7th Floor Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

#### Morgan Stanley India Company Private Limited

18F, Tower 2,  
One Indiabulls Centre,  
841, Senapati Bapat Marg,  
Mumbai 400 013

(Kotak Mahindra Capital Company Limited, BofA Securities India Limited, Citigroup Global Markets India Private Limited, JM Financial Limited, Morgan Stanley India Company Private Limited are collectively referred to as the "**Book Running Lead Managers**")

Ladies and Gentlemen,

### **Re: Proposed initial public offering of equity shares (the "Equity Shares", and such offering, the "Offer") of API Holdings Limited (formerly known as API Holdings Private Limited) (the "Company")**

We refer to the proposed initial public offering of equity shares (the "**Offer**") of **API Holdings Limited (the "Company")**. We enclose herewith the statement (the "**Annexure A**") showing the current position of special tax benefits available to the i) Company and its shareholders and ii) its material subsidiaries in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and such subsidiaries as "**Material Subsidiaries**") as per the provisions of the Indian direct and indirect tax laws including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "**GST Act**"), the Customs Act, 1962 ("**Customs Act**") and the Customs Tariff Act, 1975 ("**Tariff Act**") (collectively the "**Taxation Laws**") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2022-23 relevant to the financial year 2021-22 for inclusion in the draft red herring prospectus proposed to be filed with the SEBI, Stock Exchanges ("**DRHP**"), for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**ICDR Regulations**").

Several of these benefits are dependent on the Company and its Material Subsidiaries or Company's shareholders fulfilling the conditions prescribed under the relevant provisions of the direct and indirect taxation laws including the Income-tax Act 1961. Hence, the ability of the Company and its Material Subsidiaries or Company's shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed **Annexure A** are neither exhaustive nor conclusive. The contents stated in the **Annexure A** are based on the information and explanations obtained from the Company and its Material Subsidiaries. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws,

each investor is advised to consult their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer 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. We are neither suggesting nor are we advising the investors to invest or not to invest money based on this statement.

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

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the draft red herring prospectus proposed to be filed with the SEBI, Stock Exchanges and any other documents or materials prepared in relation to the Offer and for submission of this certificate as may be necessary, to any regulatory/statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and its accordance with the applicable law.

We have conducted our examination in accordance with the applicable guidance note issued by the Institute of Chartered Accountants of India (“ICAI”) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI and accordingly, we confirm that we have complied with such Code of Ethics issued by the ICAI. We have also complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We confirm that the information above is true, correct, accurate, not misleading and without omission of any matter that is likely to mislead, and adequate to enable investors to make a well-informed decision.

We undertake to immediately communicate, in writing, any changes to the above information/confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the Book Running Lead Managers and the Company until the Equity Shares allotted/transferred in the Offer commence trading on the Stock Exchanges. In the absence of any such communication from us, the Company, the Book Running Lead Managers and the legal advisors appointed with respect to Offer can assume that there is no change to the information/confirmations forming part of this certificate and accordingly, such information should be considered to be true and accurate.

This certificate may be relied upon by the Company, Book Running Lead Managers and the legal advisors appointed with respect to Offer for documenting and conducting their due-diligence and due-enquiry of the affairs of the Company in connection with the Offer. Accordingly, we consent to this certificate and its contents (in whole or in part) being presented and/or utilised for the purpose of any defence that the Book Running Lead Managers may wish to advance before any statutory/regulatory authority in connection with the Offer and/or the Offer Documents.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the draft red herring prospectus, red herring prospectus or prospectus, as applicable.

## **LIMITATIONS**

*Our views expressed in the enclosed Annexure are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of taxation laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors and third parties who may or may not invest in the initial public offer relying on the statement, except as may be required in accordance with applicable laws. This statement has been prepared solely in connection with the proposed initial public offering of equity shares of the Company under the ICDR Regulations.*

*We do not express any opinion or provide any assurance as to whether the Company or its shareholders or its material subsidiaries will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.*

*The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.*

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, 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 IN THEIR PARTICULAR SITUATION.**

Yours faithfully,

For **Saini Pati Shah & Co LLP**

(formerly known as S G J & Co)

Chartered Accountants

Firm Registration No.: I37904W/WI00622

**Som Nath Saini**

Partner

Membership No.: 093079

UDIN: 21093079AAAACQ3673

Place: Mumbai

Date: November 08, 2021

Encl: As above

## Annexure A

### **STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO A) API HOLDINGS LIMITED AND ITS SHAREHOLDERS AND ITS B) MATERIAL SUBSIDIARIES, UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES (“TAX LAWS”)**

The information provided below sets out the possible special direct and indirect tax benefits available to a) API Holdings Limited and its shareholders and its b) Material Subsidiaries in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares of the Company, under the current Tax Laws presently in force 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, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfil.

### **STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE A) COMPANY AND ITS SHAREHOLDERS OF THE COMPANY AND ITS B) MATERIAL SUBSIDIARIES.**

#### **A. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS MATERIAL SUBSIDIARIES.**

The statement of tax benefits enumerated below is as per the Income-tax Act, 1961 (“**Act**”) as amended from time to time and applicable for financial year 2021-22 relevant to assessment year 2022-23.

#### **Lower corporate tax rate under section 115BAA**

A new section 115BAA has been inserted in the Act by the Taxation Laws (Amendment) Act, 2019 (“**the Amendment Act, 2019**”) w.e.f. April 1, 2020 (A.Y. 2020-21). Section 115BAA grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the option will not be required to pay Minimum Alternate Tax (MAT) on their ‘book profits’ under section 115JB of the Act. However, such a company will no longer be eligible to avail specified exemptions / incentives under the Act and will also need to comply with the other conditions specified in section 115BAA. Also, if a company opts for section 115BAA, the tax credit (under section 115JAA), if any, which it is entitled to on account of MAT paid in earlier years, will no longer be available. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives. Few subsidiaries of the Company have decided to opt for the lower corporate tax rate of 25.168% (prescribed under section 115BAA of the Act) with effect from FY 2020-21.

#### **Deduction in respect of inter-corporate dividends – Section 80M of the Income-tax Act, 1961**

Up to 31st March, 2020, any dividend paid to a shareholder by a company and its Material Subsidiaries was liable to Dividend Distribution Tax (“DDT”), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished and dividend received by a shareholder on or after 1st April, 2020 is liable to tax in the hands of the shareholder. The Company and its Material Subsidiaries is required to deduct Tax Deducted at Source

("TDS") at applicable rate specified under the Act read with applicable Double Taxation Avoidance Agreement (if any). With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

## **B. SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

- Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.
- As per Section 112A of the Act, long-term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 1,00,000.
- As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfillment of prescribed conditions under the Act.
- **In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.**

Except for the above, the Shareholders of the Company and its Material Subsidiaries are not entitled to any other special tax benefits under the Act.

## **STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES**

The statement of tax benefits enumerated below is as per the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax").

### **A. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS MATERIAL SUBSIDIARIES**

There are no special Indirect Tax benefits available to the Company and its Material Subsidiaries.

### **B. SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS**

There are no special Indirect Tax benefits available to the shareholders of the Company.

**Note:** We have not considered general tax benefits available to the Company or its shareholders and its Material Subsidiaries.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

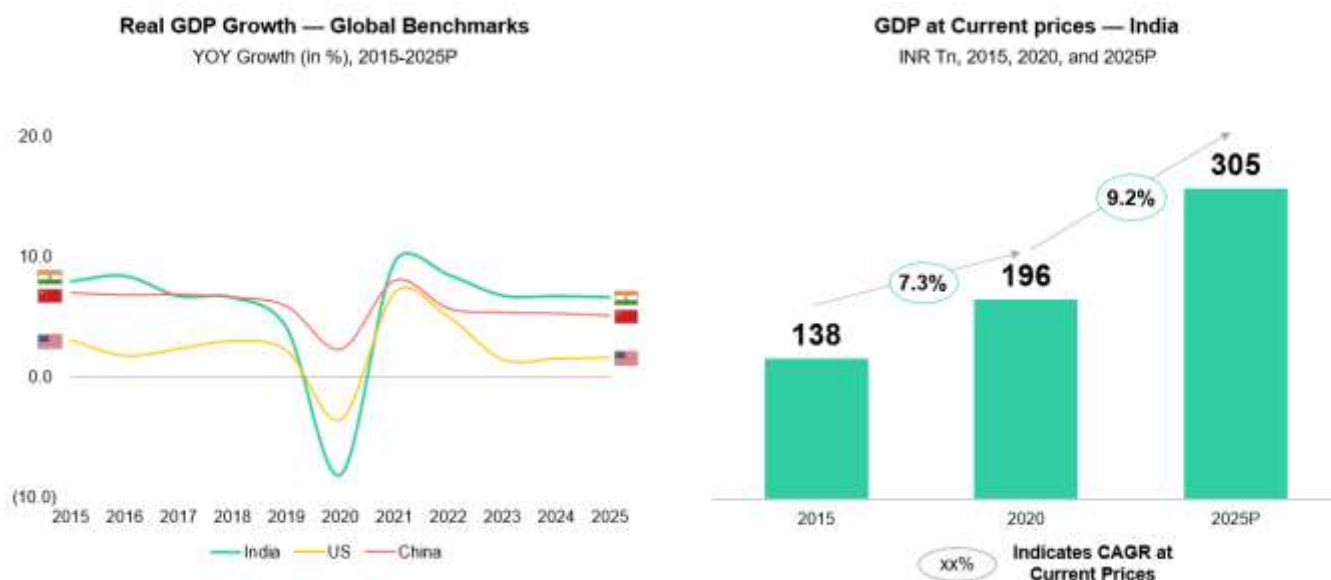
#### *India Macroeconomic Factors and Digitization Trends*

India has been one of the fastest growing large economies, projected to reach ~INR 305 trillion (US\$4 trillion+) GDP by 2025.

India was one of the fastest growing major economies from 2015 to 2019, as it registered ~7% average year-on-year growth in real Gross Domestic Product (GDP) in this period. The high GDP growth is underscored by the rapid rise in per capita income, consumption and urbanization in the 2015 to 2019 period.

While two COVID waves temporarily slowed down India's economic growth in the year 2020, the long term growth forecasts continue to be healthy. IMF forecasts the Indian economy to attain a stable & healthy growth rate of 6-7% in real GDP in the long-run, propelling the GDP (at current prices) to reach ~INR 305 trillion (US\$4.2 trillion) by 2025. Furthermore, India is projected to become the 3<sup>rd</sup> largest economy in the world by 2030 according to the Centre for Economics and Business Research.

The first wave of COVID-19 hit India around late March-2020, following which, the Government of India announced a stringent nation-wide lockdown, owing to which, the real GDP declined by almost ~8% last year (as per IMF estimates). The second wave arrived in April-2021, however, unlike the first wave, it witnessed limited disruption, owing to the localised nature of lockdowns, better adaptation of consumers, businesses & authorities with COVID protocols, vaccination drives and low supply chain impact. The IMF has projected a growth of 9.5% in real GDP in 2021, higher than the United States and China, as the economic activity in India is getting back to normal with the drop in cases of COVID-infected patients.



Source: IMF

Rising per capita income, consumption levels and urbanization are the key characteristics of the economic growth in India.

**Rising per capita income:** As per the World Bank, India's per capita income grew from ~US\$ 1,600 to ~US\$ 2,120 at ~7.3% CAGR between 2015 and 2019 – much faster than ~3.8% and ~7.0% growth in per capita income of the US and China respectively. India's per capita income dropped to US\$ 1,900 in 2020, as a result of reduced economic activity due to the pandemic. There is a high potential for further growth, considering the larger base of existing higher per-capita income levels in the US and China.

**Growing consumption:** India's Private Final Consumption Expenditure (PFCE) grew from ~INR 81 trillion in 2015 to ~INR 116 trillion in 2020, as per the World Bank estimates. India is well ahead of the US and China on PFCE growth, as it registered ~8.7% increase between 2015 and 2019, compared to 4.3% and 7.6% for the US and China respectively. The share of private consumption in the per capita income also increased during this period, largely fuelled by the rise in discretionary spending and digitization. These factors are likely to open newer avenues of consumption in future.

**Increasing urbanization:** India has the second largest urban population in the world. Based on World Bank estimates, 35% of India's population (or 480 million people) resided in urban towns and settlements in 2020. Yet, there is a large headroom ahead as compared to the world average of 56% urban population in 2020 (as per World Bank estimates). By 2025, the share of urban population is projected to increase to approximately 38%, as per United Nations Population Division estimates. This

trend is expected to reflect in greater purchasing power in urban centres resulting in stronger growth opportunities across industries.

*Internet and Smartphones together are driving rapid digitization in India.*

As per RedSeer estimates, India has the second largest internet user-base in the world with 660-690 million internet users, with a penetration of 48-50% in 2020. This large base has grown at an accelerated pace over the last 5 years (from 310-330 million internet users in 2015), primarily driven by the decline in internet data prices. With the launch of Reliance Jio, internet data prices in India have come down to less than ~INR 51 per GB in 2021, enabling affordable usage of internet by large base of population. In 2021, internet users in India consumed the highest amount of data in the world at 12.3 GB monthly (as per the TRAI report for Jan-Mar'2021), which has grown ~75 times since 2015.

Moreover, smartphones have created remarkable disruption in the mobile phone space in India in the last 5-6 years, largely enabled by the introduction of affordable options from local and global smartphone providers. As a result, 34-38% of the India's population used smartphones in 2020 as per RedSeer estimates, compared to less 10% of smartphone users in 2014 (and compared to 64-68% in China in 2020).

This large-scale digitization enabled by the internet and smartphone penetration in India is expected to continue at its current pace in the foreseeable future. Besides, the digital economy is witnessing a strong boost from the recent pandemic, as both consumers and businesses have derived considerable benefits of increased convenience, safety and virtual connectivity from higher adoption of smartphone and internet usage. As a result, RedSeer projects India to have 970 million - 1 billion internet users (67-69% of the population) by 2025 – similar to the current China levels. Moreover, 52-59% of India's population is projected to use smartphones in 2025.

*India's digital usage funnel is projected to grow very similar to that of China.*

China has matured as a digital ecosystem and is likely to approach saturation in some time, while India will continue to grow across the digital usage funnel, as there is significant headroom for growth at each level.



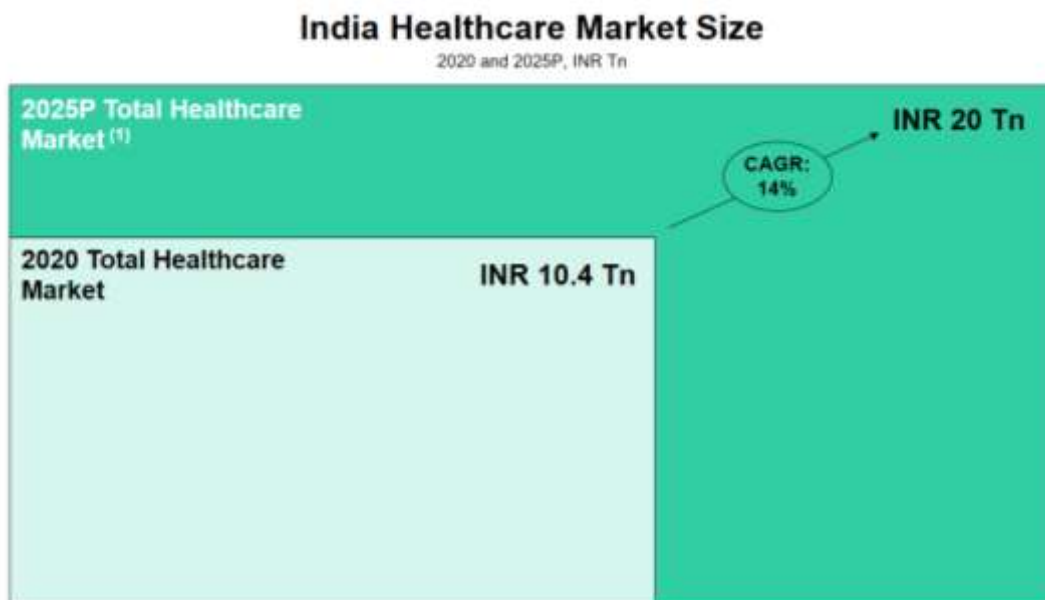
Source: IMF, RedSeer Estimates

- Online service users:** 20-22% of India's population has entered the internet ecosystem, through the usage of online media for usual day-to-day activities such as ticket booking, mobile recharges and banking. The Unified Payments Interface (UPI), in particular, has been one of the highest used services in India witnessing 100%+ growth in transaction volumes in the last 1 year (Sep-2020 to Aug-2021 vs Sep-2019 to Aug-2020) as per the National Payments Commission of India. The other larger use-cases were travel booking (particularly, on online portals such as IRCTC, MakeMyTrip etc.), consumer-to-consumer payments, utility bill payments, taxi/ auto ride-hailing etc.
- Online shoppers:** The number of online shoppers in India has surged from 120-150 million in 2019 to 150-180 million in 2020 (11-13% of the total population). ~70% of these shoppers belong to non-metropolitan cities, indicating that online product shopping is not just limited to a few cities, but has become a wider phenomenon. These shoppers buy a wide range of products online including mobiles, electronics, fashion, beauty & personal care and groceries. The pandemic has provided a strong boost to online product shopping, led by the ability to get products delivered at the doorstep, with minimal risk of catching the infection. In 2020, an online shopper in India spent ~INR 16,660 (~US\$222) annually on an average, up from INR 14,000 (~US\$187) spend in 2019 as per RedSeer estimates. In China, an average shopper spent more than US\$1,800 in 2019 as per Redseer estimates, implying a large room for higher monetization of the online shopper base in India.

## India Healthcare Market

Sized at ~INR 10.4 trillion (~US\$139 billion) in 2020, healthcare in India is very nascent compared to the developed and BRICS markets.

Healthcare spend in India grew at a healthy ~13% CAGR from 2015 to 2019, to reach ~INR 9.6 trillion (~US\$128 billion) in 2019. This growth was largely driven by the increasing prevalence of lifestyle diseases (India has the largest chronically ill population in the world), rise in government spending on healthcare (as per National Health Policy (2017), the government spending on healthcare is projected to increase to 2.5-3% of GDP by 2025 from 1.2% as of 2019), surge in income levels in the economy boosting affordability and new-age trends in the sector such as medical tourism (attractive destination for foreigners as quality healthcare is available at low prices) and focus on wellness & preventive care. At ~9%, the market saw a slower growth in 2020 to grow to ~INR 10.4 trillion, owing to the drop in non-critical healthcare spend, and the growth largely came from the increased spend on COVID-related products and services.



Source: Redseer Analysis, World Bank, IMF, Ministry of Statistics and Programme Implementation (MoSPI)

**Note:**

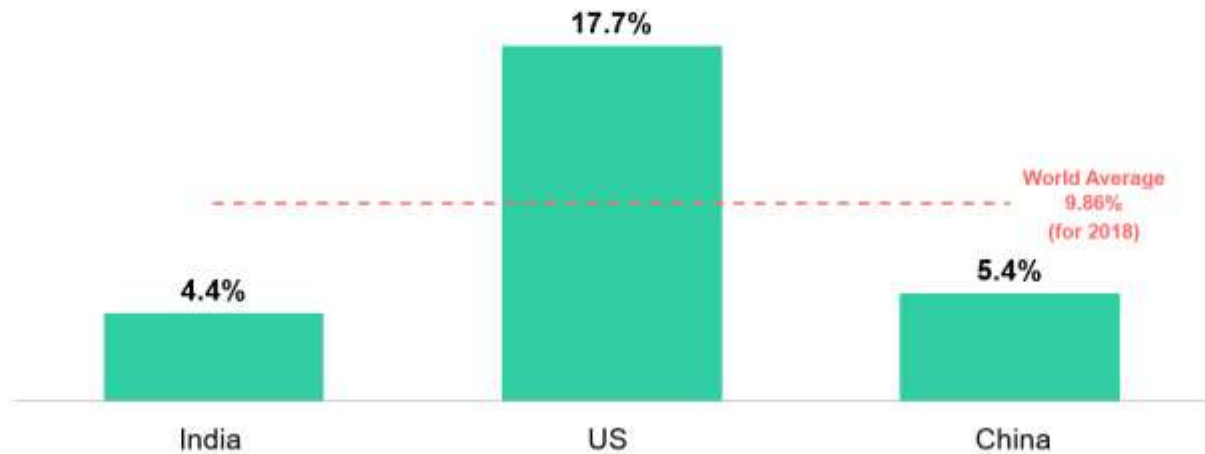
- 1. Segments include: Pharma, OTC, Diagnostics, Consultations, Consumables, Medical equipment, surgeries and other hospital procedures, Medical Insurance and Alternate Medicine

While the healthcare opportunity is large in terms of the overall size, it is much lower than the global standards, when considered at a per capita level or as a % of GDP. INR 9.6 trillion healthcare spend in 2019 translates into a PPP-adjusted per capita spend of ~INR 22,950 (US\$306), which is just ~20% of the global average of ~US\$1,459 (as per World Bank for 2018), and just ~2% and ~30% of the healthcare spend for the US and China respectively. Moreover, at just ~4.4% of the GDP spent on healthcare, India is behind the global average of 9.86% (as per World Bank for 2018), as well as the US and China, whose GDP % spend on healthcare are 17.7% and 5.4% respectively. This establishes the massive need and potential for growth in India’s healthcare sector in the years ahead. Moreover, the COVID pandemic has resulted in an increased focus and awareness of health issues across the country. It has led to an increase in consumer spend on wellness, which is likely to persist and further strengthen the growth of the healthcare sector in the coming years.

*The lower spending on healthcare in India is largely driven by the lack of access, affordability issues, a high degree of fragmentation, poor quality and limited awareness.*

**Lack of access:** Limited access is one of the most serious concerns in Indian healthcare. For every 10,000 people, India has only ~9 doctors, compared to 26 and 20 doctors per 10,000 people in the US and China respectively. In rural areas, only 4 doctors are available for every 10,000 people. As a result, only 11 out of 29 states in India meet the WHO recommendation of 1:1000 doctor to population ratio and 10 Indian states face shortage of doctors at a primary care level.

## Healthcare Spend (Government + Private) as a % GDP Global Benchmarks, 2019 <sup>(1)</sup>



Source: World Bank, office of National Statistics (UK), Centers for Medicare and Medicaid Services (USA), IMF

**Note:**

1. China and world average data are for 2018

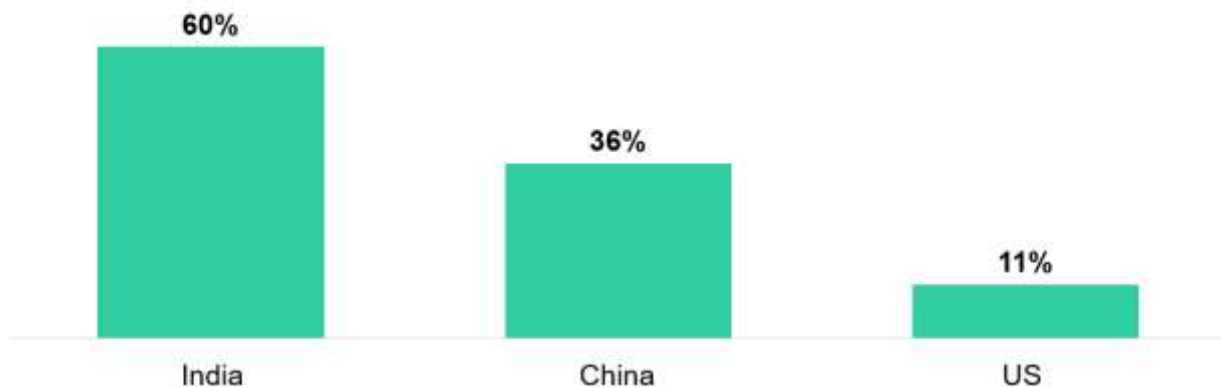
Moreover, despite large private investments in hospital infrastructure there are 7 beds available for every 10,000 people which necessitates a robust out-of-hospital treatment paradigm so that these limited beds are used most effectively. This is lower than 29 and 43 hospital beds per 10,000 people in the US and China respectively. As a result, 60% of Indians do not have access to IPD healthcare facilities within a 5 km radius. The extreme shortage of doctors and hospital beds, restricts Indians' ability to conveniently avail healthcare services when needed. This problem came to the fore during the 2<sup>nd</sup> COVID wave that hit India in Apr-May-2021, when India suffered an acute shortage of hospital beds. This limited capacity is further strained with lack of adequate patient records as less than 1% of prescriptions in India are digitized, often leading to poor compliance by patients and limited ability for doctors to track medical history

**Affordability Issues:** Almost ~60% of the healthcare spend in India is out-of-pocket; much higher than the global average of ~18% and the developed & BRICS markets. This is largely a factor of the low ~20% insurance coverage in India (in terms of population) in 2018, compared to 90%+ insurance coverage in the US, the UK and China. Moreover, most of the health insurance providers & plans in India cover only in-patient care expenses. Hence, almost 100% of the outpatient-care spend in India is out-of-pocket, which accounts for a significant 45%+ of the healthcare spend by an average Indian household.

Moreover, government spending accounts for just ~27% of the overall healthcare spend, much lower than 45% and 56% for the US and China respectively. This reflects in the poor-quality public healthcare system in the country, which compels Indians to access healthcare services in expensive private establishments, further raising the out-of-pocket expenditure.

Also, while ~90% of medicines sold in India are generic medicines, they are sold as branded generics that are costlier than generics. Further, doctors in India often do not prescribe generic molecules but specific brands for generics.

## % of Out-of-Pocket Spend (OPD+IPD) – Global Benchmarks (2019) <sup>(1)</sup>



Source: World Bank, Economic Survey of India, Office for National Statistics (UK), Centers for Medicare and Medicaid Services (USA), Ministry of Commerce and Industry, Government of India



**Note:**

1. China data is for 2018

**Low Availability of Medicines and Poor Fill Rates:** The pharma market in India is heavily fragmented, leading to challenges across both pharma distribution & retail. Despite more than 60,000 distributors and 800,000 retailers, a large share of retailers struggle to operate efficiently with poor prescription fill rates and inadequate compliance to storage norms owing to limited access to working capital and, more importantly, due to size of an average pharmacy being adequate to store only a limited range of SKUs. In a branded generics market like India where doctors continue to prescribe specific brands, the lack of availability of products drives poor prescription adherence and compliance on the part of the patient.

The average size of an unorganized pharmacy in India is less than 500 sq. ft, and hence it is generally unable to hold more than 6,000 SKUs. This is compounded by a fragmented distributor base with an average pharmacy partnering with multiple distributors to fulfil its sourcing requirements that can span over 200,000+ SKUs. This leads to poor fill rates of pharmaceutical and OTC products across the country. Given the large number of SKUs and multiple brands for each molecule, and changing pricing & packaging, retailers find it difficult to get the best terms for their purchases.

**Authenticity / Quality Concerns:** Healthcare in India suffers from serious concerns related to authenticity & quality of products sold / services provided. As per RedSeer research, about 20-25% of medicines sold in India are fake, counterfeit or substandard, which present a serious threat to patient health and safety. Moreover, a large portion of the prescriptions issued by practitioners in India are hand-written and the level of digitization is very low. Even in the diagnostics industry patients continue to face challenges with quality of testing infrastructure as less than 1% of labs in India are NABL accredited. Additionally, a major chunk of the traditional pharma wholesalers in the country do not follow the best global distribution practices, leading to issues of product shortage. Furthermore, only 1/4<sup>th</sup> of the 12,000 healthcare manufacturing units comply with WHO's good manufacturing practices.

**Limited healthcare awareness:** Awareness about diseases, treatments, health centres, preventive care and health insurance is fairly limited in India. Many Indians prefer to opt for self-medication as the first resort for a number of ailments. As a result, the hospitalization rate in India (at 3-4%) is one of the lowest in the world, as per the India Economic Survey (2020-21). Unfortunately, self-medication is prevalent in India and owing to poor compliance of regulations, a large share of retailers in India often dispense prescription medicines without validation of prescriptions.

Pharma, diagnostics, OTC, consultation, and hospital supplies together account for ~INR 4.2 trillion (~US\$56 billion) annual spend, which is ~41% of the overall Indian healthcare market.



Source: RedSeer Research

**Notes:**

- 1. Pharma includes the pharma IPD portion of the hospital supplies market
- 2. Hospital supplies only includes consumables, medical devices and equipment; pharma IPD has been included in pharma
- 3. Others includes medical insurance and alternative medicine

Of the ~INR 10.4 trillion healthcare spend, pharma, diagnostics, OTC, consultation, and hospital supplies together account for ~INR 4.2 trillion (~US\$56 billion) annual spend or ~20%, ~6%, ~3%, ~7% and ~5% respectively, which is a combined ~41% share of the total healthcare spend.

**Indian Out-Patient Healthcare Segment**

Overall, OPD healthcare is a large ~INR 4.3 trillion market, split across pharma, diagnostics, OTC, consultation and hospital treatments. The OPD journey typically starts with the patient becoming aware of health-related problems, either via

experiencing the symptoms or via preventive healthcare check-ups. This is generally followed by consultation with a doctor, who advises the patient to get themselves tested for the potential ailments. Subsequently, the patient visits the diagnostics lab, receives his test reports, and revisits the doctor to confirm the ailment and start the required treatment. Depending on the patient's condition, doctor writes a prescription for the treatment, which typically includes medicines. Hence, the patient visits the pharmacy to purchase the medicines and consumes them to get themselves cured. In a few cases, the patient may also go through minor / day-care procedures at the doctor's clinic or hospital. While pharma accounts for ~38% portion of the OPD healthcare market, consultation covers ~16%, diagnostics covers ~9%, OTC covers ~7% and hospital treatments cover ~26% of the market.

As a result, the OPD market is heavily fragmented & inefficient in India, and hence has a strong need for disruption by the digital solutions, similar to how other unorganized markets in India (such as retail, travel, payments) have become more efficient and orderly, with the help of digital solutions.

### Typical Patient Flow Across Out-Patient Healthcare Value-Chain

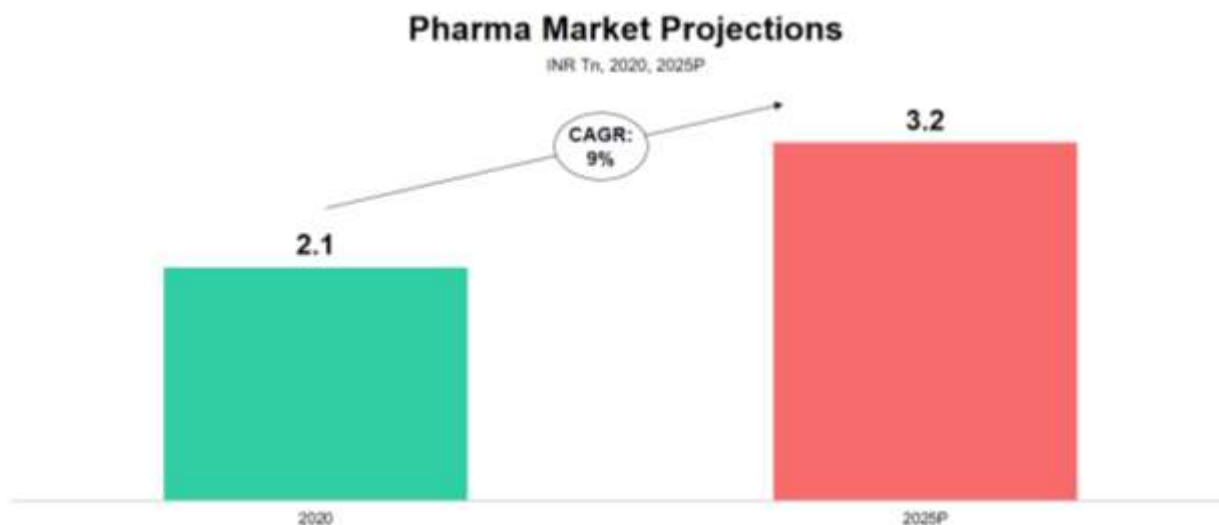


Source: RedSeer Research

Indian pharma is a ~INR 2.1 trillion (~US\$28 billion) opportunity and is projected to become ~INR 3.2 trillion (~US\$43 billion) by 2025 (growing at ~9% CAGR), led by growth in the chronic segment, non-metro markets and organized channel.

The pharma market in India grew at ~11% CAGR in 4 years to ~INR 2.1 trillion in 2019. The rise in organized pharma retail (including online pharmacy), which is solving for access / availability, affordability and authenticity for the end-user, jump in lifestyle diseases due to increased urbanization, higher awareness of medication (including preventive medication) with the help of government-led initiatives and digitization, favourable government policies such as Ayushman Bharat (to improve quality & access to care), permitting 100% FDI (to encourage global advancements in the Indian pharma market) etc. and digitization of pharma SMEs (leading to cost-effective operations that enable better affordability of medication for end-user), have together driven the growth in the Indian pharma market. In 2020, the pharma market remained largely flat at ~INR 2.1 trillion (~US\$28 billion), as spending on non-critical medication was de-prioritized in favour of COVID medication.

Compared to the per capita spend in the developed markets, Indian pharma has headroom ahead for growth – while for China (post PPP adjustment) and the US, the per capita pharma spend is pegged at ~US\$298 and ~US\$1,494 respectively, for India it is only ~INR 5,025 (US\$67) in 2019.



Source: RedSeer Research

The chronic segment accounted for ~55% of the pharma market as of 2019 in India and its share has grown slightly from 53% in 2015 in the last 4 years. India is home to the largest chronically ill population in the world (as per International Diabetes Federation, ~85% of the diabetic population in Southeast Asia lived in India in the year 2020), which has been growing at a rapid pace. Moreover, lifestyle diseases account for ~60% of the total deaths and ~70% of the total out-of-pocket health expenditure in India. While the acute segment's share of pharma has dipped slightly to 45% in 2019 from 47% in 2015, it has still grown at a ~9% CAGR from 2015, largely led by the increasing use of anti-bacterial and anti-biotoxic medication.

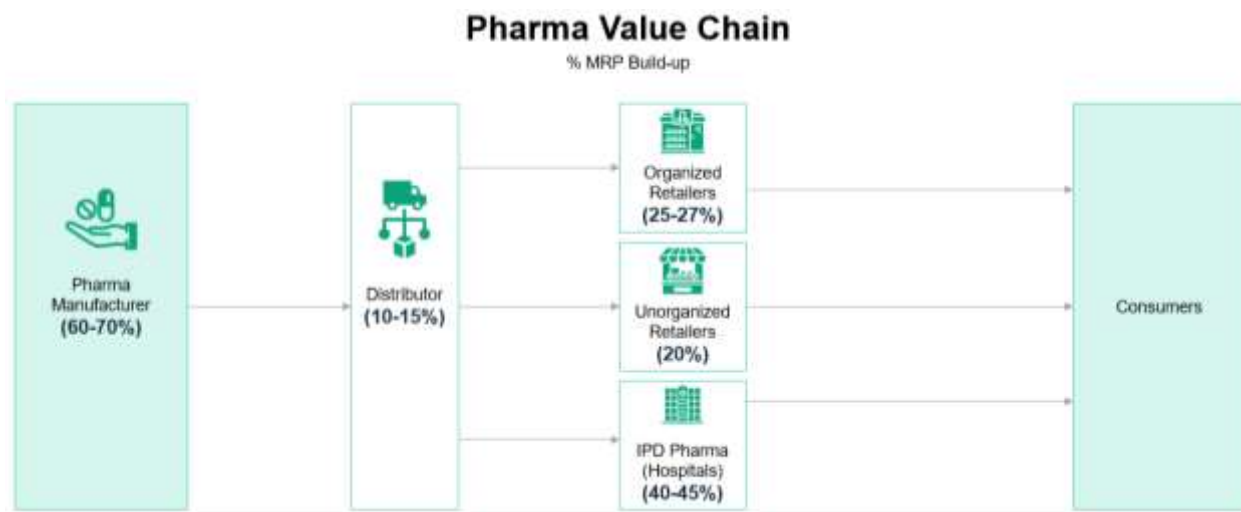
The top 8 metro cities constituted ~23% of the pharma market in 2019, having grown at a ~8% CAGR from 2015. Within the metro segment, the top 3 cities (Mumbai, Delhi NCR and Kolkata) cover more than 50% of the market. COVID-19 impacted the metro cities due to strict lockdowns and travel related restrictions, which reduced the patient flows to pharmacies & hospitals. As a result, the metro segment witnessed ~13% decline in 2020 and its share of Indian pharma dipped to ~20%. The non-metro segment has growth much faster, largely enabled by growing economic prosperity, improving medical infrastructure and higher demand & acceptance of generics.

While a major ~72% of the Indian pharma market was still unorganized as of 2019, the organized channel comprising of hospital IPD, organized brick & mortar retail and online retail (online pharmacy) has been growing much faster. Online retail (online pharmacy) is a nascent channel providing convenience of home delivery of medicines at affordable prices and has grown at the fastest pace in the last few years. As of 2020, the online penetration in Indian pharma stood at ~2.3%, as per RedSeer estimates.

Pharma supply to retailers and hospitals was significantly disrupted in 2020 owing to the nation-wide lockdown, which restricted the movement of medicines from manufacturers to distributors. This impacted the unorganized pharma retail channel, which fell from 72% to 67% of the pharma market in 2020 as they rely heavily on traditional sourcing practices. The organized channel (hospitals, organized B&M and online) saw relatively lower impact as they possess superior forecasting and bulk ordering capability.

Unlike Indian pharma, more than 90% of the pharma market in the US and the UK is led by the organized channel, indicating a large potential ahead for organized disruption in Indian pharma.

Organized pharma retailers (including online) are able to negotiate lower prices with wholesalers as they purchase most of the products in bulk, owing to superior demand prediction mechanisms. As a result, they retain 25-27% of the pharma MRP share, compared to the ~20% MRP share retained by unorganized retailers. Besides, hospital MRP share goes up to 40-45% as hospitals are able to garner even lower prices (owing to large bulk purchase orders) and charge the patients at MRP (as limited / no discounts are passed on to consumers availing IPD medication).



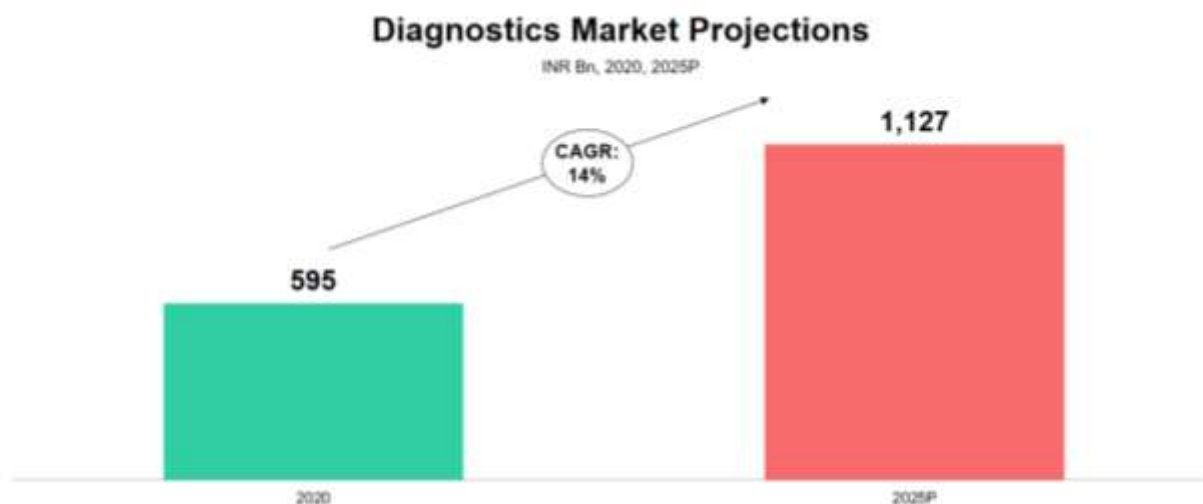
Source: RedSeer Research

Going ahead, the pharma market in India is projected to grow at ~9% CAGR and become a large ~INR 3.2 trillion opportunity in 2025. The trend of rising lifestyle ailments is likely to continue and propel the chronic segment to grow faster & constitute 58-63% of the pharma market in 2025. Moreover, the faster growth in the non-metro segment is imminent and it is projected to cover more than 80-83% of the market in 2025 while the top 8 metro markets are projected to cover 17-20% of the pharma market.

Health diagnostics in India is a ~INR 595 billion (~US\$7.9 billion) market, which is projected to reach ~INR 1,127 billion (~US\$14.6 billion) by 2025 (growing at ~14% CAGR), led by the growth of organized channel and preventive testing.

The diagnostics market in India was sized at ~INR 686 billion (~US\$9.1 billion) in 2019, post growing at a ~13% CAGR over 2015. The market growth has been propelled by rapid technological advancements (e.g. swift growth in diagnostic imaging, emergence of hub & spoke model), higher medical focus on evidence-based treatment, rise in Non-communicable Diseases & lifestyle-related diseases, increasing penetration of insurance and demand for preventive diagnostics (e.g. full-body checkups). Diagnostics is closely linked to delivering superior outcomes for patients as the world and especially India moves towards evidence-based medicine.

The non-critical visits to the diagnostics labs declined due to the pandemic in 2020. However, high demand for COVID-related tests such as RT-PCR, Antigen, Antibody, CT-scans etc. offset the fall in non-critical tests and resulted in a ~13% net drop in the diagnostics market in 2020. Effectively the diagnostics market dropped slightly to ~INR 595 billion in 2020.



Source: UN, RedSeer Research

A considerable ~46% of the diagnostics market as of 2019 was unorganized, led by stand-alone labs. The remaining ~54% organized channel, is further segmented into hospital-based labs, diagnostics chains and online. Hospital-based labs cover ~37% of the market, wherein most of the major hospitals have their own diagnostic arms, and the smaller hospitals partner with third-party labs to manage their diagnostics facilities. Diagnostics chains cover ~16% of the market and have grown at a ~15% CAGR between 2015 and 2019. 60-65% of the diagnostics chain segment is led by regional chains, and the remaining 30-35% market is led by providers having pan-India presence. Online diagnostics accounts for 0.6% of the market as of 2020 but has emerged as a promising channel in the last couple of years, providing the convenience of home sample collection and advanced test booking. The organized sub-channels and players focus heavily on quality, accreditation and offer complex tests which are not offered by standalone labs – this made them better placed to serve the rising demand for COVID tests in the year 2020.

Preventive diagnostics has emerged as a promising use-case in recent years, led by growing consciousness about staying healthy, especially among the GenZ and millennial consumers. The preventive use-case has also received a push from the employee health tracking initiatives implemented by corporates. Hence, while the preventive segment is relatively small in size (just over 10% of the diagnostics market in 2019), it has grown at a ~27% CAGR – more than ~2x growth of the curative segment. While the demand for preventive tests dropped in the short-term due to the pandemic in 2020 (as curative tests took precedence), it is projected to get back to rapid growth levels as the pandemic recedes within the next couple of years.

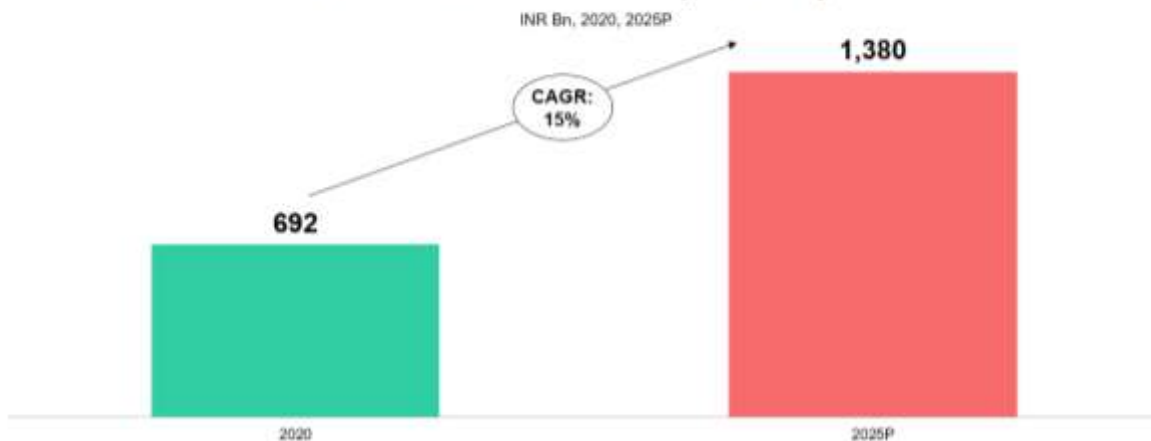
By 2025, the diagnostics market is projected to reach ~INR 1,127 billion, growing at a ~14% CAGR over 2020. The key growth factors are the continued shift from curative to preventive care (will contribute to the rise in the higher ticket size preventive segment), projected rise in India's population above 65 years of age (who have a greater need for medical diagnostics), emphasis on evidence-based treatment, conducive government policies (such as AB PMJAY, free essential diagnostics under NHM, promotion of preventive diagnostics via tax benefits) and growth in lifestyle diseases requiring regular need for diagnostics tests (e.g. blood sugar monitoring).

The doctor consultation market is sized at ~INR 692 billion (~US\$9 billion) spend and is projected to double in size (growing at ~15% CAGR) in the next 5 years.

Doctor consultation is one of the fastest growing categories within healthcare. The market was sized at ~INR 293 billion (~US\$4 billion) in 2015 and reached ~INR 602 billion (~US\$8 billion) in 2019. Despite the COVID lockdown in 2020, the market grew at ~15% to reach ~INR 692 billion, as doctors were consulted even in case of mild concerns like throat pain, fever etc. In this pandemic period, consulting doctors remotely (including online) became a highly preferred option, which was appreciated by both doctors and patients to ensure safety of both sides. Compared to the global markets, India is far behind on annual consultations per capita (despite the fast growth) – less than 1 in India vs ~4 and ~10 in the US and Russia

respectively – indicating a large potential ahead for further growth. As a result, the doctor consultation market is projected to grow at ~15% CAGR and reach ~INR 1,380 billion (~US\$18 billion) by 2025. As of 2020, the online penetration in Indian Consultations stood at 0.8%.

### Doctor Consultation Market Spend Projections



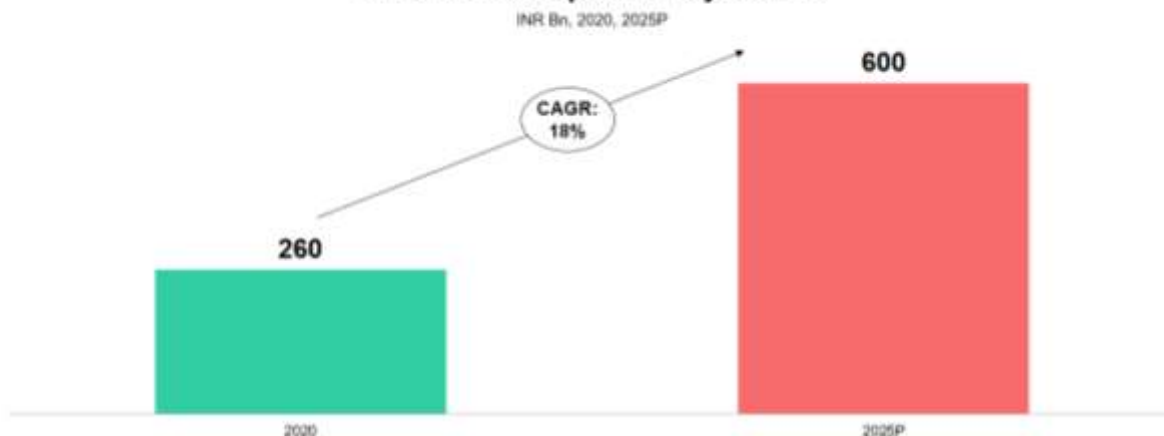
Source: RedSeer Research

**Note:** Includes consultation across hospitals, clinics, nursing homes and online

OTC is currently a ~INR 260 billion (~US\$3.5 billion) market and is projected to become ~INR 600 billion (~US\$8 billion) opportunity by 2025 (growing at ~18% CAGR).

The Indian OTC segment comprises of generic drugs that are sold without prescription (e.g. paracetamol) and other health products like supplements. The OTC market more than doubled in the last 5 years to reach ~INR 260 billion spend in 2020. Unlike the pharma category, the OTC category witnessed growth in 2020, due to high demand for OTC products used in COVID treatment & prevention. Going ahead, the OTC market is projected to see growth at ~18% CAGR and reach ~INR 600 billion by 2025, enabled by the rise in demand for OTC products focused on wellness, immunity fitness and hygiene. As of 2020, the online penetration in Indian OTC stood at 5.2% (excluding OTC FMCG products sold on the eHealth platforms).

### OTC Market Spend Projections



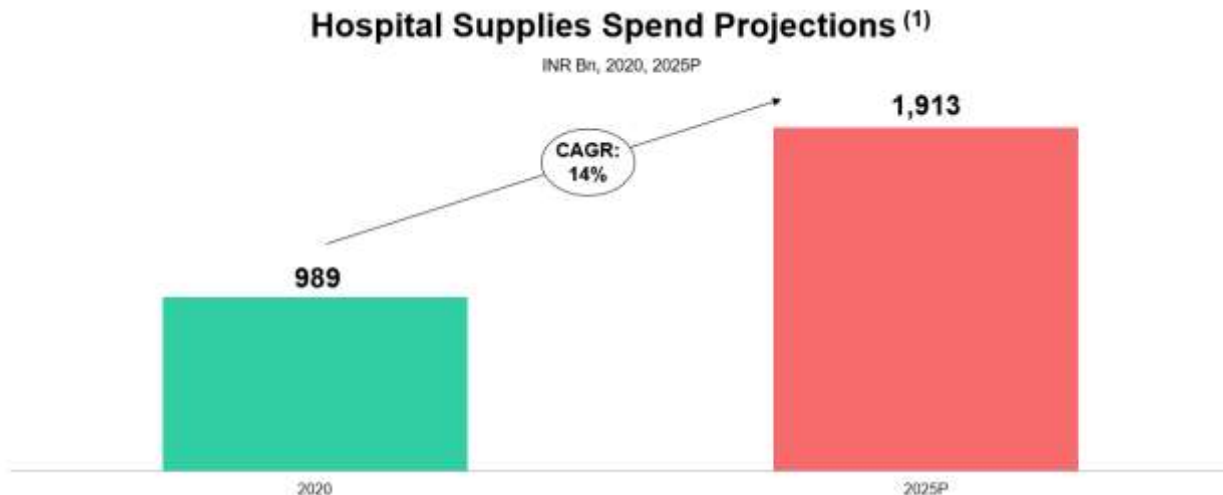
Source: Redseer Research

**Note:** OTC includes generic drugs that are sold without prescription and other health products like health supplements, cough syrup, sanitizers, etc.

Hospital supplies was a ~INR 989 billion (~US\$13 billion) opportunity in 2020 and is projected to become ~2x in size by 2025 (growing at ~14% CAGR), largely led by the consumables segment.

The hospital supplies market grew at ~13% CAGR from 2015 to reach ~INR 906 billion (~US\$12 billion) in 2019. It comprises of 3 major segments – pharma IPD, consumables and devices & equipment. Pharma IPD accounted for a substantial ~43% market in 2019 and experienced the fastest growth over 2015 (led by increasing hospital access, hospitalization rates and the use of more advanced medicines administered exclusively under doctor supervision). The medical devices & equipment segment, which covers ~36% of the market, saw a slightly slower growth. The remaining 21% of the market consists of consumables.

The hospital supplies market grew to ~INR 989 billion in 2020. The consumables market grew at a swift pace in 2020 due to the increasing use of PPE kits, gloves, gowns etc. by medical practitioners across India. This pickup is expected to continue post-COVID driven by the increased awareness around safety measures. As a result, consumables is projected to grow the fastest among the other hospital supplies segments. As a result, the overall hospital supplies market is projected to reach ~INR 1,913 billion (~US\$25 billion) in 2025.



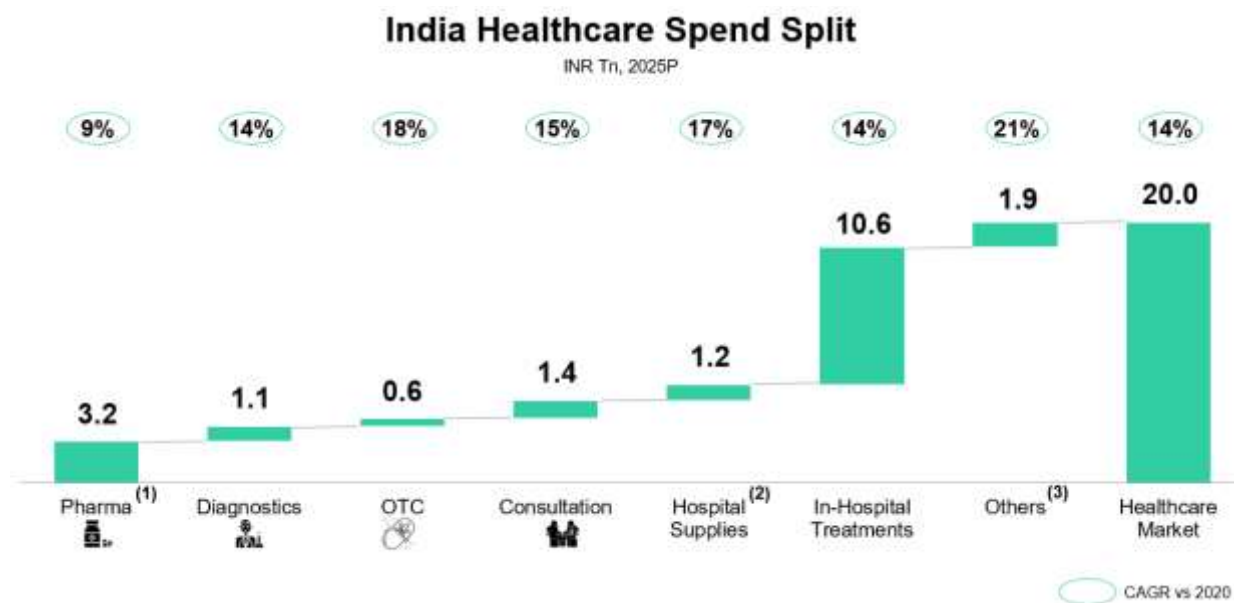
Source: Redseer Research

**Note:**

1. Market size is inclusive of pharma IPD

Healthcare is projected to become a large ~INR 20 trillion (~US\$266 billion) opportunity in 2025, of which, pharma, diagnostics, OTC, consultation and hospital supplies are projected to constitute ~37%.

The pharma, diagnostics, OTC, consultation and hospital supplies segments combined are projected to become a ~INR 7.5 trillion (~US\$100 billion) opportunity by 2025. While OTC, consultation, diagnostics and hospital supplies are likely to be the growth bearers, pharma is likely to drive the majority of volumes in this combined segment. This combined segment, along with in-hospital treatments that are projected to become INR 10.6 trillion (US\$140+ billion) opportunity, and the others segment that includes medical insurance & alternative medicines, will propel healthcare to reach ~INR 20 trillion by 2025 (post growing at ~14% CAGR in 5 years). Medical insurance and alternate medicine are together projected to become a ~INR 2 trillion (~US\$25+ billion) opportunity by 2025. Of this market, the OPD segment of ~INR 8.7 trillion (~US\$116 billion) is projected to account for ~44% of the overall Indian healthcare spend.



Source: RedSeer Research

**Notes:**

1. Pharma includes the pharma IPD portion of the hospital supplies market
2. Hospital supplies only includes consumables, medical devices and equipment; pharma IPD has been included in pharma
3. Others includes medical insurance and alternative medicine

### API Holdings' Target Addressable Market

According to RedSeer, API Holdings has a Target Addressable Market of ~INR 10.4 trillion (~\$139 billion) as of 2020, corresponding to the size of the entire Indian Healthcare market in 2020. The Target Addressable Market is expected to grow at 14% CAGR to reach ~INR 20 trillion (~\$266 billion) by 2025. Based on API Holdings' current suite of product and service offerings, the Serviceable Addressable portion of the Target Addressable Market is expected to be ~INR 7.5 trillion (~US\$100 billion) in 2025, which includes the Pharma, Diagnostics, OTC, Consultation and Hospital Supplies segments of the Indian Healthcare market.



Source: Redseer Research

**Notes:**

1. Segments include: Pharma, OTC, Diagnostics, Consultations, Hospital Supplies, surgeries and other hospital procedures, Medical Insurance and Alternate Medicine
2. Segments covered under the Serviceable Addressable portion of the total market include: Pharma, OTC, Diagnostics, Consultations and Hospital Supplies. API Holdings currently has product and service offerings in these segments

From ~INR 77 billion (~US\$1 billion) GMV in 2018, the organized pharma and OTC distribution market has grown at a ~50% CAGR in the last 2 years to reach ~INR 173 billion (~US\$2.3 billion) GMV in 2020

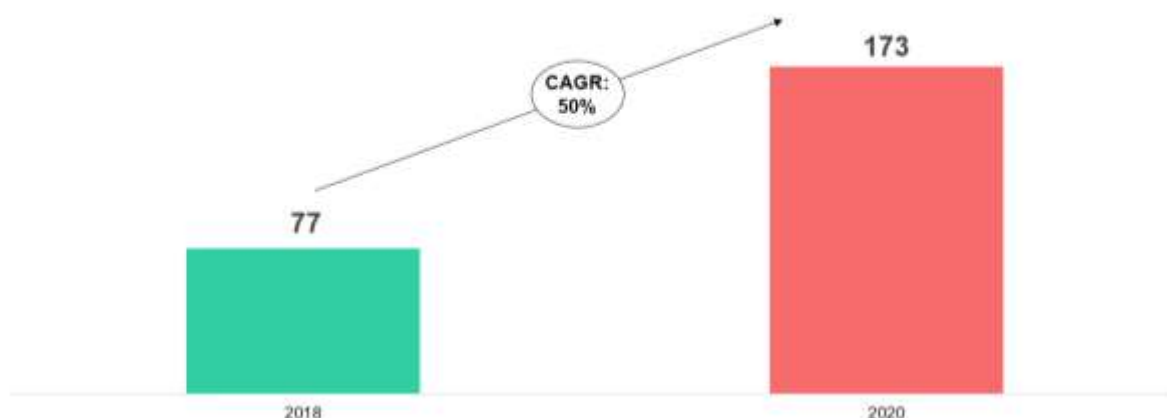
The organized pharma & OTC distribution sector was sized at ~INR 126 billion (~US\$1.7 billion) GMV in 2019, post growing at ~65% in a year. Traditional pharma and OTC distribution is highly unorganized in India, comprising of ~60,000 wholesalers (including sub-wholesalers and C&F agents). In the last couple of years, the distribution landscape has seen rapid consolidation led by acquisition of local / regional wholesalers by the large organized wholesalers. Organized players are much better at forecasting demand and managing inventory (as they maintain a detailed record of pharma & OTC sales), can purchase products in bulk quantities to gain better margins from the suppliers and provide timely delivery of the desired medicines and health products to retailers enabling high fill rates, along with other add-on services.

In 2020, the organized pharma and OTC distribution sector grew at ~37% to reach INR 173 billion GMV, despite a flat growth for the pharma sector in this period. ~80% of this market consisted of pharma and the rest 20% was OTC. Around 10-12% of the ~800,000 pharma retailers have currently partnered with organized wholesalers, indicating a large potential for growth in future as well.

Unorganized pharmacies, which hold ~2/3<sup>rd</sup> of the overall pharma market, are the major customers for organized wholesalers as well. ~55% of the organized pharma and OTC distribution market in 2020 consisted of distribution to unorganized pharmacies and this has also grown at a pace of 56% over the period from 2018 to 2020. About ~25% of the market consisted of distribution to organized pharmacies in 2020. Organized B&M and online pharmacies were early in adopting the organized distribution channels, owing to mutual synergies (e.g. digital capabilities) and a pan-India presence. Hospital distribution made up the remaining ~20% of the market in 2020. Large corporate hospitals have led growth in this segment, having adopted the organized pharma and OTC distribution channel due to their pan-India presence.

## Organized Pharma & OTC Distribution Market GMV

INR Bn, 2018, 2020



Source: RedSeer Research

**Note:** GMV indicates gross GMV at selling price post discount, inclusive of value of products distributed to own retail arm

Going ahead, the organized pharma and distribution market is projected to register healthy growth, led by increased presence in the relatively underpenetrated non-metro geographies, higher comfort of the unorganized pharmacies with placing orders online or using digital services, the ability of organized wholesalers to provide superior levels of service, especially their ability to provide higher fill rates, and the continued rise in the acquisition of smaller players by organized players.

*The healthcare value chain in India is highly fragmented, due to which both supply & demand-side stakeholders face significant challenges, which are being effectively resolved by the digital healthcare platforms.*

The Indian healthcare value chain consists of multiple stakeholders such as pharma companies, hospitals, pharmacies, diagnostics labs, doctors, insurance providers and medical wholesalers. Compared to a developed country like the US, the Indian healthcare value chain is highly fragmented and unorganized. For example in the US, the top 3 pharma distributors have a market share of over 90% of the pharma distribution market, as against 10% in India in 2020. Similarly, the top 3 pharmacy chains have a market share of around 50% of the pharma market in the US, compared to around 10% of the pharma market in India (in the year 2020).

The fragmentation and uneven geographic distribution of the healthcare infrastructure in India creates unique structural complexities for the healthcare value-chain participants:

### Unique Structural Complexities Across Indian Healthcare Value-Chain

2019, Number of entities

Healthcare Market Entity	US	India	Key Complexities in the Indian Healthcare Market
 Pharma Company	200-250	~1,000	<ul style="list-style-type: none"> <li>Highly fragmented distribution channels</li> <li>Inefficient marketing channels</li> <li>Lack of analytics on demand or supply side</li> <li>Limited prescription adherence and transparency in the overall system.</li> </ul>
 Hospital	6,000-7,000	~70,000	<ul style="list-style-type: none"> <li>Lack of centralized and interoperable medical records system</li> <li>Substandard quality &amp; hygiene impact consumer experience</li> </ul>
 Pharmacy	30,000-35,000	~800,000	<ul style="list-style-type: none"> <li>Fragmented supplier base &amp; unstandardized trade terms</li> <li>Poor inventory management and low fill rates</li> <li>Lack of analytics on demand or supply sides</li> </ul>
 Wholesalers	7000-10,000	~60,000	<ul style="list-style-type: none"> <li>Limited real-time visibility of supply chain</li> <li>Information asymmetry and lack of one-stop option for merchant services</li> <li>Low customer engagement &amp; loyalty</li> <li>Lack of analytics on demand or supply sides</li> <li>Unstandardized trade terms</li> </ul>
 Diagnostics Lab	25,000-30,000	~100,000	<ul style="list-style-type: none"> <li>Substandard quality &amp; hygiene impact consumer experience</li> <li>Limited visibility among patients</li> <li>Dependence on physical channels to deliver services</li> </ul>
 Doctors	1-1.5 million	~1.2 million	<ul style="list-style-type: none"> <li>Lack of centralized and interoperable medical records system</li> <li>Limited visibility among patients</li> <li>Dependence on physical channels to delivery services</li> </ul>
 Consumer	328 million	1,366 million	<ul style="list-style-type: none"> <li>Lack of comprehensive and centralized medical records</li> <li>High touch offline model</li> <li>Lack of good quality one-stop medial solutions</li> <li>No OPD insurance</li> </ul>

Source: RedSeer Research



**Notes:**

1. # of doctors as per registration with the medical council of India
2. Distributors also include sub-distributors

This high degree of fragmentation in healthcare has further pronounced the problems of access, affordability and authenticity / quality in the Indian market. As a result, suppliers, providers and consumers face a wide range of challenges with the traditional healthcare system.

The key challenges faced on the supply-side are:

- India has 1,000+ pharma manufacturers and 60,000 medical wholesalers. Such large-scale fragmentation leads to wastage, stock-outs, low fill rates and loss of margins.
- The regional play of healthcare distributors makes it challenging for the suppliers to effectively reach the large nation-wide user base, as they are forced to partner with distributors for each region
- The lack of digital processes to record healthcare transactions limits the ability to understand patient's history and demand trends, which eventually impacts the quality of healthcare outcomes.
- Limited prescription adherence is partly an effect of the low fill rates, but is also enabled by the strong influence of local pharmacists (among consumers), who end up suggesting alternative medicines due to shortage or to secure better margins. This eventually results in losses for the pharma company.
- The unorganized nature of the supply chain leads to limited transparency and flexibility in trade terms between wholesalers and retailers. This creates lack of trust and friction in the system.

The major pain-points on the demand-side are:

- Fill rates of unorganized pharma retailers are as low as 60-65%. This leads to considerable inconvenience for consumers, who end up visiting multiple pharmacies.
- Limited presence of integrated providers in the OPD space, forces consumers to coordinate across multiple stakeholders for different services.
- There is a lot of variation in the access to good-quality care, depending on region or geography.
- Out-of-pocket healthcare expenditure is very high in India as only ~20% of the Indian population is medically insured, compared to 90%+ in the US and China.
- Huge disparity exists in pricing/discounts offered by unorganized healthcare entities as no standard pricing protocol is followed, leading to lack of trust in the overall system.
- As per RedSeer research, about 20-25% of medicines sold in India are fake, counterfeit or sub-standard, which present a serious threat to patient health and safety.
- Substandard quality & hygiene conditions in local clinics, hospitals & labs, makes consumer experience unsafe & sub-par.

Such severe challenges in healthcare can only be resolved with the help of technology and the Indian healthcare industry today suffers from a lack of tools and applications that can digitize healthcare-related data such as transactions. This fact is also acknowledged by the Government of India, which launched the National Digital Health Mission (NDHM) on 15th August, 2020, to resolve the associated challenges with the traditional healthcare. As part of NDHM, the government aims to develop the backbone necessary to support the integrated digital health infrastructure of the country and bridge the existing gap amongst different stakeholders of healthcare ecosystem through digital highways.

On similar lines, digital healthcare platforms have emerged as effective solutions to the traditional healthcare problems and are effectively resolving the supply-side and the demand-side challenges with the help of high quality, convenient and affordable offerings.

**India Digital Healthcare Models**

*eHealth (outpatient-care focused), and organized pharma and OTC distribution are a couple of major digital healthcare models disrupting the traditional healthcare in India.*

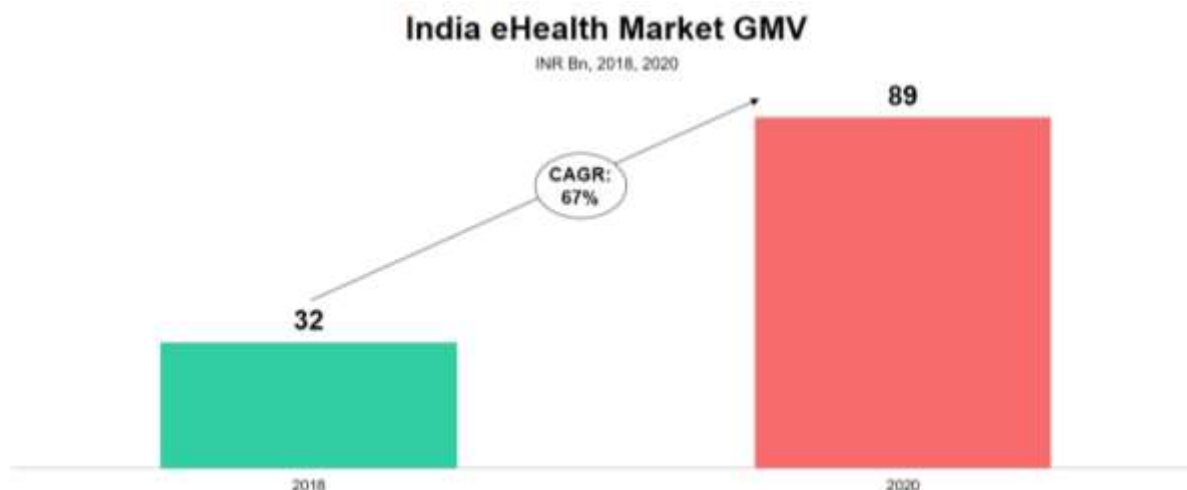
The digital healthcare models in India are solving for traditional healthcare challenges across different aspects of the value chain.

On the supply-side, models focused on organized pharma and OTC distribution and eB2B medical supplies have disrupted the space by streamlining the flow of medical products from the supplier to the healthcare provider. The digital healthcare models provide organized distribution, enabled by consolidation of small-scale unorganized distributors. This brings in multiple benefits to the healthcare supply ecosystem, such as efficiency in the healthcare supply chain, leading to better profitability, enabling suppliers to access a much wider retailer base, digital record of transactions, access to a larger inventory and superior logistics, improving retailer fill rates, and fair & standardized trade terms.

On the demand-side as well, the new-age models related to home healthcare, advanced surgery care, eHealth and medical insure-tech, are aimed at making healthcare accessible, affordable and authentic for the end-user, while improving the flow and visibility of data for all participants in the healthcare chain. Digital models provide superior prescription fill-rates, and gain sourcing efficiencies, which can be passed on to the consumer in the form of lower prices. Many digital models operate across the services such as pharma, consultation and diagnostics, to provide a one-stop-shop convenient healthcare solution for the consumers from the convenience of home, give diagnostics test sample at home & view reports online and remotely consult doctors, thereby making healthcare delivery highly convenient & accessible to the end-user. Moreover, digitally enabled business models can seamlessly link all OPD segments for the benefit and convenience of consumers across the country thereby potentially driving superior health outcomes. They also follow strong quality control processes to ensure provision of high-quality authentic products and strong operating procedures (such as prescription verification, medicine dispensing by a licensed pharmacist, etc.).

*The eHealth market has grown at a pace of 67% CAGR since 2018, to reach ~INR 89 billion (~US\$1.4 billion) GMV in 2020 led by strong consumer adoption. Online pharmacy accounts for a substantial ~55% portion of the eHealth market, which has a large headroom ahead for growth.*

**Fast-growing market:** The eHealth market majorly comprises of at-home delivery of medicines and OTC products, online diagnostics test booking and home sample collection, and online consultation with doctors. The market was sized at ~INR 67 billion (~US\$1 billion) GMV in 2019, post doubling in size in a year's time. The market witnessed relatively slow growth of ~35% in 2020 to grow to ~INR 89 billion GMV, owing to disruption in the pharma supply chain during the national lockdown announced in response to the first COVID wave. However, in this period, eHealth received regulatory support, as the government declared online pharmacy an essential service and released guidelines for the regulated use of eConsultation.



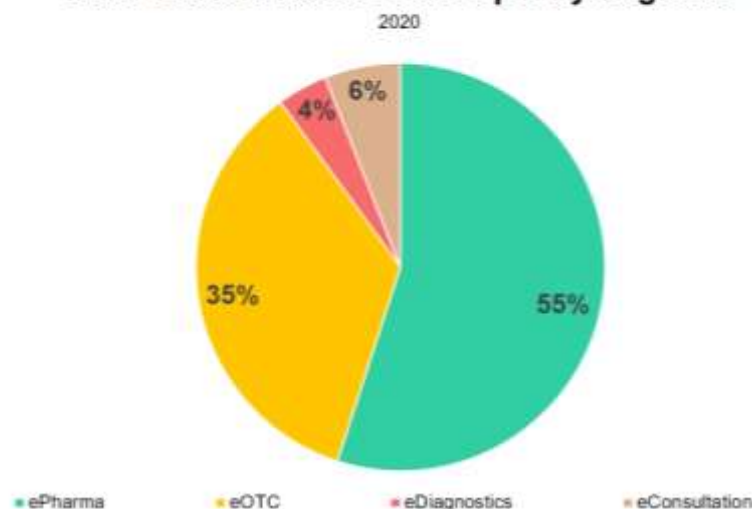
Source: Redseer Research

**Note:** GMV indicates gross GMV at selling price post-discount

The substantial growth in the market has been driven by strong adoption by consumers, whose pain-points with traditional healthcare are being effectively resolved by the eHealth platforms. For example, in the case of pharma, consumers struggle with the low fill rates of unorganized pharma retailers (60-65%), due to which they are compelled to visit multiple pharmacies to buy the medicines, making the process very inconvenient and time-consuming. With the help of efficient sourcing, supply consolidation and inventory management, eHealth platforms have been able to attain average pharma fill-rates of more than 95% and provide medicine deliveries at home, an extremely convenient experience to consumers. The eHealth platforms also provide benefits to other stakeholders such as doctors (who are able to reach a much wider patient base with the help of eConsultation service) and pharma companies (who are now able to track the response of their product, with the help digitally recorded transactions data).

**COVID Impact:** The eHealth market experienced a slightly sluggish growth in 2020 owing to the nation-wide COVID lockdown. However, the market recovered fairly well in the later part of the year, as the lockdown eased out. The major slowdown was observed in April'20, which was the first month of lockdown that witnessed considerable interruption in pharma supply due to restricted movement of goods across state borders and disruption in the online pharmacy fulfillment network due to lack of regulatory clarity and shortage of manpower. Post April, the sector recovered strongly to almost reach pre-COVID levels in July, led by the restoration of the pharma supply chain, high demand for COVID-related OTC products (masks, sanitizers, multi-vitamins etc.) and remote doctors consultations. In the remaining part of the year, the sector operated consistently above pre-COVID levels. In the April-June'21 period, while India witnessed the second COVID wave, the eHealth market saw a healthy growth led by the demand for at-home health services, and limited disruption in the pharma supply chain (due to localized lockdowns).

**India eHealth Market GMV Split by Segment**



Source: Redseer Research

Note: GMV indicates gross GMV at selling price post discount

**Online pharmacy-led Play:** Online pharmacy, consisting of at-home delivery of prescription medicines, covered ~63% of the market pre-COVID in 2019 and held ~55% of the market in 2020, despite the disruption in pharma supply.

eOTC is the second largest segment, constituting doorstep delivery of generic medicines and health products. It accounted for ~26% share of the market pre-COVID, which soared to ~35% in 2020, owing to high demand for COVID-related OTC products.

eDiagnostics (home sample collection and online test booking) accounted for ~9% of the eHealth market in 2019, post growing at 200%+ over the previous year. It saw a decline in 2020, in-line with the drop in the overall diagnostics market, but is projected to recover well.

eConsultation covered a ~2% market in 2019, but grew sizeably in 2020 as patient visits to hospital OPDs / clinics were replaced by online consultations with doctors over video, chat and audio. Doctors equally reciprocated the preference towards the safer online channel to provide their consultation service, as it helped them to reach a much wider patient base.

*Digital penetration in healthcare has been relatively low both globally as well as in India, but digital healthcare has been rapidly gaining ground, following the path charted by other online sectors*

The healthcare industry both in India and globally is one of the least technology-disrupted industries. In the markets like the US and China, the digital penetration in healthcare has been relatively low (less than 5% of the overall market size in 2020), compared to the digital penetration in the sectors like retail (12-17% in the US, 25-30% in China in 2020) and food services (8% in the US, 18% in China in 2020). However, in the recent times, considerable innovation in digital healthcare has happened in these markets, which has the potential to cause large-scale digital disruption in the healthcare space in near future – very similar to how digital disruption in retail or food services began with a few innovations and then demonstrated explosive growth. For example, the adoption of internet hospitals in China and personalized medicine in the US, could potentially transform the outpatient-care ecosystem in these markets. This digital disruption in healthcare, which has started a bit later as compared to the other sectors discussed above, has picked up globally at around the same time – not just in the US and China, but simultaneously also in India. For example in India, digital healthcare services such as online medicine ordering & doorstep delivery and online doctor consultation have seen rapid adoption in the last couple of years – online penetration surged from 1.2% in 2018 to 2.3% in 2020 in pharma and from 0.1% in 2018 to 0.8% in 2020 in doctor consultation. Looking

at how India has followed an explosive growth trajectory, which began with under-penetration in the areas of internet adoption, smartphones and e-commerce, it could follow a similar growth & penetration trajectory in case of digital healthcare as well.

**Large headroom ahead:** Despite the high growth, digital penetration in health (across pharma, OTC, diagnostics and consultation) is only at 2%, indicating a very nascent stage of penetration. For example in online pharmacy, online penetration in India was 2.3% in 2020 – considerably lower than the online pharmacy penetration levels in China (10-15%) and the US (30-35%). Even compared to online penetration in other internet sectors in India such as short-stay accommodation (25-30%), food services (8-10%), mobiles & electronics retail (30%+), fashion retail (7-9%) and beauty & personal care retail (5-6%), online penetration in health (across pharma, OTC, consultation and diagnostics) was much lower at just 1-2% in 2019. Moreover, health also has one of the largest projected market sizes at ~INR 20 trillion by 2025. This cements the fact that healthcare in India is one of the largest and also tremendously untapped sectors, underscoring the opportunity for large-scale digital disruption.

## OUR BUSINESS

Some of the information in this 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 “Forward- Looking Statements” on page 23 for a discussion of the risks and uncertainties related to those statements and the section “Risk Factors” on page 43 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.

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus on page 250. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, some of which may not be derived from our Financial Information or otherwise subjected to an examination, audit or review or any other services by our Statutory Auditor or any other expert. The manner of calculation and presentation of some of the operational and financial performance indicators, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions.

We were incorporated on March 31, 2019 and have therefore included financial information as of and for two fiscal years, Fiscal 2020 and 2021, and three months ended June 30, 2021. We have grown significantly since our incorporation, also as a result of multiple strategic mergers and acquisitions, some of which are significant. Our Pro Forma Consolidated Financial Information as at and for the Fiscal 2021 and three months ended June 30, 2021 present the estimated impact of these acquisitions on our Company, including the results of operations and the financial position that would have resulted, had these acquisitions been completed on prior dates.

Unless otherwise indicated, industry and market data used in this section has been derived from the RedSeer Report, which has been commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Offer. For further details and risks in relation to the RedSeer Report, see “**Risk Factors – Certain sections of this Draft Red Herring Prospectus disclose information from the RedSeer Report commissioned by us and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.**” on page 66.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “**Risk Factors**”, “**Industry Overview**”, “**Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on pages 43, 146, 250, and 687, respectively, as well as financial and other information contained in this Draft Red Herring Prospectus as a whole.

Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal 2021” are to the 12-month period ended March 31, 2021. Fiscal 2020 includes period from March 31, 2019 to March 31, 2020 because our Company was incorporated on March 31, 2019.

### Overview

We are India’s largest digital healthcare platform (based on GMV of products and services sold for the year ended March 31, 2021), according to RedSeer Report. We operate an integrated, end-to-end business that aims to provide solutions for healthcare needs of consumers across the following critical stages

- A. providing digital tools and information on illness and wellness,
- B. offering teleconsultation,
- C. offering diagnostics and radiology tests, and
- D. delivering treatment protocols including products and devices.

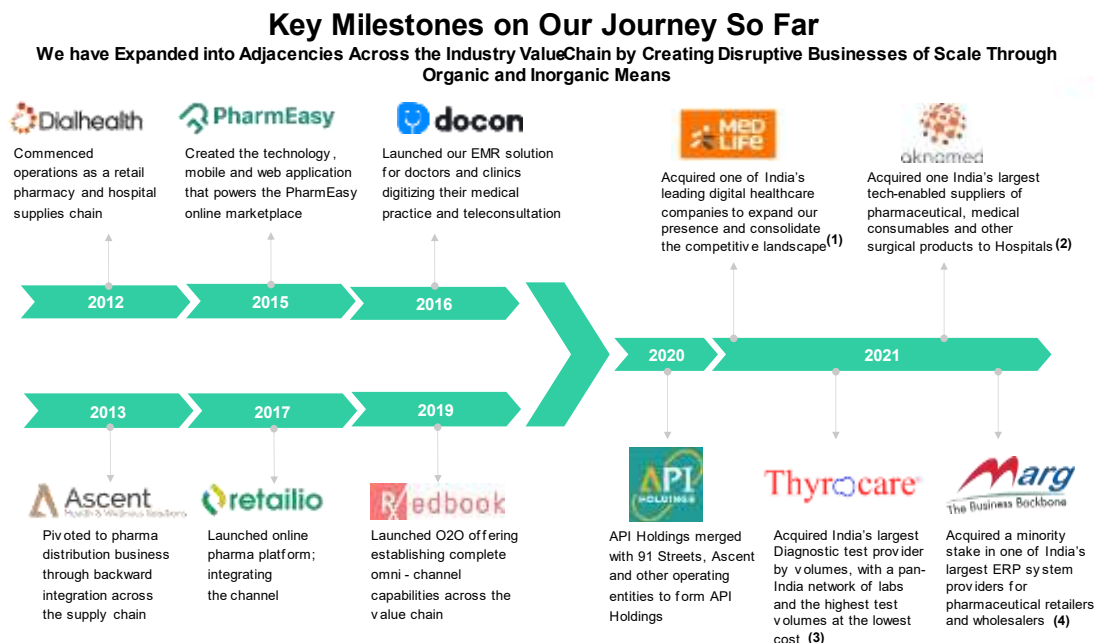
Our custom-built proprietary technology, unified data platforms, supply chain capabilities, and deep understanding of the dynamic interplay between the various sub-segments of India’s healthcare market are the capabilities that differentiate us. These capabilities enable us to provide each stakeholder in the healthcare value-chain, viz.:

- (a) channel (wholesalers, retailers and chemists / institutions),
- (b) consultants (and hospitals), diagnostic and radiology labs,
- (c) consumers, and
- (d) companies (pharmaceutical, nutraceutical, medical devices)

with the technology tools and capabilities to solve their challenges, while also enabling them to benefit from an interconnected network. At the same time, they also enable us to build a scaled presence, allowing our platform to reach a wide base of stakeholders across the length and breadth of this country. Our businesses have a presence across the country, with last-mile

capabilities to deliver in over 18,587 pin codes (for June 2021) via PharmEasy marketplace, allowing us the ability to provide access in an affordable manner to the common man. Our platforms have scaled across urban, semi-urban and rural India, with an ability to serve people across income groups and geographies.

## Our Journey



### Notes:

1. In terms of GMV of products sold on the platform in Financial Year 2021
2. On the basis of revenue Financial Year 2021
3. As of Financial Year 2021
4. With over 200,000 pharmacies and wholesalers served as of Financial Year 2021

(Source: RedSeer Report)

## **2012 – 2015: Early Journey and Solving for Supply Chain Issues**

In 2012, some of our Founders (Siddharth, Hardik and Harsh) launched Dialhealth.com in Mumbai. It was a digital and phone order platform, which allowed access to tele-consult, diagnostic lab pick-ups and medical product delivery. In spite of multiple offerings, these Founders saw significant demand only for product delivery (spends on medicines and OTC together accounting for ~45% of the OPD healthcare spends of customers as per RedSeer Report), and accordingly, offerings other than product delivery were eventually scaled down. While these Founders were able to aggregate demand for products across the city, they faced challenges in fulfilling demand due to fragmented pharmaceutical supply chain, low prescription fill rates, tendency of patients to self-medicate without a prescription and poor adherence to delivery timelines. To ensure a better control over the supply, some of our Founders launched a chain of pharmacies across Mumbai. However, operating these pharmacies was challenging, and did not lead to improvement in fill-rates and turn-around time. This happened due to the limited ability to store the requisite number of SKUs in these pharmacies to meet demand, given their small size and inefficient sourcing due to the fragmented supply chain. As per RedSeer Report, the average size of an unorganized pharmacy in India is less than 500 sq. ft. and hence it is generally unable to hold more than 6,000 SKUs, in a market with more than 200,000 SKUs. Further, these pharmacies had to deal with several small distributors with poor service levels, leading to stock outs and an inefficient procurement cycle. The Founders' objectives evolved from aggregating and solving merely for demand to aggregating and solving for both demand and supply.

The Founders started Ascent in 2013 to overcome the shortcomings of a fragmented supply chain. They created an aggregated layer of distribution assets, that could become trusted supply chain partners for pharmacies, through acquisitions of wholesale pharmaceutical distribution businesses across Mumbai. The operations of these distributors were standardized and retailers could order products from the catalogues of any of these distributors and have assured delivery of products within indicated timelines. As Ascent created a larger presence, it covered more retailers, quality of service improved with increased scale, with a reduction in delivery times and improving fill rates.

## **2015 to 2019 – Investments in Technology across the Healthcare Ecosystem**

As Ascent scaled its operations, its improving procurement and supply chain capabilities prompted our Founders to leverage their learnings to build the technology that powers the PharmEasy marketplace. PharmEasy is a consumer healthcare super app to enable on-demand, home delivery of pharmaceutical products to consumers. Ascent's growth resulted in continued

engagement with retail pharmacies, as they worked with Ascent as one of their procurement partners. This engagement allowed access to the retailers, who would go on to use this technology, to engage with their eventual customers.

Based on their experience, across challenges for consumers and pharmacies, our Founders believed that an ecosystem wide solution would be needed to address lack of access to doctors, issue of self-medication and low digitisation of prescriptions and medical records. As per RedSeer Report, many Indians prefer to opt for self-medication as the first resort for several ailments, and purchase medicines from pharmacies without any prescriptions. A large portion of the prescriptions issued by practitioners in India are hand-written and the level of digitization is very low. To solve this problem, they went on to build a suite of technology tools and platforms that included teleconsultation tool to promote virtual consultations and prevent self-medication, and an electronic medical records and prescription digitisation tool for overcoming the lack of digitization in the ecosystem. To augment their capabilities in this regard, Docon was acquired in 2016. Today, Docon has evolved into an expansive digital solution that provides EMR and clinic management services along with teleconsultation offerings for doctors, clinics and patients.

Alongside, building deep digital capabilities for PharmEasy and Docon, in 2017, Ascent launched Retailio, a digital platform providing wholesalers with technology and services they can use to connect with pharmacies. Wholesalers and pharmacies thereafter agree upon suitable commercial terms on a principal to principal basis and transact directly with each other.

Retailio was launched with an objective to accelerate technology adoption in the supply chain empowering pharmacies with technology and digital tools and to expand the scope of such reach beyond pharmacies serviced by Ascent. Digitisation through Retailio was aimed at improving transparency and providing real-time inventory visibility, discovery of competitive pricing and reducing the need for manual re-ordering cycles, thereby enabling lower stock outs, efficient inventory turns and expiry management for pharmacies. For the month of June 2021, Retailio was being used by 87,194 pharmacies and 3,261 wholesalers across 191 cities. As a multi-stakeholder platform that would scale with increasing adoption by pharmacies and wholesalers, Retailio seeks to strengthen its value proposition and is transforming the ecosystem by introducing features and capabilities that enable digital payments, invoice creation and settlement, targeted and digital channel marketing for brands, availing seamless and affordable credit along with track and trace for logistics.

### **2019 to 2021 – Building a Holistic Healthcare Ecosystem and Consolidation into API Holdings**

Between 2013 and 2019, Ascent scaled up its distribution presence by acquiring and integrating more than 20 wholesalers across India, to expand its reach and business. By December 2018, Ascent had become one of the largest wholesalers of pharmaceutical products in India, based on GMV of products sold in the previous 12 months and by December 2020, PharmEasy had become the leading online pharmacy in India, in terms of GMV of products sold in the previous 12 months, in each case, as per the RedSeer Report. The Founders believed that Ascent and PharmEasy technology had reached sufficient scale to create a fully digital, integrated and holistic healthcare ecosystem capability.

Since then, we have invested into our businesses and undertaken multiple scaled acquisitions of complementary businesses, to enhance our capabilities and offerings in digital healthcare for all stakeholders. We have invested in, acquired, integrated and consolidated business' that provide us an ability to enter adjacent offerings, with scaled operations and teams with domain understanding. Our philosophy is guided by our mission to offer access to affordable healthcare products, services and technology across the length and breadth of our country. Through these investments, and acquisitions we now have deep expertise in diverse areas of healthcare offerings, and technology solutions for all stakeholders to solve for diverse use cases of healthcare delivery, that can be easily accessed across India

- Medlife Acquisition – In January 2021, API Holdings acquired Medlife, then one of India's leading digital healthcare companies in terms of GMV of products sold on its platform in the financial year 2021, as per RedSeer Report.
- Thyrocare Acquisition – In September 2021, API Holdings acquired Thyrocare, India's largest diagnostic player by test volumes, as per RedSeer Report. Thyrocare's addition to API Holdings has enabled a pan-India diagnostics presence spanning more than 550 districts (as of June 30, 2021) and an ability to serve a large portion of India's population with a diagnostic test. Thyrocare provided API Holdings the ability to offer diagnostics services to customers across the country, thereby adding complimentary services to our portfolio of offerings. Our technology and digital products will also bring necessary digital capabilities to Thyrocare's business.
- Aknamed Acquisition – In September 2021, we acquired Aknamed, which strengthened our technology-enabled supplier business of supplying pharmaceutical products, medical consumables, and other surgical products to hospitals, clinics and medical centres. Aknamed is one of the largest tech-enabled suppliers of specialty medicines, pharmaceutical drugs, surgical and medical devices, and other medical products to doctors and hospitals in India, on the basis of revenue in Financial Year 2021 as per the RedSeer Report. Aknamed complements our capability and scale across distribution to pharmacies with the ability to now serve hospitals, clinics and medical centres across the country. Aknamed's portfolio of products as well as presence in specialty therapies also offers API Holdings the capabilities to roll out chronic care programs across different specialty segments. We can also use Aknamed's presence in surgical items and other consumables to cross-sell these products to pharmacies on Retailio.

- Investment in Marg ERP Limited – In October 2021, we acquired a 49.17% stake in Marg, one of India’s largest ERP providers for pharmaceutical retailers and wholesalers with over 200,000 pharmacies and wholesalers served as of Fiscal 2021, as per the RedSeer Report. Through the investment in Marg ERP Limited, we now have access to a technology user base and an ERP system that can integrate deeply with API Holdings’ technology products including Retailio, Redbook and PharmEasy to create a seamless technology layer that can strengthen our ecosystem-based approach to offer healthcare services and digital payments amongst others as well as market intelligence through the large volume of data that our integrated technology layers can create. Marg ERP Limited along with Retailio would also allow us to build relationships with pharmacies and wholesalers as our products power both operations as well as commerce opportunities.

With these capabilities and our scaled presence, we now touch stakeholders across healthcare – consumers, pharmaceutical companies, wholesalers, pharmacies, hospitals, doctors and clinics and diagnostic and radiology labs. This presence allows us to offer integrated bouquet of products, services and technology to all stakeholders, with each having an ability to cross-sell services and products of one stakeholder to the other or their customers. As an illustration, pharmacies which are using the Retailio platform for their procurement and payments, can use Marg ERP Limited’s systems for their technology backbone, become a seller on the PharmEasy marketplace, offer tele-consult services by tying up with Docon and use the extensive Thyrocare network to provide diagnostic services.

This unique flywheel provides multiple stakeholders an opportunity to offer holistic healthcare solutions to the consumers, beyond their core service or product offering. Further, these solutions can be offered in a manner which is agnostic to the manner with which the consumers access the stakeholders, whether online or offline, and irrespective of where they would like to avail such services at their home or at point of sale.

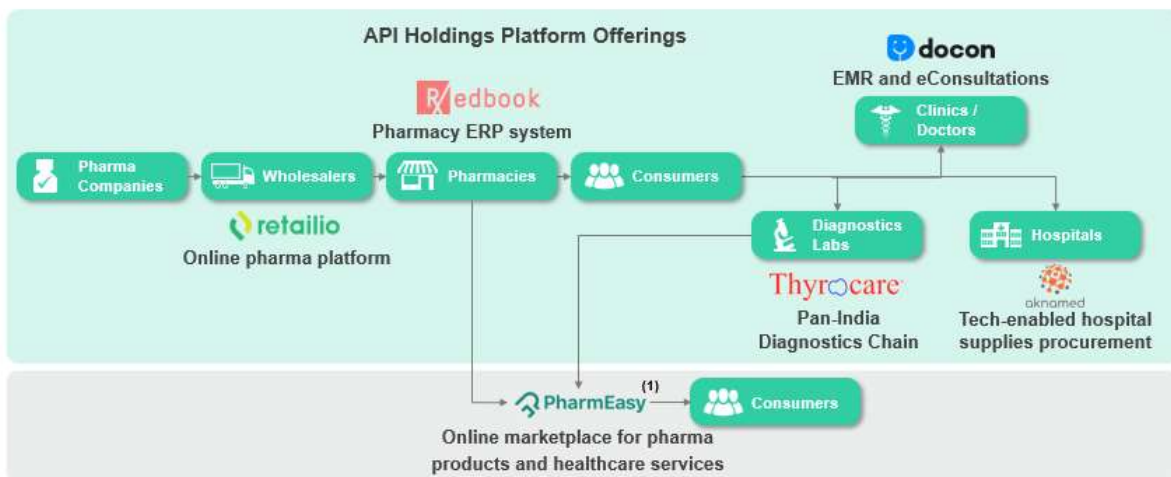
For further details, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

**Who We Are Today**

Our core conviction is that technology must play a vital role in seamlessly linking all the various healthcare segments and driving superior health outcomes for customers and other strategic benefits to all stakeholders. We have endeavoured to build a connected digital ecosystem for each stage of the supply chain, as well as the patient journey. For example, in the pharmaceutical space, our technology solutions help us enable access to affordable healthcare, solve end-to-end supply chain problems through better visibility, authentic medicines, shorter delivery timelines, improved fill rates, easy returns, and digital payments, thereby bringing in transparency across the supply chain. In the diagnostics space, our technology addresses key friction points that we perceive, such as: (i) assurance: recommendation engines to avoid patients’ picking up unnecessary tests, (ii) verification: end to end control of samples, (iii) visibility: order tracking and delivery solutions, (iv) pricing: low execution cost with quality consumer experience and (v) storage: digital and accessible diagnostics records for patients to access. At the same time, our platform enables several points of inter-connection for consumers, across diagnostics tests, delivery of pharmaceutical products, OTC products and healthcare products. Through our inter-connected offerings across the value chain, we seek to create a virtuous cycle of reinforcement for all stakeholders.

A combination of organic initiatives and acquisitions have enabled us to create an integrated business model across the healthcare value chain. Our full-stack presence is outlined in the chart below:

**Full-Stack Presence Across the Healthcare Value-Chain**



Note:

1. The PharmEasy Brand has been licensed to Axelia, which operates the PharmEasy marketplace. API Holdings holds a 19.99% stake in Aarman, which is the holding company of Axelia.



We work closely with, and build technology-enabled services for consumers, pharmaceutical companies, wholesalers, pharmacies, hospitals, doctors and clinics and diagnostic and radiology labs. Our growing nationwide presence, the connected ecosystem approach, and multiple synergistic offerings have enabled us to build relationships with various stakeholders of the healthcare value chain.

We are one of the largest digital first platforms in the country that aggregates healthcare data and interconnects the traditionally disparate stakeholders of the healthcare value chain, as per the RedSeer Report. Our core focus lies in not only building a strong technology platform, but also bringing actionable insights and intelligence into every aspect of the healthcare value chain. As per the RedSeer Report, we are the only digital healthcare platform in India with leading presence across both the supply and demand sides of the healthcare value chain. Among the key components of our platform (which are detailed in “Our Products and Services” section below) are:

*Retailio.* Using technology from Retailio, pharmacies procure a wide range of pharma, over-the-counter (“**OTC**”) and private label medical products from us and other wholesalers at competitive prices. Retailio is focused on empowering pharmacies with technology and digital tools by providing transparency in the supply chain and availability of products across the value chain. For the month of June 2021, 87,194 pharmacies transacted using technology from Retailio, which represented approximately 11% of all pharmacies in India as of June 30, 2021, as per RedSeer Report. We also offer ERP and customer relationship management software Redbook to pharmacies.

On the supply side, during the month of June 2021, 3,261 wholesalers used technology from Retailio to transact at least once to sell products directly to pharmacies. This represents approximately 5% of all pharmaceutical wholesalers in India as of June 30, 2021, as per RedSeer Report. Deep integration with ERP systems of wholesalers enables real time visibility of inventory and pricing to pharmacies to ensure high fulfilment. Retailio also helps wholesalers to grow and manage their business digitally through our technology.

*Distribution.* We are a technology-enabled supplier of pharma, OTC and private label medical products, surgical and consumables to pharmacies, hospitals, doctors, clinics and medical centres. As per RedSeer Report, we are the second largest buyer of pharmaceuticals among pharma wholesalers and retailers, in India, as of Financial Year 2021. We have strengthened this business through the acquisition of Aknamed in September 2021. Aknamed is one of the largest tech-enabled suppliers of specialty medicines, pharmaceuticals, medical consumables, and other surgical products to doctors and hospitals in India, on the basis of revenue in the Financial Year 2021, as per the RedSeer Report. For the three months ended June 30, 2021, 926 hospitals were serviced by Aknamed.

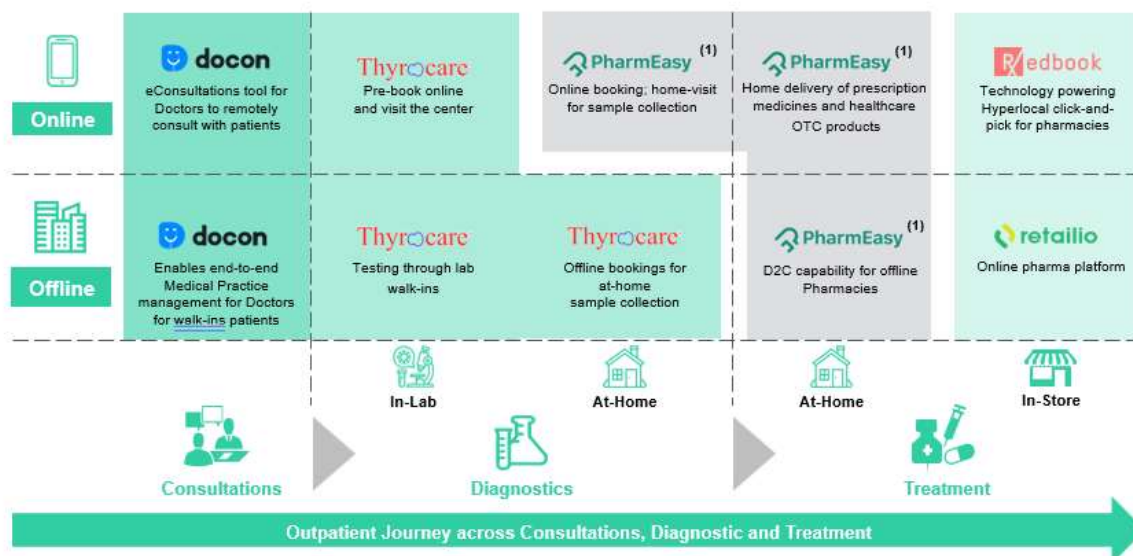
*Diagnostics services.* We have strengthened this business through the acquisition of Thyrocare in September 2021. Thyrocare’s addition to our Company has made us the largest diagnostics test provider by volumes, with one of the lowest costs of testing, as of Financial Year 2021, as per RedSeer Report. Thyrocare had a comprehensive portfolio of 283 diagnostics tests and 17 labs across India as of March 31, 2021.

*Teleconsultation and EMR services.* During June 2021, 4,617 prescribing doctors generated prescriptions through Docon software and teleconsultation tool. We provide Electronic Medical Record (EMR) and practice management software and teleconsultation tools to doctors to enhance their services to patients through our proprietary, AI-driven predictive software called Docon. We also provide teleconsultation services to customers on Docon mobile application and on PharmEasy marketplace.

*PharmEasy marketplace.* PharmEasy is India’s leading consumer healthcare super app for consumers (providing online pharmacy, OTC, teleconsultation and diagnostics services) in terms of GMV of products and services sold on the platform in the financial year 2021 according to the RedSeer Report. We own the “PharmEasy” brand, and our proprietary technology platform powers the PharmEasy marketplace. We have licensed the brand and the technology to Axelia, which is owned by Aarman, in which we have 19.99% equity interest. Axelia operates the PharmEasy marketplace.

We have built our platform and our technology in a manner that enables us to address multiple use cases across a consumer’s healthcare journey. We strive to continue adding further offerings in the future to enhance these capabilities. Our full-stack presence and omni-channel technology have enabled us to provide holistic healthcare services, as depicted in the exhibit below:

## Our Platform and Technologies Capture Multiple Consumer use cases across the Patient Journey



Note:

- The PharmEasy Brand has been licensed to Axelia, which operates the PharmEasy marketplace. API Holdings holds a 19.99% stake in Aarman, which is the holding company of Axelia

Our Pro Forma GMV was Rs. 78,654.84 million in Fiscal 2021 and Rs. 30,262.62 million, for three months ended June 30, 2021. Our Pro Forma GMV includes the GMV contribution from our acquisitions of Ascent, Medlife, Aknamed and Thyrocare as if these were acquired on April 1, 2020.

## Our Presence and Reach Today



Notes:

- For Fiscal 2021
- We define GMV as follows: (i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio IP GMV). See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Financial Condition and Results of Operations – Gross Merchandise Value (GMV)"
- For the month of June 2021
- For the three month period ended June 30, 2021.

## Our Products and Services

Our various products and services span across the healthcare value chain and are currently at different stages of growth, market penetration, customer adoption, product development, and monetisation.

## Sale of Products

Our Pro Forma GMV for sale of products was Rs. 43,057.60 million and Rs. 15,448.22 million in Fiscal 2021 and three months ended June 30, 2021, respectively. This includes GMV from (i) distribution to retailer, (ii) distribution to chemist and

institutions and (iii) Aknamed which we acquired in September 2021. As per RedSeer Report, we are the second largest buyer of pharmaceuticals among pharma wholesalers and retailers, in India, as of financial year 2021.

- **Distribution to retailer:**

We sell pharma, OTC and private label medical products, surgical and consumables procured from pharmaceutical companies and wholesalers to retailers. These retailers are typically registered sellers on PharmEasy marketplace. We have also launched our range of private label products across categories through our brands 'Liveasy' and 'Everherb' to target the large and fast growing consumer healthcare segment including OTC, wellness, multivitamins, orthopaedic and diabetic care products amongst others. These products enhance our overall selection of categories for our customers.

In Fiscal 2021 and the three months ended June 30, 2021, this business recorded Pro Forma GMV of Rs. 13,579.24 million and Rs. 5,251.73 million, respectively.

Our DIFOT (delivery in full and on time) orders from warehouse to retailers that are listed on PharmEasy marketplace were 87.8% and 87.5% for Fiscal 2021 and the three months ended June 30, 2021. We maintained EDD (estimated delivery date) adherence of 95.7% and 96.1% in Fiscal 2021 and the three months ended June 30, 2021. Our demand forecasting and assortment planning algorithms analyse more than 700 million data points across a host of signals on a daily and weekly basis to support our 97% line item fill rates.

- **Distribution to chemist and institutions:**

(a) We operate a technology-powered distribution business under which we procure pharma, OTC and private label medical products, surgical and consumables from pharmaceutical companies and wholesalers and sell to chemists and institutions, which largely include pharmacies, hospitals, doctors, clinics, and medical centres in India. We sell these products both directly as well as using technology provided by Retailio. This business was operated by erstwhile Ascent and we now refer to this business as Retailio IP.

We have also launched our range of private label products across categories through our brands 'Liveasy' and 'Everherb' to target the large and fast growing consumer healthcare segment including OTC, wellness, multivitamins, orthopaedic & diabetic care products amongst others. These products enhance our overall selection of categories for our customers.

In Fiscal 2021 and the three months ended June 30, 2021, our Retailio IP business recorded Pro Forma GMV of Rs. 23,417.76 million and Rs. 7,821.09 million, respectively.

(b) We have strengthened our distribution business to hospitals, clinics and medical centres in India through the acquisition of 67% shareholding of Aknamed effective September 2021. Aknamed is one of the largest tech-enabled suppliers to hospitals in India, in terms of revenue in Fiscal 2021. With 19,294 unique SKUs offered and a pan-India presence, 926 hospitals were serviced by Aknamed during the three months ended June 30, 2021. In Fiscal 2021 and the three months ended June 30, 2021, Aknamed recorded Pro Forma GMV of Rs. 6,060.60 million and Rs. 2,375.40 million, respectively.

## **Sale of Services**

Our Pro Forma GMV from sale of services was Rs. 32,451.61 million and Rs. 14,814.40 million in Fiscal 2021 and three months ended June 30, 2021. This includes GMV primarily from (i) diagnostics services, and (ii) 3P GMV.

1. **Diagnostic services:**

We strengthened this business through the acquisition of Thyrocare in September 2021. Thyrocare is the largest diagnostics test providers by volumes, with one of the lowest costs of testing, as of financial year 2021, as per RedSeer Report. Thyrocare offers a comprehensive portfolio of 283 diagnostics tests through 17 owned diagnostics labs, approximately 4500 diagnostics collection centres as of 31 March 2021 and an in-house team of 16 pathologists and 889 phlebotomists as of June 30, 2021. We offer this service to consumers, hospitals, diagnostic companies, and independent phlebotomists. Consumers can avail our diagnostics services by walking into a collection centre, calling our helplines for home collection, booking a test online (including through PharmEasy marketplace, Thyrocare's mobile application and website and other third party online channels).

In Fiscal 2021 we conducted 565,000 daily clinical investigation. In Fiscal 2021 and the three months ended June 30, 2021, our diagnostics business recorded Pro Forma GMV of Rs. 5,312.34 million and Rs. 1,801.03 million, respectively.

2. **Direct-to-pharmacy services:**

We own and operate Retailio, one of India's largest online pharma platforms, in terms of the retailer base as of financial year 2021 as per RedSeer Report, providing technology which enables wholesalers and pharmacies to connect and sell a wide range of pharma and other medical products. During the month of June 2021, 87,194 pharmacies and 3,261 wholesalers used Retailio to fulfil their procurement needs. Retailio was used in 191 cities pan India across 3,482 pin codes during the month of June 2021. During the month of June 2021, 221,477 SKUs were transacted using Retailio.

Retailio is digitising the traditional pharma supply chain (via digital ordering, logistics, payments, and credit) and empowering pharmacies with technology products. It is available as a mobile app and web application. Retailio provides pharmacies with real time price discovery, inventory visibility and provides technology enabling ordering, confirmation and payments in a digitized, self-serve manner. We also offer ERP and customer relationship management software to pharmacies and wholesalers. Deep integration with ERP systems of wholesalers enables them to fulfil orders on a real time basis as per demand from pharmacies, and better plan procurement to shorten cash cycles. Retailio users can also avail of call centre and salesforce support services.

We have focused on the ease of onboarding, ease of use, and actionable insights offered by Retailio. In Fiscal 2021 and the three months ended June 30, 2021, GMV on Retailio (excluding Retailio IP GMV) was Rs. 27,139.27 million and Rs. 13,013.37 million, respectively. We refer to this as third party or Retailio 3P GMV. This business is in early stages of monetisation as we continue investing in expanding the network and user base of Retailio. We currently derive revenues through advertisements and lead generation offered to stakeholders on Retailio.

### 3. **Services for doctors and teleconsultation for consumers:**

We provide EMR and practice management software and teleconsultation tools to doctors through our proprietary, AI-driven predictive software called Docon. We also provide teleconsultation services to customers on Docon mobile application and on PharmEasy marketplace. 10.7 million digital prescriptions were generated during Fiscal 2021 on our platform. Additionally, we facilitated 3.4 million teleconsultations in Fiscal 2021. Further, in the three months ended June 30, 2021, 4.1 million digital prescriptions were generated on our platform and facilitated 1.6 million teleconsultations. For the month of June 30, 2021, Docon and Docstat is being used by 4,617 prescribing doctors to digitally engage with their patients through electronic medical records (EMR), teleconsultations, and generation of digital prescriptions. Docon is customizable with simple configuration parameters, and identifies patterns of consultation, diagnosis, prescription as doctors interact and spend more time using the software.

### 4. **ERP services for pharmacies:**

RedBook is an ERP and customer relationship management software for pharmacies. 2,537 pharmacies/retailers are active on RedBook for the month of June, 2021. It allows pharmacies in our network to avail technology tools and data intelligence to deliver better customer service and drive efficiencies in their operations. In October 2021, to expand our network and add more technology capability we acquired a 49.17% stake in Marg, an ERP software vendor to pharmacies and wholesalers. This business provides ERP solutions to more than 200,000 pharmacies and wholesalers as of June 30, 2021.

5. **Fulfilment and technology services for PharmEasy:** We provide last mile fulfilment services to Axelia for pharmaceutical and OTC products sold on PharmEasy marketplace. In Fiscal 2021, 64.9% of fulfilled orders on the PharmEasy marketplace were delivered by us. We also license the "PharmEasy" brand name and provide franchisor services, such as fulfilment, marketing and digital enablement for franchisee owned and operated offline pharmacies.

Below table provides a snapshot of our key financial and operational performance indicators:

Key Operational Data	Unit	As of and For Fiscal 2020	As of and For Fiscal 2021	As of and For Three Months ended June 30, 2021
Active pharmacies on Retailio (1)	#	47,527	80,449	87,194
Total Hospitals serviced by Aknamed (2)	#	-	780	926
<b>GMV by products and services (3):</b>				
Distribution to Retailers (A + B)	₹ million	15,541.34	16,724.88	5,251.73
(A) Distribution to Retailers on PharmEasy Marketplace (4)	₹ million	7,140.20	10,660.55	5,185.20
(B) Medlife digital pharmacy Distribution + Medlife digital pharmacy marketplace (5)	₹ million	8,401.14	6,064.33	66.53
Distribution to Chemist / Institution (Retailio IP)	₹ million	19,933.71	23,417.76	7,821.09
Distribution to Hospitals (Aknamed)	₹ million	264.67	6,060.60	2,375.40
Retailio 3P (6)	₹ million	10,329.01	27,139.27	13,013.37
Thyrocare diagnostics (7)	₹ million	4,342.60	4,946.20	1,646.40

Key Operational Data	Unit	As of and For Fiscal 2020	As of and For Fiscal 2021	As of and For Three Months ended June 30, 2021
Medlife diagnostics	₹ million	357.39	366.14	154.63
<b>Total</b>	₹ million	<b>50,768.61</b>	<b>78,654.84</b>	<b>30,262.62</b>

1. For the month of March 2020, March 2021 and June 2021.
2. For the three month ended as of March 2020, March 2021 and June 2021. We acquired Aknamed effective September 2021.
3. We define GMV as follows: (i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio IP GMV). See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Principal Factors Affecting our Financial Condition and Results of Operations – Gross Merchandise Value (GMV)"
4. These retailers are typically registered sellers on the PharmEasy marketplace.
5. In January 2021, we acquired Medlife. Medlife's digital pharmacy business has since been integrated with PharmEasy.
6. Retailio 3P GMV is the GMV of products transacted using Retailio (excluding Retailio IP GMV).
7. In September 2021, we acquired Thyrocare.

## Pro Forma Contribution Margin before sales promotion and marketing expense

Our Pro Forma Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the "Direct Operating Costs") as a Percentage of Pro Forma Revenue from Operations. Please see "- Non-GAAP Financial Measures" on page 701 and "- Principal Factors Affecting our Financial Condition and Results of Operations" on page 689 for more information.

Warehousing and Lab Cost represents the sum of the expenses incurred at warehouses and diagnostics labs, including a portion of employee benefits expense (relating to warehouse employee salaries) and a portion of other expenses, such as manpower charges, contractual payment for delivery associates, water, electricity and fuel expenses and repairs and maintenance.

Other Direct Cost is the sum of other direct operating expenses, and includes a portion of employee benefits expenses (relating to customer support employee salaries) and a portion of other expenses, including the consumption of packing materials and consumables, service charges (relating to phlebotomist costs, lab technician cost), and legal and professional fees (relating to doctor consultation charges and diagnostics) but does not include technology related costs, both direct and indirect costs including employee benefit expenses.

The following table presents the Pro Forma Contribution Margin before sales promotion and marketing expense and each of the costs that form part of Direct Operating Costs as a Percentage of Pro Forma Revenue from Operations for Fiscal 2021 and the three-month period ended June 30, 2021

	Fiscal 2021	Three months ended June 30, 2021
	% of Pro Forma Revenue from Operations	
Pro Forma Revenue from Operations (A)	100.0%	100.0%
Cost of Material Consumed (B)	(3.8%)	(3.3%)
Purchases of Stock-in-Trade (C)	(84.8%)	(90.7%)
Changes in Inventories of Stock-in-Trade (D)	3.5%	7.6%
Warehousing and Lab Cost (E)	(8.1%)	(6.9%)
Other Direct Cost (F)	(1.8%)	(1.8%)
Direct Operating Costs (G=B+C+D+E+F)	(95.0%)	(95.0%)
<b>Pro Forma Contribution Margin before sales promotion and marketing expense(H=A+G)</b>	<b>5.0%</b>	<b>5.0%</b>

## Our Relationship with Axelia

We own a 19.99% equity interest in Aarman Solutions Private Limited ("Aarman") which in turn owns 100% of Axelia Solutions Private Limited ("Axelia"). Axelia operates the PharmEasy marketplace, which is owned by our Subsidiary, Threpsi Solutions Private Limited and licensed to Axelia pursuant a licensing agreement. For details, see "History and Certain Corporate Matters – Key terms of other subsisting material agreements" on page 223. PharmEasy is a consumer healthcare "super app" that provides consumers with on-demand, home delivered access to a wide range of prescription, OTC pharmaceutical, other consumer healthcare products, comprehensive diagnostic test services, and teleconsultations thereby serving their healthcare needs. We own the "PharmEasy" brand, and our proprietary technology powers the PharmEasy marketplace. We have licensed the brand and the technology to Axelia.

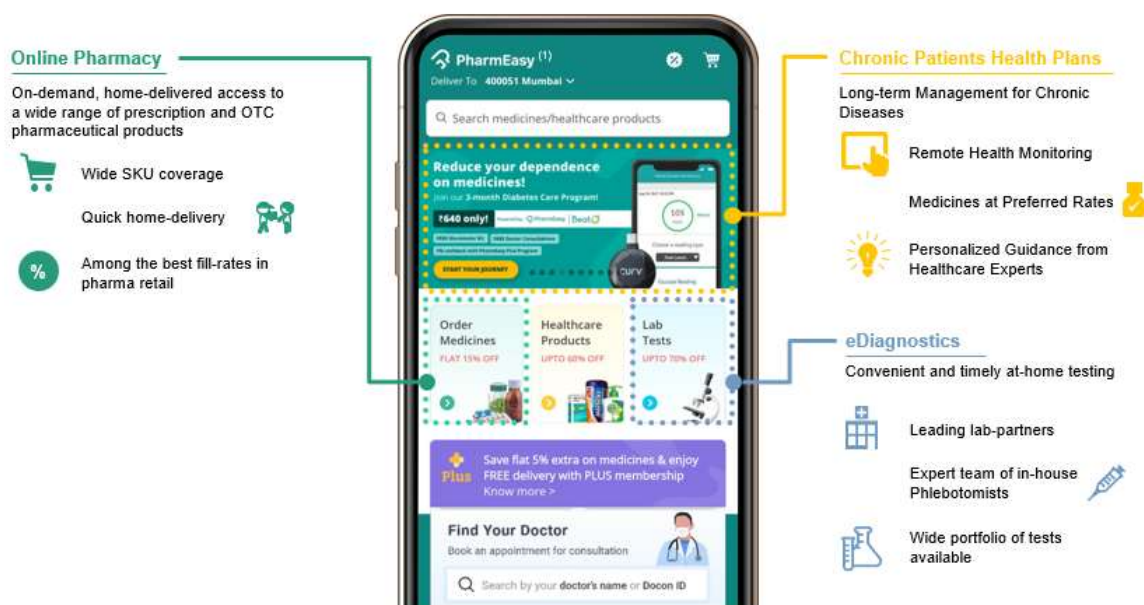
According to the RedSeer Report, PharmEasy is India's leading healthcare super-app for consumers and the largest online pharmacy marketplace in India by GMV in Fiscal 2021, serving a wide variety of consumer healthcare needs. PharmEasy marketplace had 25 million registered users across India as of 30 June 2021. In Fiscal 2020, Fiscal 2021 and the three months

ended June 30, 2021, 7.3 million, 8.8 million and 4.4 million orders, respectively, were transacted on the PharmEasy marketplace by 2.0 million, 2.4 million and 2.1 million unique customers, amounting to a total GMV of Rs 7,140.20 million, Rs. 10,660.55 million and Rs. 5,185.20 million, respectively. 60.2% of the orders transacted on PharmEasy marketplace in three months ended as of 30 June 2021 and 58.1% of its customer base on PharmEasy marketplace as of 30 June 2021, were from Tier-II cities and Tier-III cities.

For the three months ended as of June 30, 2021, 206 pharmacies were active on the PharmEasy marketplace. We sell pharmaceutical and OTC products to some of these pharmacies. Diagnostics services are also provided on the PharmEasy marketplace through multiple diagnostics service providers. We also provide fulfilment services to Axelia for the pharmaceutical and OTC products sold on the PharmEasy marketplace.

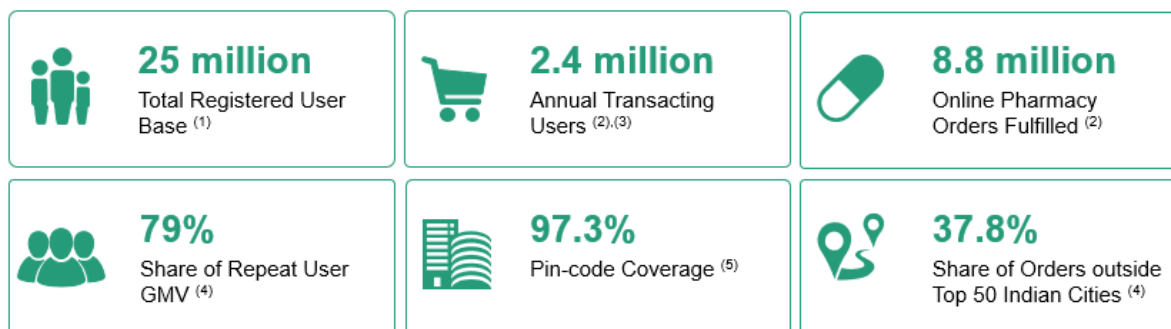
Key Operational Data	Unit	As of and For Fiscal 2020	As of and For Fiscal 2021	As of and For Three Months ended June 30, 2021
Annual / quarterly transacting users with fulfilled orders on PharmEasy	In millions	2.0	2.4	2.1
Annual / quarterly repeat transacting users with fulfilled orders on PharmEasy	In millions	0.4	0.8	1.3
Annual / quarterly unique users with fulfilled orders - Medilife	In millions	-	1.7	0.5
Fulfilled Orders on PharmEasy	#	7,345,122	8,827,952	4,424,161
Fulfilled Orders on Medilife	#		5,738,136	869,187

### India's Leading Healthcare Super-App



Customer targeting and retention are key competitive strengths for PharmEasy marketplace. 64% of PharmEasy marketplace's GMV for Fiscal 2021 came from repeat users and this increased to 79% for the quarter ending June 30, 2021. In addition to convenience, the personalized journeys created through adaptive algorithms using customer specific signals, such as health record, browsing and buying patterns, market conditions help build higher loyalty among customers. Over a three-year period, retained users on PharmEasy marketplace have spent average of three times of their initial spends in year one.

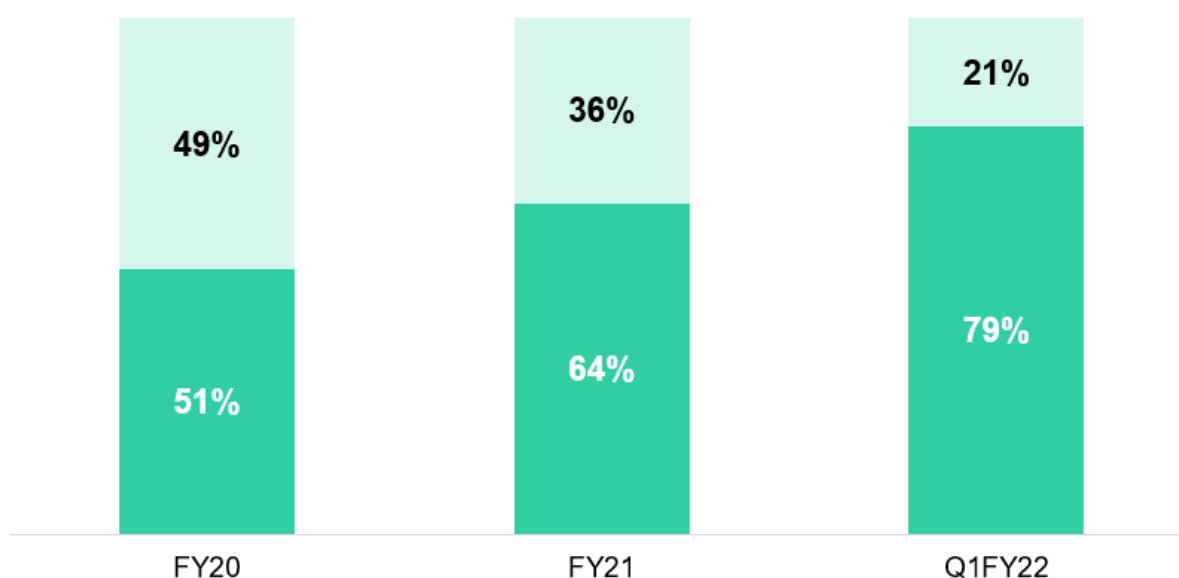
## PharmEasy's Scalable Consumer Offering



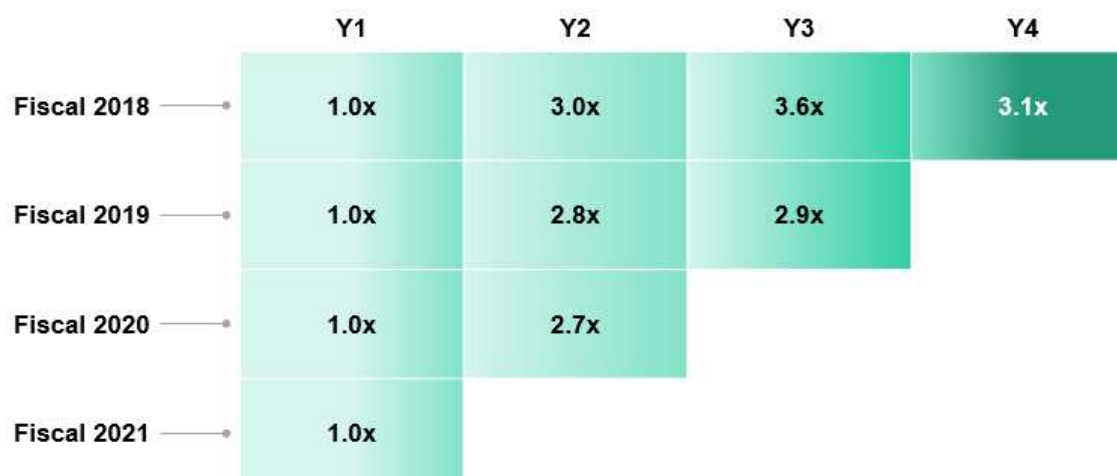
Notes:

1. As of June 30, 2021
2. For Fiscal 2021
3. Annual Transacting Users defined as users who have had at least one fulfilled order in the year
4. For the three-month period ended June 30, 2021
5. For the month of June 2021

## Share of Repeat Users' GMV on PharmEasy



## PharmEasy Cohorts – GMV per Retained User



Notes:

1. GMV cohorts rebased to 1

2. *GMV per User is at maximum retail price for all fulfilled orders*

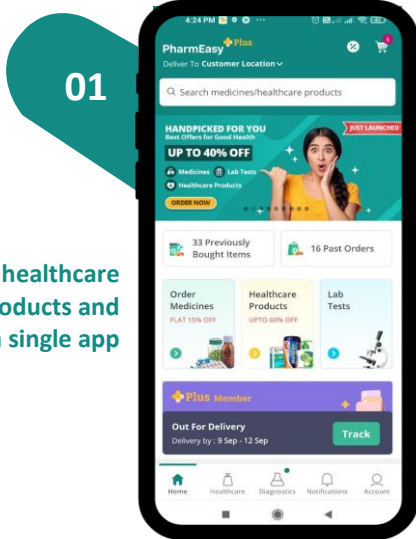
Our relationship with Axelia is synergistic and can lead to multiple benefits for our stakeholders. Our sale of products to retailers accounted for 42% and 41% of our revenue from sale of products for Fiscal 2021 and the three months ended June 30, 2021, respectively. These retailers are typically registered sellers on the PharmEasy marketplace. Higher procurement would enhance negotiating power with pharmaceutical companies and wholesalers. This also gives us tertiary demand visibility including changing product trends. We intend to leverage such insights to enhance our private label offerings.

Furthermore, consumer behaviour on PharmEasy marketplace who are using our teleconsultation and diagnostics services gives us insights into the healthcare profile of a large base of consumers across demographics. This improves the performance and capabilities of our supply-chain and also enables us to improve the quality of our consumer services such as consultation and diagnostics. We are therefore able to offer consumers an integrated and seamless healthcare delivery experience.

**App Walkthrough**

The graphics below set forth a pictorial guide of the consumers' experience on the PharmEasy superapp, which is powered by our technology, consumers' and doctors' experience on the Docon app, and users' experience on Retailio software.

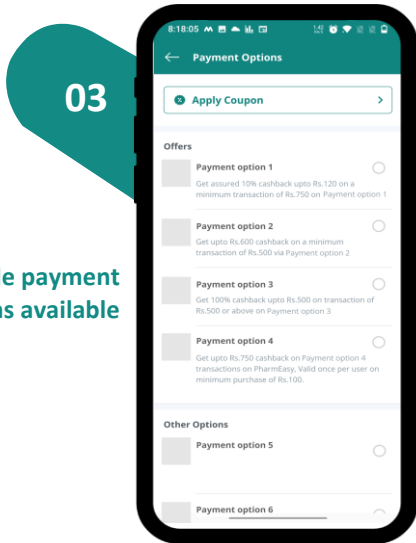




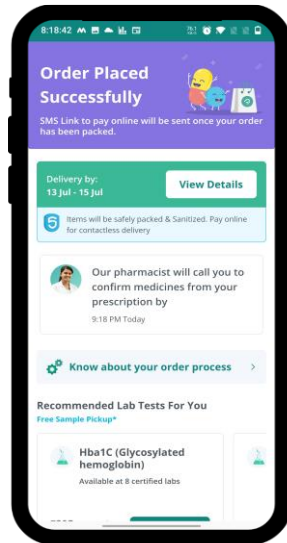
01 Medicines, healthcare products and tests - all on a single app



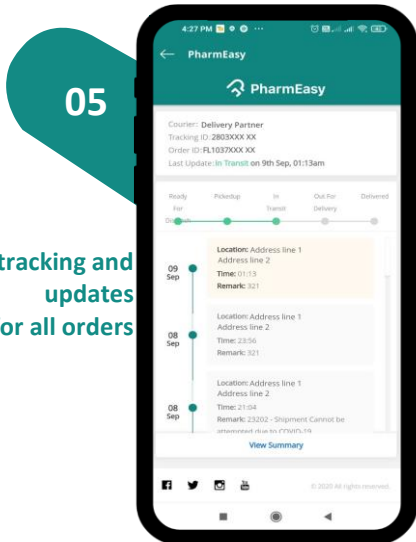
02 Overview of top selling categories of healthcare products



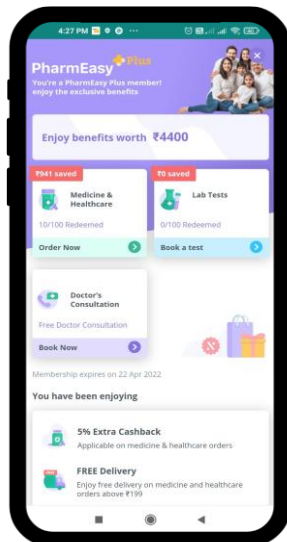
03 Multiple payment Options available



04 Expected date of delivery provided instantly on placing an order



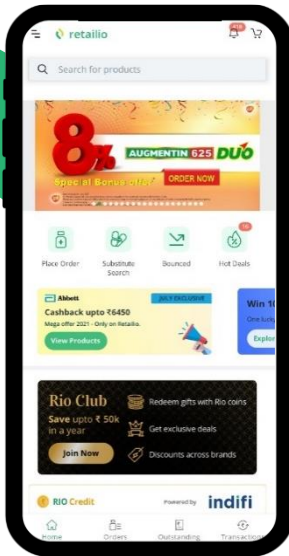
05 Live tracking and updates for all orders



06 Additional benefits from enrolling in the "Plus" program

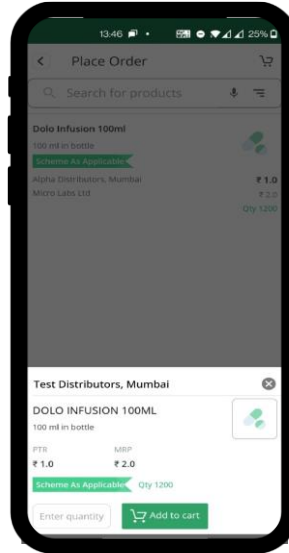
01

An intuitive UI to take care of the needs of retailers and distributors



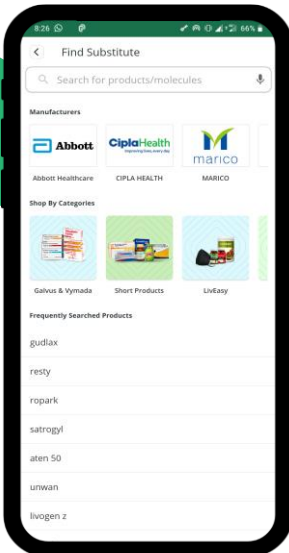
02

Technology enabling seamless ordering by retailers



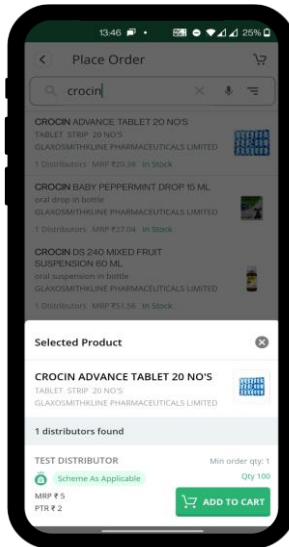
03

Easy ability to find substitutes at the click of a button



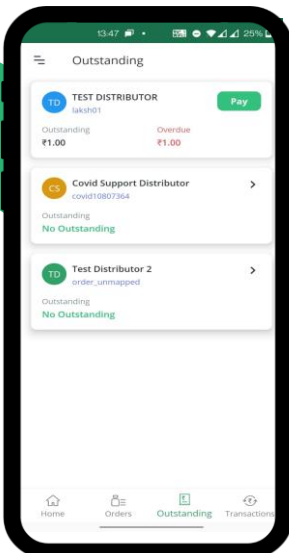
04

Clear pricing from wholesalers can be discovered through the app



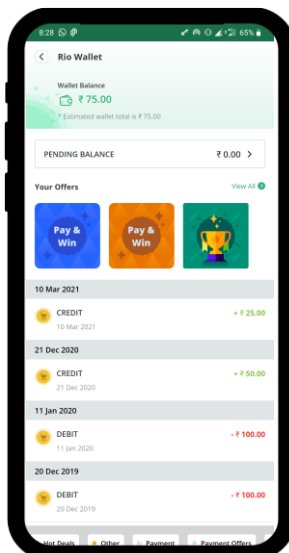
05

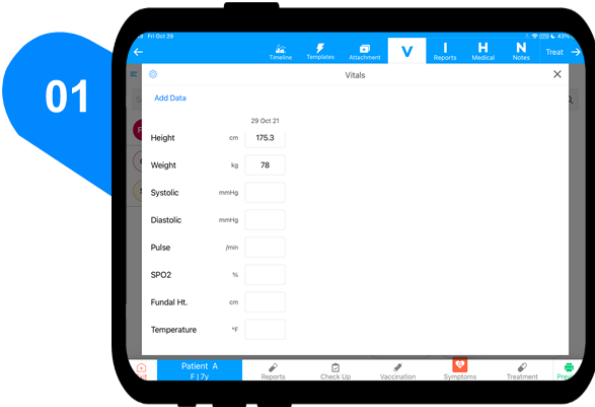
Easy management of dues in one place



06

Rio Wallet for hassle-free online payments

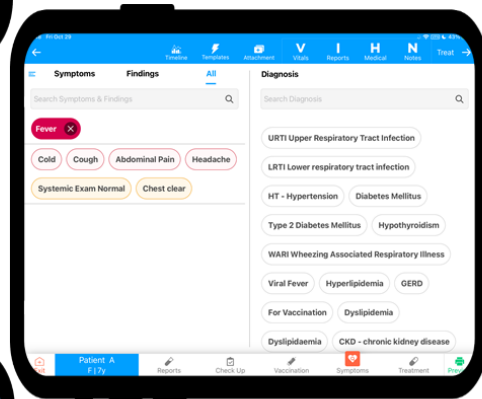




01

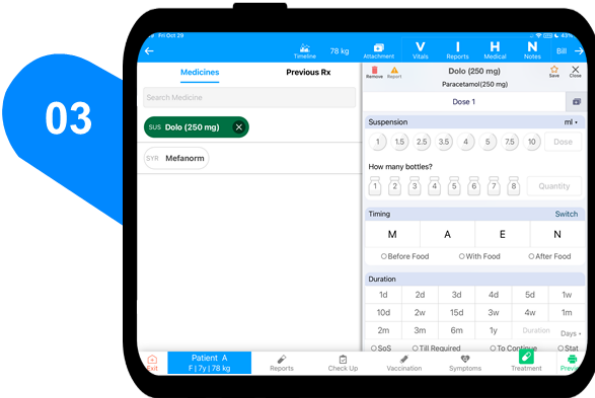
Capturing of patient's vitals

Helps co-relate patient's symptoms to possible diagnosis



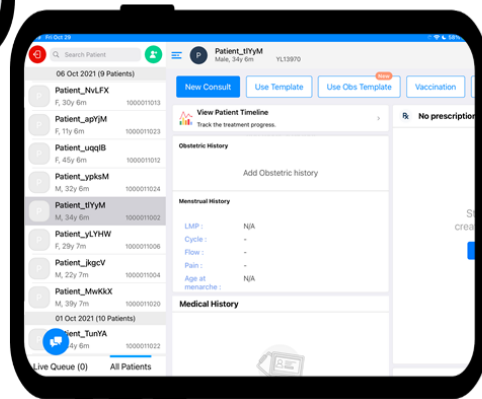
02

Templates for medicine prescription



03

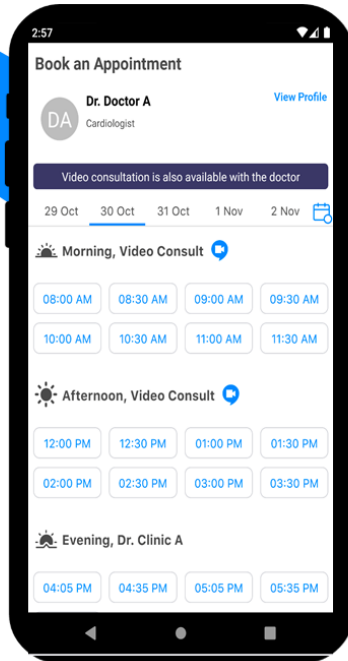
Easy to view Patient Queue



04

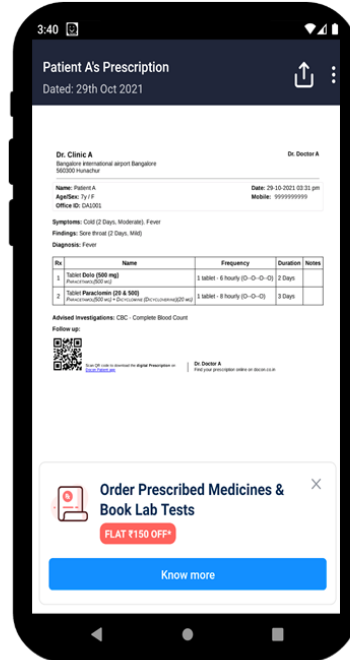
01

Easy booking of eConsultations in a matter of minutes



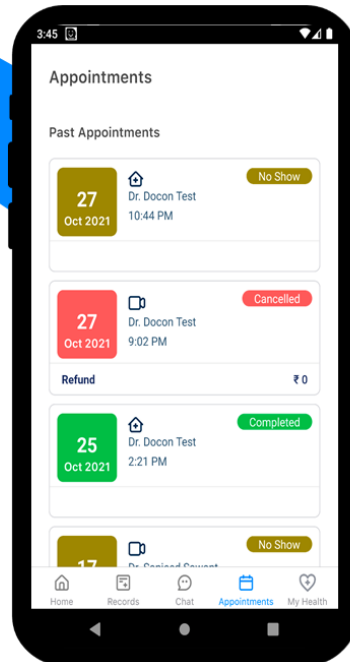
02

Permanent record of patient's digital Rx available at one touch



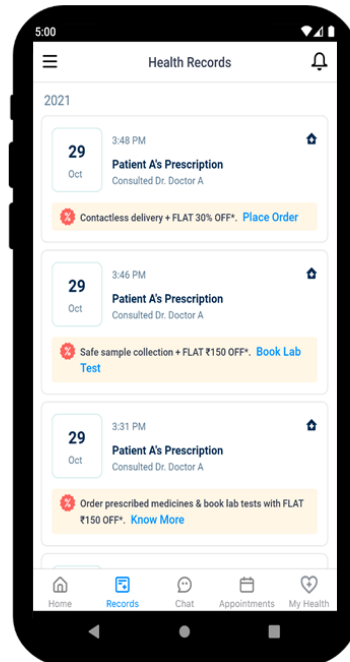
03

Tracking of all past appointments



04

Maintenance of all health records digitally



## Our Unique, Integrated, Proprietary Technology Platform

Our proprietary technology platform has been purpose-built for every stakeholder in the Indian healthcare value chain and it orchestrates our entire operations and its interplay between our various stakeholders. We provide stakeholders with applications and interfaces that are intended to be simplified and easy-to-use, and to help them to carry out their role more collaboratively, effectively and efficiently, creating mutually beneficial scenarios.

In addition to this, we provide services that include end-to-end technology-led supply-chain solutions for managing physical operations with precision and predictability, reporting and analytics with actionable insights, and core e-commerce capabilities for pharmacies, wholesalers, pharmaceutical companies and doctors.

The breadth and depth of our technology can be visualized from the following metrics: For the month of June 2021, our technology platforms processed 700+ million data points daily, held 40+ million products/services listings, 17.4 million end-users connected on PharmEasy marketplace and 200+ different microservices were used. As of June 30, 2021 our technology platforms have digitized 54.9 million health records, and integrated 49 ERP software (at wholesalers).

### Scale and Breadth of Our Technology Platform

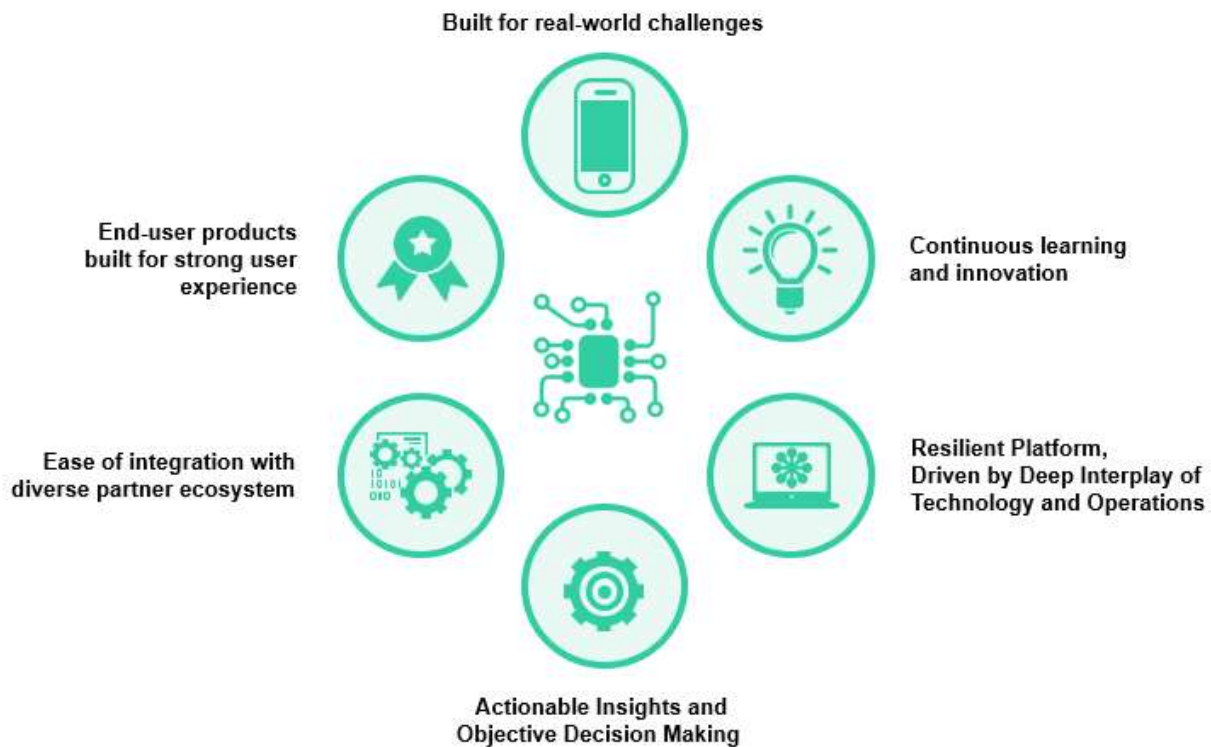


Notes:

1. For the month of June 2021
2. As of June 30, 2021
3. On the PharmEasy marketplace

Our technology platform has multiple differentiating attributes, as depicted below:

## Attributes of Our Technology Platform



- **Product built for real world challenges.** Our technology platform and products have been built largely based on, on-the-ground learnings from various challenges associated with using traditional legacy-based technology products in healthcare operations. From retail network to distribution to e-commerce to supply-chain, our own operations team are the first users of our products and platform. Our first-hand learnings from the real world have shaped the evolution of our integrated platforms. For example, we realized that in order to bring predictability and accuracy to our operations at pan-India scale for all customers, we will need digital traceability of every item at an individual product pack level. To solve this problem, we developed a barcode-based traceability solution for every product that enters into our supply-chain. This improved the accuracy of our operations significantly, with 0.89% error rates in order fulfilments and pricing on the PharmEasy marketplace. This solution also enabled us to run largely paperless operations with a very high degree of automation and minimal manual interventions.
- **Continuous learning and innovation.** Our presence across the healthcare value chain provides us with an operational vantage point, allows us to identify challenges and follow an iterative, self-learning learning model towards building new technology capabilities. For example, while building our offerings for various stakeholders, we were faced with an immediate challenge of multiple translations of same products, used by different stakeholders. We realised that for us to digitise and automate our offerings, we would need to solve this problem of translation across every stakeholder.
- **Resilient Platform, Driven by Deep Interplay of Technology and Operations.** Our technology platform and operations run in an orchestrated manner. This contributes to the resilience of our operations and efficiency in our supply-chain. Our proprietary technology solutions digitally stitch the information flows across a vast number of wholesalers, retailers, manufacturers and other stakeholders in near real-time from the physical supply-chain. This near real-time data processing allows the fulfilment side of the supply-chain to be dynamic and flexible depending on the changing situations of the environment. This was evident during the nationwide lockdowns imposed during the COVID-19 pandemic in March, April and May 2020. Our technology which powers the operations of the wholesalers and retailers on our platform, after an initial short period of shock, was able to recover predictability of operations.
- **Actionable Insights and Objective Decision Making.** Our technology platform processes millions of transactional and non-transactional data points in real time, such as health records, click-stream data, inventory updates, real time logistics network state, price information, etc. We securely collect, store and process this data, using our proprietary data analytics capabilities. We generate actionable insights for all stakeholders, including our end-customers using these insights and this forms the backbone of our operations.

- Our demand forecasting and assortment planning algorithms analyse more than 700 million data points for the month of June 2021 across a host of signals on a daily and weekly basis to support our 97% line item fill rates. As per the RedSeer Report, our fill rates for pharmacies are among the best in the pharma industry.
- Prescription digitisation and allied intelligence, leads to effortless buying from 12 to 4 clicks as of June 30, 2021 for repeat users on PharmEasy. We continually upgrade our search engine to incorporate machine-learning powered recognition, spell-correction and learning to rank products and services for better relevance for end-user queries, to improve search-ability of products.
- Machine learning powered recommendations, provided in an intuitive manner over different contextual properties, have helped us create awareness and growth opportunities for newly launched brands and categories. As more consumers interact with and purchase products using these properties, our algorithms fine tune the hyper parameters across multiple dimensions of associations to generate stronger insights, leading to a smoother discovery and checkout process with fewer clicks.
- *Ease of integration with diverse partner ecosystem.* Our technology platform work in tandem with a diverse set of third-party partner products. This includes large corporations, such as TPAs, other non-healthcare platforms or other players running traditional third-party enterprise software. Given the diversity of the ecosystem, our platform offers multiple ways of integration from API(Technology) based to custom RPA based integrations. We have built capabilities that make it simple for most partners to get on-boarded on our platform with little to no overheads. For example, we have built easy to use and largely self-serviceable connectors that enable our core technology platform to seamlessly integrate with other stakeholders who may be using independent third-party technology solutions for their day-to-day operations. Such frictionless integrations make it simple even for our partners to easily plug into our platform and leverage the depth of our network even from within their traditional systems. These custom connectors are resilient and fault tolerant, and can be remotely administered and managed over the Internet by our central teams with minimal support from the partners.
- *End-user products built for strong user experience.* Our end-user products are built keeping in mind modern day user interface and user experience constructs that are mobile first and simple to use. The underlying aim is that our platforms should be available to our partners, anytime anywhere and on most modern day smart devices. Our products operate across diverse end-user platforms and devices, from mobile phones, desktop to handheld devices. We use highly scalable and reliable cloud-based technology architecture, extensively making use of a service oriented architecture with distributed computing.

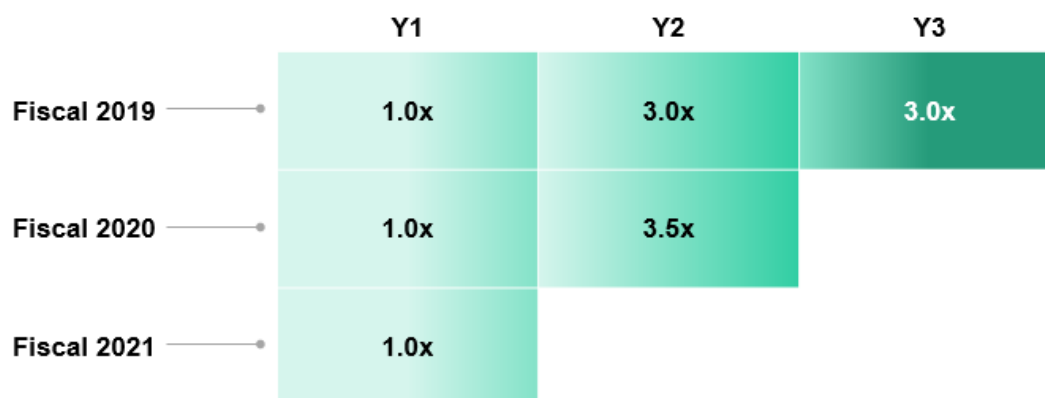
## **Our Value Proposition**

### **Benefits to Pharmacies:**

- *Comprehensive product offerings on a single interface:* Retailio is a one-stop solution which pharmacies can use to source a wide selection of pharmaceutical products from a wide range of wholesalers. During the month of June 2021, 221,477 SKUs were transacted using Retailio. Retailio is driving change from an offline and verbal communication led sourcing to a technology driven model enabling real time visibility of inventory, retailer schemes and pricing. This has enabled efficient operations for pharmacies and enabled them to offer high fill rates to their customers.
- *Competitive prices.* Our scale enables us to procure these products at competitive prices. Additionally, over 3,261 wholesalers use Retailio. Our scale as well as our technologies (such as Retailio) allow us to systematically reduce redundancies and inefficiencies in the overall pharmaceutical distribution system. This aids wholesalers on Retailio to offer products to retailers at competitive prices.
- *Data Intelligence and Resource Planning.* We offer ERP Systems as well as CRM tools to pharmacies through our RedBook software, to enable efficient data driven resource planning and reduce operating costs. We have further strengthened our technology solutions through our investment in Marg ERP, one of India's largest ERP providers for pharmaceutical retailers and wholesalers with over 200,000 pharmacies and wholesalers served as of Financial Year 2021, as per the RedSeer Report. Additionally, Retailio's technology interface seamlessly integrates with existing legacy ERP software used by wholesalers, and offers highly scalable, data-led insights enabled user interface that streamline the operations. The technology is highly configurable and self-serviceable, allowing pharmacies to on-board with minimal effort. The insights enabled by our user interface help streamline operations of the pharmacies, including inventory management, payment management, user management, working capital management, order fulfilment, returns and refunds management.
- *Access to Other Services.* We are also progressively enabling pharmacies to avail credit through various lending institutions (banks, NBFCs and fin-tech lenders).

The exhibit below provides an indicative view of the consistently increasing spends by retained pharmacies on Retailio. We have observed that over a three year period, pharmacies use services from Retailio to transact an average of three times of their initial spends in year one. This indicates an increasing part of their wallet share being transacting using technology from Retailio as they spend more time using them.

### Retailio Cohorts – GMV per Retained Pharmacy



**Notes:**

1. GMV cohorts rebased to 1
2. Based on GMV at Price-to-Retailer

**Benefits to Consumers:**

- *Wide suite of products and services.* We offer a wide range of products and services, including teleconsultations, diagnostics tests and healthcare information in collaboration with a pan-Indian network of pharmaceutical companies, wholesalers, pharmacies, and doctors. Consumers can also buy pharma, OTC and private label products, specialty drugs through the PharmEasy marketplace. PharmEasy marketplace provides access to more than 50,000 SKUs as of three months ended as of 30 June 2021 across 18,587 pin codes in 2,601 cities and towns across India for the month of 30 June 2021. We endeavour to fulfil both online and offline healthcare needs of consumers.
- *Convenience and Personalized User Experience.* The PharmEasy marketplace provides end-consumers with a one-stop marketplace for purchasing medical products, booking teleconsultations and ordering diagnostics tests. It also provides seamless delivery of a wide range of services through proprietary technology that powers quick, at-home delivery, digital payments, wide range of pharma products and electronic storage of prescription and patient records. Our supply chain capabilities and the reach of Retailio enables us to deliver prescription line item fill rates (during Fiscal 2021 and the three month ended June 30, 2021) of 97% to pharmacies who sell on the PharmEasy marketplace. In addition to convenience, the personalized journeys created through adaptive algorithms using customer specific signals, such as health record, browsing and buying patterns, market conditions help build higher loyalty among customers.
- *Affordability.* Owing to our scale, we have the ability to procure products from pharmaceutical companies, authorised wholesalers at competitive prices, which enables us to pass on the benefit to pharmacies who sell to consumers.
- *Authenticity.* We believe that our direct sourcing and technology enabled supply chain capabilities have provided us the ability to reduce the risk of counterfeit drugs sold to pharmacies.

**Benefits to wholesalers**

- *Access to an Extensive Pharmacy Network:* Our large retail pharmacy base of 87,194 active pharmacies (for June 2021) provides an extensive network of potential customers for wholesalers to discover using Retailio. We have also built custom connectors for seamless integration of third party ERP software used by wholesalers. Such an integration enables access to our extensive pharmacy network without any significant overheads. Retailio also helps wholesalers to manage their business in a digital manner through our technology.
- *Fulfilment and Last mile services:* Our last mile services and supply chain visibility solutions allow wholesalers to ensure strong service level commitments to their pharmacy customers while also improving their own operational efficiency. We enable a virtual global inventory and pricing view, receivables view, and other order-to-cash cycle parameters, which enhances the way wholesalers interact with the rest of the ecosystem.



- *Digital Payments and Collection Capability:* Access to digital systems for payments, invoicing and collections allow wholesalers greater control over their receivables, reducing capital risk and thus helping them manage working capital.

### **Benefits to Doctors**

- *Efficient practice management:* We empower doctors with effective tools and resources for patient and treatment management, giving them access to electronic health records and real-time treatment analytics.
- *Improved service quality and experience:* Our teleconsultation service empowers medical professionals to reach consumers online in an engaging and convenient manner. Our solutions lead to better efficiencies for doctors by providing services such as EMR and real-time treatment assistance, improving the experience for both doctors and patients. The user interface on Docon is designed to reduce usability barriers in the doctors' teleconsultation flow. For example, we specifically focus on reducing the need for typing. Our extensive catalogue of symptoms and treatments along with easy to use interface, suggestion and learning algorithms help doctors generate a full prescription after teleconsultation in reduced time.

### **Benefit to pharmaceutical companies**

- *Reliable and Efficient supply chain partner:* Working with a large pan-India distribution partner allows pharmaceutical manufacturers to plan more effectively their expansion strategies. Through deploying of technology and our distribution practices, we assist pharmaceutical companies in reducing supply chain complexity and creating an efficient and transparent distribution channel.
- *Market intelligence:* Our rich data insights and broad reach across the healthcare value chain enables us to provide pharmaceutical companies with up-to-date market intelligence data, enabling them to enhance sales strategies in a competitive market environment.
- *Channel engagement partner:* Our platforms provide capability to pharmaceutical companies to launch and invest in various channel engagement initiatives with wholesalers, pharmacies, and customers to strengthen and leverage these relationships. They use a network of 87,194 pharmacies and 3,261 wholesalers (for the month of June 2021) to launch new brands as well as tweak strategies for existing products.

### **Our Competitive Strengths**

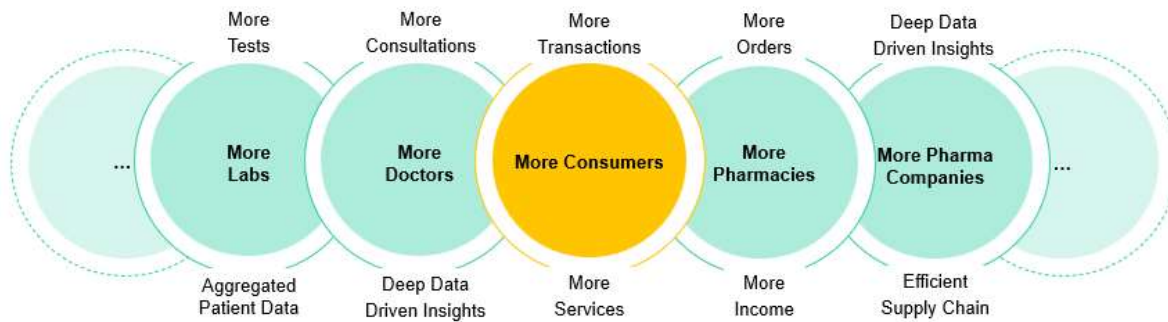
#### ***Integrated business model with stakeholder relationships across the healthcare value chain***

Through our full stack connected presence across the healthcare value chain, we have entered into relationships with stakeholders across the value chain leading to network effects. Our value proposition for all stakeholders creates multiple self-reinforcing flywheels. Across our platform, we service 3,261 wholesalers, 87,194 pharmacies, and 4,617 prescribing doctors and clinics for the month of June 30, 2021 and 926 hospitals for the three month ended June 30, 2021. As of June 30, 2021, PharmEasy marketplace had 25 million registered users. The scale of our platform, the breadth of our relationships with other stakeholders, and our expandable tech-ops infrastructure enable us to scale rapidly.

Through an expansive service offering on PharmEasy marketplace, consumers who avail our teleconsultation services are able to fulfil their prescriptions through the PharmEasy marketplace, while users on the PharmEasy marketplace are also potential customers for teleconsultations and diagnostic test services. We seek to leverage our connected platforms and user experience to migrate users to more expansive healthcare services such as chronic disease management and diagnostics.

As we expand our presence across the value chain, and build new technologies, an increasing number of users transact on the PharmEasy marketplace. For example, PharmEasy had 2.0 million, 2.4 million and 2.1 million transacting users in Fiscal 2020, Fiscal 2021, and the three months ended June 30, 2021, respectively. Such increased number of users in turn would attract more pharmacies, which in turn attract more wholesalers to the platform, and so on. This enables us to contribute value across the value chain. Additionally, as our various stakeholders grow their operations, our technology platform gathers more data points that feed into our data and insights platform, which drive better algorithms and in turn help us and our stakeholders to grow further. Our integrated, technology-first business model enables multiple self-reinforcing flywheels, as exhibited below:

## Business Model built to have Self-reinforcing Healthcare Flywheels



### Recognized PharmEasy brand

We own the PharmEasy brand, which is a recognized consumer healthcare brand across the length and breadth of India. As per RedSeer Report, PharmEasy is India's largest digital brand for the sale of pharma products and healthcare services, in terms of GMV of products and services sold on the marketplace in the financial year 2021. We believe the PharmEasy brand has a strong recall across all customer demographics and stands out in a sector that is constrained in its ability to create strong and empathetic consumer facing healthcare brands.

We have licensed the “PharmEasy” brand to Axelia, which operates the PharmEasy marketplace in India. We also license the “PharmEasy” brand name and provide franchisor services, such as fulfilment, marketing and digital enablement for franchisee owned and operated offline pharmacies.

### Technology driven approach

We have built a technology and data driven platform that seeks to solve for multiple problems across the healthcare value chain in India. Also, while our product development has been effortful, our open architecture and modern API connectors ensure easy and seamless integration with all our partners' systems. We leverage modern technologies, such as J2EE, LAMP, MEAN stacks along with new age programming constructs. Over the years, we have also developed multiple custom algorithms including AI/ML techniques, data science models, and specialized workflows to support our business as well as enhance our capabilities.

This technology driven approach results in benefits for the various stakeholders:

- **Consumers:** Consumers benefit from the unique recommendation systems that operate on AI / ML tools as they access our teleconsultation or diagnostics testing services, or seek to purchase pharmaceutical and OTC products on PharmEasy marketplace.
- **Pharmacies:** Retailio facilitates procurement, visibility and transparent pricing for retail pharmacies from wholesalers, driving working capital optimisation and high fill rates for their customer's prescriptions. Pharmacies can enhance their capabilities through our ERP software (RedBook), providing them with digitised accounting and GST management, integrated CRM and branding tools and an intelligent inventory management system, among other features.
- **Wholesalers:** Retailio provides wholesalers the ability to manage their supply chain with precision as well as with onboarding and lifecycle management of their pharmacy customers.
- **Physicians:** Docon deploys advanced AI/ML, user-interface design, and advanced computing techniques to improve the quality of teleconsultation and time spent between doctors and patients. We also offer multiple communication channels to allow doctors to follow up with their patients after diagnosis and treatment online, improving probability of positive treatment outcomes.

To support our technological capabilities, we have a dedicated technology team of 481 employees.

As a result of our coverage across the healthcare supply chain and traffic on our platforms, we also accumulate substantial data. Our analytics capabilities that drive real time insights from this data, enable us to assist our stakeholders and help them

better understand market demand and supply trends and to optimise their decision making. We endeavour to attract new participants to our platforms, given these benefits, while successfully retaining existing ones.

### Track Record of Acquiring and Integrating Businesses

We have a demonstrated record in acquiring and integrating companies, teams and business models over the last few years. Our management team has undertaken significant acquisitions in the last two years. We have a dedicated M&A team that evaluates opportunities in the fragmented Indian healthcare market on a regular basis. Through acquiring both synergistic and complementary businesses, we have sought to consolidate a fragmented market, increase our scale, enhance our capabilities and expand into adjacencies. This has enabled us to further increase value for our stakeholders across the healthcare ecosystem. For example, our acquisitions of Thyrocare and Aknamed strengthened our position in diagnostic services and hospital supply.

### Scaled Supply Chain Capabilities

Our expansive pan-India supply chain infrastructure as of June 30, 2021 includes: 82 warehouses, 10,886 warehousing personnel, and cumulative warehousing space of 699,000 sq.ft. This infrastructure currently undertakes 76,000 deliveries daily. We also have 1,879 last-mile delivery partners for the month of June 30, 2021. For the month of June, 2021, 84.7% of the deliveries were made within 24 hours for metro cities. Our supply chain capabilities deliver operational efficiencies, lower delivery timelines and increasing asset turnover ratios for our partners while continuing to deliver a superior customer experience.

We focus on providing real-time visibility into granular supply and demand patterns to our stakeholders across the healthcare value chain, along with insights and intelligence using advanced AI/ML techniques, operating on millions of data points and real-world signals such as purchases across retail points, distribution supplies and availability across locations, location wise prescriptions details.

We process real-time inputs from our delivery partners, delivery hubs, and first-mile, middle-mile and last-mile segments of the physical supply-chain to present a dynamic and live view of our logistics network, and its state. Utilizing the data from these different sections of the delivery supply-chain, our proprietary algorithms predict delivery timeframes for the incoming orders. Our supply chain technology supports different delivery timeframes ranging from 2-hours to a few days depending on the nature of the goods and services ordered, the customers' location, supply availability and many other factors that are processed in near real-time at a massive scale. We also have proprietary real time order prioritization capabilities that allow us to take care of exception situations by re-prioritizing shipments across all legs of the supply-chain based on criteria, such as type of orders, type of customers, conditions of delivery hubs, and logistics network.

## Warehousing and Procurement



## Logistics and Last-Mile Delivery



Notes:

1. As of June 30, 2021
2. For the month of June, 2021

### Resilient business model with scale and improving financial metrics

We have successfully demonstrated consistent growth in scale across our businesses, which has enabled us to improve operating leverage and in turn improve our profitability profile. We had Pro Forma GMV of ₹78,654.84 million in Fiscal 2021. Our revenue from operations grew by 249.8% to ₹23,352.69 million in Fiscal 2021 from ₹6,675.42 million in Fiscal 2020. We have also been able to demonstrate improving cost efficiencies and operating leverage in our business. For Fiscal 2021, as a percentage of our Revenue from operations, our purchase of stock-in-trade together with changes in inventories of stock-in-

trade decreased to 92.2% from 96.0% in Fiscal 2020 while employee benefit expenses decreased to 11.6% in Fiscal 2021 from 20.6% in Fiscal 2020. The Pro Forma Contribution Margin before sales and marketing promotion expenses as a percentage of Pro Forma Revenue from Operations was 5.0% for Fiscal 2021 and 5.0% for the three-month period ended June 30, 2021. Our EBITDA losses have also improved from (57.9)% in Fiscal 2020 to (24.4)% in Fiscal 2021.

The resilience of our business model is demonstrated by our performance during the COVID-19 pandemic when most of the Indian pharma supply chain came to a standstill for several months. Most of our partner retailers and wholesalers, however, were able to come back into active business in fewer than three weeks. We were able to cater to significant demand surge during COVID-19 pandemic. Our technology and operational infrastructure and our operations teams were able to adjust dynamically to the disrupted environment.

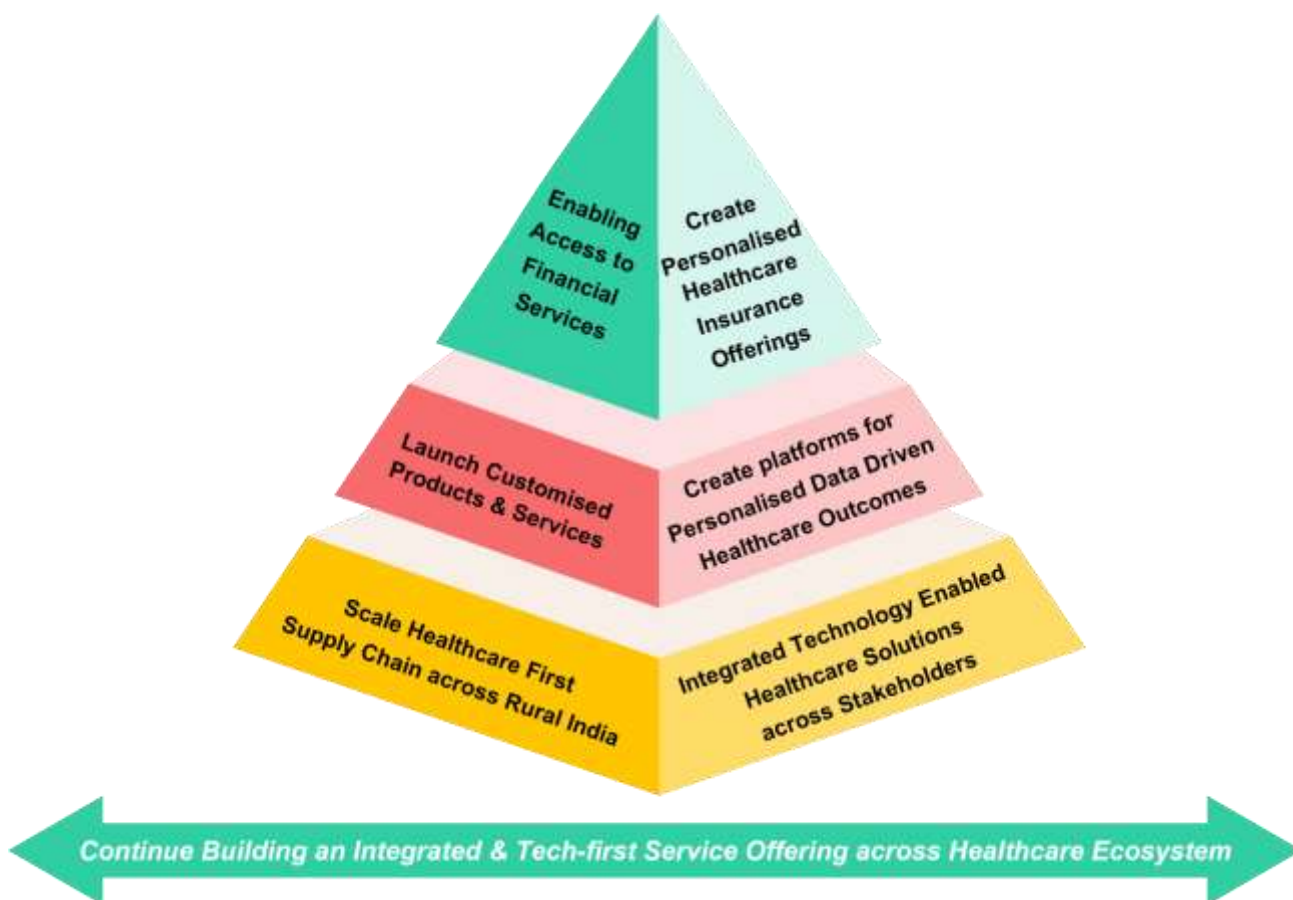
During the two phases of the COVID-19 pandemic-driven lockdown in India, pharmacies which transacted using Retailio increased from 47,527 in the month of March 2020 to 87,194 in the month of June 2021, while doctors increasingly used teleconsultation platforms to communicate with their patients. The PharmEasy marketplace also significantly grew its network and scale. Orders on the PharmEasy marketplace increased from 1.8 million in the three months ended June 30, 2020 to 2.6 million in the three months ended March 31, 2021 as customers moved to safeguard health for themselves and their families, and it served 18,587 pin codes (for June 2021).

**Experienced, Committed and Passionate founding and professional management team**

Our Founders’ have experience in incubating and operating multiple healthcare and technology businesses. This has given them a deep understanding of the pain points of multiple stakeholders and the structural challenges in the healthcare supply chain. Our management team consists of executives such as Chebolu V. Ram and Abhinav Yajurvedi with significant domain and industry expertise, many of whom have deep backgrounds in the consumer technology and healthcare sectors.

Our management has sought to nurture a corporate culture of integrity, passion, customer-focus, teamwork, learning and efficiency which, along with our market leadership position and our employee training, career development and incentive programs, have contributed to motivating and retaining our talented employee base of 5,713 employees as of June 30, 2021.

**Our Strategies**



**To build an integrated all-in-one healthcare platform for every healthcare ecosystem stakeholder**

We believe that connecting different parts of the healthcare ecosystem is central to creating value for all stakeholders. To this end, we have, and will continue to, invest in processes, technologies and people to progressively create a more connected and integrated platform. While we already offer a wide range of products and services, we see vast potential of greater integration across both our own offerings and with the rest of the healthcare industry, using our data & technology stack. We shall operationalize this strategy by further building new use cases and user-friendly tech layers (for both customers and partners) over physical and manual layers, and enabling platform-wide access to aggregate data and insights. We expect our platform model to, over time, lead to lower operating costs and therefore improving operating margins.

#### ***Further develop our custom-built healthcare-first supply chain for cutting-edge outcomes***

We intend to innovate and push boundaries on service level standards that we deliver to our customers, even as our platform grows in scale. We believe that our supply chain capabilities would need to lead any such change and further evolve in sophistication. To this end, we shall invest time, effort, and capital in a sustained manner to optimize our operations for reliability, speed, and accuracy across the country. We also expect that our supply chain could be the 'source' of platform-wide innovations. For instance, we may plan to monetize Docon's strong customer base of paediatrician doctors by leveraging our medical cold-chain infrastructure to become a pan-India one-stop-shop for paediatric vaccines, medicines for mothers and babies, and diagnostic tests (through Thyrocare).

#### ***Strive to be the trusted partner-of-choice for stakeholders across the healthcare ecosystem***

It is important to us that stakeholders across the healthcare value chain consider API Holdings (and its constituents) as a trusted, fair and honourable partner. Our Founders, and we, are focussed on building strong, long-term relationships with our partners. We believe that our reputation and past performance as a partner allows us to attract new enquiries (for business collaborations, JVs, and M&As, among others). We intend to continue to grow and nurture our network of relationships (doctors, clinics, hospitals, pharmacies, pharmaceutical companies, wholesalers, diagnostic labs, investors, and healthcare entrepreneurs, among others). This would primarily be driven by demonstrating our value proposition to existing and prospective partners, while offering them the products and services that best suit their own unique requirements.

#### ***Focus on 'outcome orientation' over 'transaction orientation' for end customers***

Even as we continue to build our integrated healthcare platform, supply chain, and stakeholder relationships, we believe that we should also focus on trying to improve eventual health outcomes for patients. We intend to create solutions, platforms and tools that both improve medical decision making but also adherence to those decisions. Given our cross-platform capabilities, we are running multiple pilots geared towards potentially improving protocol adherence, monitoring, information and support access via communities, and intuitive patient-doctor communication. For instance, we may also plan to pilot a chronic disease management program in therapies such as Oncology by cross leveraging Aknamed (a meaningful buyer of oncology products) and Thyrocare (and its network of Nuclear PET-CT centres). We believe that as an outcome orientated organization, we would also create industry wide benefits (owing to less urgent demands on healthcare infrastructure and workforce).

#### ***Pursue strategic investments and acquisitions to further enhance product and service capabilities***

We intend to continue to pursue thoughtful strategic investments and acquisitions which are complementary to our businesses. Such efforts will be focused on: (a) increasing our scale, (b) deepening our presence in certain geographies, (c) enabling access to financial services (e.g., lending for retailers and wholesalers, insurance for end customers), (d) expanding our nascent private label portfolio, and (e) acquiring capabilities, including technology, to enhance our offerings. Given that our various businesses are at varying stages of their growth and maturity cycle, our investments and acquisitions may also span a wide range of transaction types (from acquihires to relatively larger M&As). We believe that we have the capabilities to both evaluate and pursue such opportunities.

#### ***Constantly innovate to deliver excellent customer experience in a channel agnostic way***

We believe that well designed digitally powered products and services (with easy to navigate user interfaces, workflows, and customer journeys) are crucial to driving pan-ecosystem habit formation and adoption of our offerings. To this end, we shall continue to constantly innovate to build new solutions and attempt to deliver excellent customer experience for all our customers. At the same time, we shall endeavour to raise the overall bar of customer expectations from us for service quality, product pricing, fill rates, turnaround times, convenience, usability, and personalization. For instance, we may create a cash-less, affordable, and channel agnostic insurance-like offering, for customers to seamlessly access primary OPD healthcare infrastructure across the country. We intend to build our platform in a manner that every single customer is able to harness the technology and data insights of the entire platform in a uniquely personalized way. This may ensure that customers choose us to serve them when in need.

#### ***Further expand our product portfolio, private label and service offerings***

The growth of our platform is envisioned along multiple dimensions – more stakeholders, more customers, more use-cases, more products, more services, and higher frequency. While we enhance our capabilities, we would also significantly broaden the range of our offerings (both products and services). Some of the offerings that are currently envisaged are: developing and marketing our private label portfolio (for prescription drugs and OTC products), distribution of vaccines, and greater integration of e-diagnostics with digital consultations. Our ecosystem wide granular data insights also enable us to partner with pharma and other companies to support with their new product launches; we have already run pilots with a few leading Indian pharma companies. In the future, we may also license out our PharmEasy brand for newer use cases. We shall also undertake marketing and promotional activities to increase awareness about our offerings and brands.

## **Technology and Infrastructure**

Our technology platform has been designed using scalable cloud-based technology architecture. This not only makes our offerings highly resilient to common infrastructure failures, but also allows us to build a highly elastic infrastructure that can grow and shrink in real time according to the business demand cycles rather than having a rigid and fixed infrastructure. This enables our business to scale quickly according to the changing market situations as well as limits our exposure to fixed costs of infrastructure and related maintenance.

### **Scalability**

Our systems and applications are built over a horizontally scalable architecture that can easily expand or scale as our active customer base grows. We use advanced infrastructure automation capabilities to quickly expand and shrink our infrastructure to cater to anywhere between 5 to 10 times the usual customer interactions we get. This kind of expansion and shrinkage happens automatically without human interventions, but under the active monitoring of a dedicated Application Monitoring System and a team of engineers.

### **Real-time Analytics and Monitoring**

Our cloud-based technology architecture is built to be fully distributed for fault tolerance while having a single unified access layer. This architecture allows us to combine multiple data dimensions and apply various machine learning algorithms in real-time to our data, providing the most up-to-date and accurate representations of a user's traits and online behavior. Also, the real time analytics and monitoring is applied to monitor systems through automated alerting systems for any anomalies in stability, performance or security of the systems.

### **Reliability**

Our technology systems have built-in software and hardware redundancy and are able to automatically switch if errors are detected for continuity of operations with minimal to no customer impact. Common failures get handled automatically through a high degree of reliable automation with almost no human intervention. Our platform is built on a distributed computing architecture to avoid single-point-of failures. In addition, our architecture supports multiple and secure live copies of all important data sets along with snapshot capabilities for quicker point-in-time data recovery instead of legacy backup and restore methodologies. These back-up and recovery methods are regularly and frequently tested for proper operations and results of such tests are recorded and analyzed to identify and address any inadvertent issues in a proactive manner.

### **Data and IP Protection and Business Continuity**

We use multiple layers of security configurations across our internal and external networks to secure the access to our core datastores, compute infrastructure as well as core Intellectual Property, and other digital assets. We use security protocols for communications among our mobile applications, websites, and plug-ins. To prevent unauthorized access to our system, we use sophisticated role-based-access-management solutions and utilize a system of firewalls to separate our outside-facing services from our internal systems and applications. We conduct frequent reviews of our back-up systems to ensure that they are well-maintained and functional. We have also implemented procedures such as regular system checks, password policy, user authorization reviews and approval and data back-up, as well as data recovery tests, to safeguard our information assets and ensure the proper management of our operational data. We also have data disaster recovery procedures in place.

### **Infrastructure, System, Application, and Information Security**

We are committed to protecting information and privacy of our users, patients, customers and other participants and stakeholders across all our platforms. We strictly follow a well-defined company-wide policy on data security to preserve individual personal information and privacy. We strictly comply with laws and regulations and do not distribute or sell our users' personal information outside of our core systems and technology partners. We use-network encryption technologies for information exchange between our customer end devices, and also within our sub-systems. Encryption is also used in the backend storage to ensure confidentiality. Our network configuration is secured at multiple layers to protect our databases from unauthorized access. We employ advanced role-based access management to our systems and information to ensure that any information in the system is made accessible to only the relevant people who need that to support the business operations.

We have a dedicated team of information security engineers and professionals who run a host of internal and external security tests to identify any potential vulnerabilities in our systems and applications in a proactive manner and get them fixed on priority. We also leverage some of the industry leading security solutions to secure our systems against malicious external users and systems. Our systems are regularly and frequently subjected to internal and external security audits by both internal teams, and reputed security companies to help us constantly maintain and improve our security posture.

### **Customer Service**

Providing quality customer services has been one of our top priorities right from the start. We have a strong and dedicated team for managing customer queries in relation to product details, logistics and after-sales customer support. Data relating to logistics and customer services is monitored daily and the same is communicated with the relevant customers when issues arise.

We provide multiple methods for customers to connect with us – customers can ask questions and leave complaints in writing with pictures through the mobile app, or by website, or by initiating an Instant Message (IM) conversation with our customer service representatives (24/7 customer service centres), or they can call our service representatives.

We also allow customers to modify or cancel an order any time through our online system or customer service centres. We also have reverse logistics to manage customers returns and refunds.

### **Competition**

While we operate a leading business that encompasses the entire healthcare value chain, we face intense competition across our business lines, and we compete against other online platforms, diagnostics companies, traditional wholesalers as well as other online and offline healthcare service providers.

We believe that our ability to compete effectively depends on many factors, including the breadth and depth of our products and service offerings, our pricing competitiveness, user experience on our platform, our ability to maintain efficient synergies across our digital healthcare ecosystem, our supply chain capabilities, our technological capabilities, quality control of our product and service offerings, our partnership with third parties, our marketing efforts and the strength and reputation of our brand.

Furthermore, as our business continues to grow rapidly, we face significant competition for highly skilled personnel, including management, engineers, product managers and risk management personnel. The success of our growth strategy depends in part on our ability to retain existing personnel and attract additional highly skilled employees.

### **COVID-19 response**

In response to the COVID-19 pandemic, we have taken active measures to promote health and safety and social distancing efforts, including health and safety measures such as executing work-from-home arrangements for all our employees during the lockdowns, with significant upgrades and overhauls made to our in-house systems to support the work-from-home arrangements. After our offices were re-opened, we prepared standard operating protocols for COVID-19 health, safety, and prevention, covering high levels of office sanitisation, social distancing guidelines, housekeeping, security, guidelines on use of pantry and air -conditioning, adoption of thermometers, sanitisers and masks and restricting all non-essential travel.

Our platforms were operational 24x7 through the first and second waves of the COVID-19 pandemic. We undertook several initiatives during the pandemic. For instance,

- We were called upon to be partners in the War Room instituted by the Municipal Corporation of Greater Mumbai (MCGM) to tackle COVID
- Our Docon platform was used as the de-facto medical platform by Kasturba Hospital, Mumbai; and
- Our partners handled significant demand surge as consumers and pharmacies turned towards digital platforms to serve their requirements.

Most states in India provided exceptions to platforms like ours from lockdown, deeming it an essential service necessary for Indian citizens.

### **Employees**

As of March 31, 2020, March 31, 2021 and June 30, 2021, we had 1,154, 5,592 and 5,713 full-time employees. We also engage contractors and consultants to provide us temporary workforce primarily for warehousing, fulfilment and other operational requirements. None of our employees are represented by a labour union. We have not experienced any work stoppages since our incorporation, and we believe that our relations with our employees are good.

The table below sets forth the breakdown of our employee base by function for the periods indicated.

Function	As of June 30, 2021
Technology and Product	481
Operations	2,924
Sales and sales enablement	1,674
Corporate Functions	634
<b>Total</b>	<b>5,713</b>

We offer in-house and external training to employees at all levels in accordance with their functions, positions, and responsibilities. The training curriculum is designed by our central functions and covers both soft skills and technical skills.

## Property

Our Registered and Corporate Office is located at 902, 9<sup>th</sup> Floor, Raheja Plaza I, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar (West), Mumbai 400 086, Maharashtra, India. Our Registered and Corporate Office has been sub-leased for nine months from September 15, 2021. As of June 30, 2021, we operated our business through leased properties located across India. Typically, the term of our lease deeds range from eleven months to fifteen years, with a renewal option, and may be subject to lock-in periods ranging from one to three years. We are required to pay security deposits, specified rentals and maintenance charges for the duration of the relevant agreement, subject to periodic escalations at agreed rates, and electricity, water, and telephone charges with applicable taxes, in accordance with the terms of our lease deeds.

Further as on the date of this Draft Red Herring Prospectus, our subsidiary Thyrocare operated its business of diagnostic labs and collection centres through its owned and leased properties across India.

## Intellectual Property

We value our intellectual property rights as these are the assets that differentiate our business offering from others. As on the date of this Red Herring Prospectus, we have numerous trademark registrations in India, including “PharmEasy Labs”, “take it easy pharameasy”, “Retailio”, “Thyrocare”, “Aknamed” and “Docon” amongst other trademarks and under certain classes, inter alia, 42, 44 and 35. Our humanized capsule image has been granted copyright protection by the Copyright Office of the Government of India. We are proud to have our private label logos such as “LIVEASY”, “EVERHERB” under several classes, inter alia, 5, 10, 35, 44 registered/applied for registration in our name and continue to expand our private label and other business verticals by filing other trademark applications on a continuous basis. We have obtained registration of various domain names under our name, including “pharameasy.in”, “retailio.in”, “docon.co.in” and “thyrocare.com”.

Apart from the aforementioned, our Company has two patent applications filed and one patent application assigned in favour of our Company that are pertaining to e-prescription systems. There are several opposed, abandoned, withdrawn and refused trademarks in the name of the group which we continue to contest. We protect our intellectual property by executing contracts with third-parties. We file oppositions against any such identified third parties for their potential conflicting marks and we expect we will continue to be subject to such disputes in the future.

## Insurance

Our Company and certain of our Subsidiaries maintain insurance coverage under various insurance policies including for directors’ and officers’ liability, group medi-claim policy, machinery breakdown policy, burglary policy, electronic equipment policy, and standard fire and special perils policy and professional indemnity policy. We believe that the level of insurance and the policies we maintain are appropriate for the risks of our business and for companies operating in our industry.

## Corporate Social Responsibility

Our Company has formulated a Corporate Social Responsibility (“CSR”) policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors has also constituted a CSR Committee, which recommends the amount of expenditure to be incurred on the activities relating to CSR and monitors our CSR policy from time to time. For further details on the composition of the CSR Committee, see “Our Management – Board Committees – Corporate Social Responsibility Committee” on page 240. Our focus areas include delivering innovating health solutions, investing in our employees and using our expertise, resources and partnerships to reduce environmental footprint. The total expense of CSR for Fiscal 2021 and the three months ended June 30, 2021 was ₹2.52 million and ₹1.40 million, respectively. We did not have any CSR spend in Fiscal 2020.

### Sustainability goals

We are committed to advancing the Sustainable Development Goals (SDGs) through our operations, our technology, and our partnerships. The SDGs have been adopted by all 193 member states of the United Nations in 2015 and provide a shared framework to tackle the world’s most pressing social, economic, and environmental challenges. Although all 17 goals are



important and interconnected, we are most focused on six SDG goals and the relevant targets that align most closely to us. These six goals include: (i) Good health and wellbeing, (ii) Quality education, (iii) Decent work and economic growth, (iv) Reduce inequalities, (v) Climate action and (vi) Partnerships for the goal. We use the goals and targets to help frame our strategy as we approach these issues so that we can leave a positive impact on our communities and the planet.

## KEY REGULATIONS AND POLICIES IN INDIA

Given below is an indicative summary of certain sector specific relevant laws and regulations in India, which are applicable to our Company, our Subsidiaries and our operations and business. The information detailed below are based on the current position of Indian law and has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain and are subject to changes, amendments or modifications by subsequent legislative actions, regulatory, administrative, quasi-judicial or judicial decisions. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. For details of government approvals obtained by our Company and our Material Subsidiaries in compliance with these regulations, see “Government and Other Approvals” beginning on page 720.

### **Drugs and Cosmetics Act, 1940 (the “DCA”), the Drugs and Cosmetics Rules, 1945 (the “DCA Rules”), and the Draft Drugs and Cosmetics (Amendment) Rules, 2018 (the “Draft Rules”)**

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities. Vide notification dated December 15, 2020 issued by the Ministry of Health and Family Welfare, the Cosmetic Rules, 2020 provide that the words “and cosmetics” shall stand omitted from the DCA Rules with effect from December 15, 2020.

The Draft Rules include certain provisions for regulation of sale of drug by e-pharmacy. Under the draft rules, the term ‘e-pharmacy’ has been defined as the business of distribution or sale, stock, exhibit or offer for sale of drugs through a web portal or any other electronic mode. The Draft Rules also provide for registration of e-pharmacies and its validity, as well as conditions for registration imposed on the e-pharmacies like location, disclosure of information, procedure for distribution and sale etc. Under the Draft Rules, certain other restrictions have been imposed on the e-pharmacies which include the prohibition of advertisement of any drugs on radio, television, internet, print or any other media for any purpose; and restriction on dealing in narcotic and psychotropic drugs as defined under the Narcotic Drugs and Psychotropic Substances Act, 1985, tranquilizers and the drugs specified in the Schedule X of the DCA Rules. Additionally, monitoring of e-pharmacies, complaint redressal mechanism has been introduced which provides the rights to file a complaint to the state drugs controller for any suspicion of supply of non-standard quality, adulterated or misbranded drugs through the e-pharmacies besides the Consumer Protection Act, 2019.

Ministry of Ayush on July 02, 2021 introduced the draft Drugs and Cosmetics (Amendment) Rules, 2021 which, *inter alia*, dealt with application of grant of license to manufacture Ayurvedic, Siddha or Unani drugs and such application to be made through e-AUSHADI portal. Other amendments introduced were related to forms of licenses to sell drugs, duration of licenses, procedure of licensing authority etc.

### **The Medical Devices Rules, 2017 (“MDR”)**

The MDR, effective April 1, 2018, makes registration mandatory for all manufacturers and importers of medical devices in India (except for certain exempted medical devices). The MDR have been framed under the DCA. These rules lay down quality requirements to be followed by marketers/ importers/ manufacturers/ sellers of notified medical devices. The quality control rules are based on the classes of medical devices, which have been divided into Classes A through D based on their underlying risk factors. The DCA and the MDR are intended to ensure quality and safety of notified medical devices at all levels of the supply chain by enforcing a mandatory license requirement. All importers/ manufacturers/ sellers of notified medical devices must obtain a license from the appropriate licensing authority before undertaking any commerce in notified medical devices. A license is issued only after quality checks. Furthermore, for testing, evaluation and manufacture of Medical Devices with or without a predicate device, the Central Licensing Authority (CLA) first grants a testing license. The license holder’s business premise is subject to periodic inspections. A license holder is also required to maintain detailed records of the sales/ purchases undertaken in relation to notified medical devices and ensure traceability in the event of a quality or safety-related failure or complaint. Manufacturers or importers of notified medical devices will be required to compulsorily register their medical devices with the DGCI before October 1, 2021. If an importer or manufacturer is unable to obtain registration for its Device(s) before October 1, 2021, it will not be able to market and sell its medical device in India until a registration is obtained. Every manufacturer/ importer who obtains a registration number for its medical device will have to display the registration number on its label.

### **Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954 (the “Drugs and Magic Remedies Act”)**

The Drugs and Magic Remedies Act seeks to regulate the advertising of drugs in India. It aims to control the advertisement of certain drugs for treatment of certain diseases and disorders, prohibition of misleading advertisements relating to drugs, prohibition of advertisement of magic remedies of treatment of certain diseases and disorders, prohibition of import into, and

export from, India, of certain advertisements and provide for punishment for publication of such advertisements. For the purposes of Drugs and Magic Remedies Act, advertisements include any notice, circular, label, wrapper, or other document or any announcement made orally or by any means.

### ***The Information Technology Act, 2000 (the “IT Act”) and the rules and regulations made thereunder***

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange and other means of electronic communication (ii) facilitate electronic filing of documents (iii) create a mechanism for the authentication of electronic documentation through digital signatures and (iv) support e-governance initiative by legally recognising electronic records and electronic signatures and authorizing their use in Government and its agencies. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India.

The IT Act recognizes contracts expressed in electronic form or by means of electronic records, protects intermediaries in respect of third party information liability, subject to certain conditions, and creates liability for failure to implement and maintain reasonable security practices in relation to handling and protecting sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems. The IT Act empowers the Government of India to formulate rules with respect to electronic signatures, reasonable security practices and procedures and sensitive personal data.

In exercise of this power, the Department of Electronics and Information Technology under the Ministry of Communications & Information Technology, Government of India (“**MeITY**”), promulgated the Use of Electronic Records and Digital Signatures Rules, 2004, Digital Signature (End Entity) Rules, 2015, and Information Technology (Certifying Authorities) Rules, 2000. These rules govern the issuance and creation of digital and electronic signatures, their verification, and issuance of license to issue digital signature certificates. Further, MeITY promulgated the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“**Data Privacy Rules**”) which give directions for the collection, disclosure, transfer and protection of sensitive personal data (which includes, inter alia, medical records and history, physical, physiological and mental health conditions and sexual orientation) by a body corporate or any person acting on behalf of a body corporate. The Data Privacy Rules also require the body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data. According to the Data Privacy Rules, the sensitive personal data shall not be disclosed by the body corporate to any third party without obtaining prior permission from the provider.

The Personal Data Protection Bill, 2019 (the “**Bill**”), which proposes to supersede the IT Act deals with the provisions relating to compensation payable by companies for failure to protect personal data. The Bill also establishes a Data Protection Authority of India. Currently, the Bill categorises two kinds of data, (a) “Personal Data” data about or relating to a natural person who is directly or indirectly identifiable, having regard to any characteristic, trait, attribute or any other feature of the identity of such natural person, whether online or offline, or any combination of such features with any other information, and shall include any inference drawn from such data for the purpose of profiling; and (b) “Sensitive Personal Data” includes such personal data, which may, reveal, be related to, or constitute: (i) financial data; (ii) health data; (iii) official identifier; (iv) sex life; (v) sexual orientation; and (vi) biometric data. The applicability of the Bill also extends to foreign companies that handle data of individuals in India. The Bill accords certain rights to individuals with respect to the protection of their data. However, there are certain exceptions to protection offered under the Bill, such as, acts done in interest of security of state, public order, sovereignty and integrity of India and friendly relations with foreign states, and acts done for preventing incitement to commission of any cognisable offence relating to the above matters. Processing of personal data is also exempted from provisions of the Bill under certain conditions, as long as such processing is for a specific, clear and lawful purpose, this includes an act undertaken for prevention, investigation, or prosecution of any offence, or personal, domestic, or journalistic purposes. As on date, the Bill is pending with Joint Parliament Committee, and is yet to be notified and take effect.

The MeITY also promulgated the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 (“**IT Intermediary Rules**”) requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediary Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying due diligence to be observed by intermediaries. The IT Intermediary Rules also make it mandatory for an intermediary to publish, the privacy policy, rules, and regulations on its website, and establish a grievance redressal mechanism.

### ***Infant Milk Substitutes, Feeding Bottles, and Infant Foods (Regulation of Production, Supply, and Distribution) Act, 1992 (“Infant Milk Substitutes Act”)***

The Infant Milk Substitutes Act provides for the regulation of production, supply, and distribution of infant milk substitutes, feeding bottles and infant foods with a view to the protect and promote breast-feeding and ensuring the proper use of infant

foods. The Infant Milk Substitutes Act regulates the marketing and promotional activities of infant food manufacturers, and also regulates production, supply and marketing of such products. It prohibits the supply or distribution of infant milk substitutes or gifts of utensils or other articles, and also prohibits advertisement or publication of any advertisement relating to the distribution, sale or supply of infant milk substitutes, feeding bottles or infant foods. The Infant Milk Substitutes Act provides for imprisonment or fine for breach of the provisions.

***Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PCNDT Act”) and the Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994 (“PNDT Act”)***

The PCNDT Act and PNDT Act prohibit sex selection, before or after conception, regulate the use of pre-natal diagnostic techniques by restricting their usage for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and seek to prevent the misuse of such techniques for the purposes of pre-natal sex determination leading to female foeticide. The PCNDT Act and PNDT Act also make it mandatory for all genetic counselling centres, genetic clinics, genetic laboratories carrying out pre-natal diagnostic techniques, to register with the appropriate authority, failing which penal actions may be taken against them. Hospitals providing pre-natal diagnostic facilities fall within the purview of the PNDT Act and PNDT Act. Further, the PCNDT Act and PNDT Act prohibit advertisements relating to pre-conception and pre-natal determination of sex and the same is made punishable with a fine and imprisonment.

***Legal Metrology Act, 2009 (the “Legal Metrology Act”) and Legal Metrology (Packaged Commodities) Rules, 2011***

The Legal Metrology Act seeks to establish and enforce standard weights and measures regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act and rules framed thereunder regulate *inter alia*, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the Legal Metrology Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the Legal Metrology Act. Further, Legal Metrology Act allows companies to nominate a person who will be held responsible for any breach of provisions. Any non-compliance or violation under the Legal Metrology Act may result in *inter alia* a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, the Legal Metrology (Packaged Commodities) Amendment Rules, 2017 lay down specific provisions for e-commerce transactions and online sale of packaged commodities.

***Shops and establishments legislations in various states***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

***Atomic Energy Act, 1962 (the “AE Act”) and the Atomic Energy (Radiation Protection) Rules, 2004***

The AE Act aims to ensure safe disposal of radioactive waste and secure public safety, including that of persons handling radioactive substances. The AE Act empowers the Government of India to, prohibit the manufacture, possession, use, transfer by sale or otherwise, export and import and in any emergency, transport and disposal, of any radioactive substances without its written consent and requires any person to make periodical returns or other such statements as regards any prescribed substance in a person’s possession or control that can be a source of any of the prescribed substances. Violation of various provisions of the AE Act is punishable with fine or imprisonment, or both. Further, the Government of India, in order to prevent radiation hazards, secure public safety and safety of persons handling radioactive substances or radiation generating plants, is empowered to ensure safe disposal of radioactive wastes at such premises.

***The Clinical Establishments (Registration and Regulation) Act, 2010 (the “CERR Act”)***

The CERR Act provides for registration and regulation of clinical establishments and prescribes minimum standards for facilities and services provided by them. Currently, the CERR Act is in effect in the States of Arunachal Pradesh, Himachal Pradesh, Mizoram, Sikkim, Uttar Pradesh, Rajasthan, Bihar, Uttarakhand and Jharkhand and all Union Territories except Delhi (“Notified Areas”). Additionally, the States of Bihar, Jharkhand, Uttarakhand, Himachal Pradesh, Arunachal Pradesh and Sikkim, and Union Territories of Puducherry, Dadra & Nagar Haveli, Daman & Diu and Andaman & Nicobar Islands have framed rules applicable to their respective states under the CERR Act, prescribing *inter alia* the powers of registration authority, procedure

for registration of clinical establishments and applicable fee. The CERR Act defines a “clinical establishment” to include *inter alia* a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried.

#### ***The Food Safety and Standards Act, 2006 (the “FSSA”) and regulations framed thereunder***

The FSSA is an integrated food law that lays down standards and guidelines for consumer safety, protection of consumer health and regulation of the food sector. It consolidates the laws relating to food and provides for establishment of the Food Safety and Standards Authority of India (“FSSAI”). The FSSAI is responsible for laying down science-based standards for articles of food and to regulate their manufacture, packaging, storage, distribution, sale, and import, to ensure availability of safe and wholesome food for human consumption and for matters connected therewith or incidental thereto. The FSSA sets out, among other things, the requirements for licensing and registration of food businesses, general principles of food safety and responsibilities of a food business operator and liability of manufacturers and sellers. The FSSAI also lays down general provisions for food additives and processing of articles of food as well.

#### ***Telemedicine Practice Guidelines, 2020 (“Guidelines”)***

The Guidelines regulate delivery of healthcare services by all healthcare professionals using information and communication technologies for the exchange of valid information for diagnosis, treatment and prevention of disease and injury, research and evaluation, and for the continuing education of healthcare providers, in the interests of advancing the health of individuals and their communities. The Guidelines provide for norms and protocols relating to physician-patient relationship, issue of liability and negligence, evaluation, management and treatment, informed consent, continuity of care, referrals for emergency services, medical records, privacy and security of the patient records and exchange of information, prescribing and reimbursement, health education and counselling. The Guidelines allow only registered medical practitioners to prescribe medicine via telemedicine consultation and prohibits prescription of Schedule X drugs of the DCA.

#### ***Bio-Medical Waste Management Rules, 2016 (the “BMW Rules”)***

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form including hospitals, nursing homes and clinics. Certain companies are required to obtain authorisation under the BMW Rules for the generation of bio-medical waste to ensure that such waste is handled without any adverse effect to human health and the environment and to set up bio-medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and providing training to health care workers and others involved in handling bio-medical waste. Such companies are also required to submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of biomedical waste in accordance with the BMW Rules and the guidelines issued thereunder. The prescribed authority may cancel, suspend or refuse to renew an authorisation, if for reasons to be recorded in writing, the occupier/operator has failed to comply with any of the provisions of EP Act or BMW Rules.

#### ***Laws relating to Taxation***

In addition, to the aforementioned material legislation which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include, the Income Tax Act, 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years, Central Goods and Service Tax Act, 2018, the Central Goods and Service Tax Rules, 2017, the Integrated Goods and Service Tax Act, 2017, the Professional Tax state-wise legislations; importer-exporter code; and the Indian Stamp Act, 1899.

#### ***Laws relating to intellectual property***

Intellectual Property in India enjoys protection under both common law and statutes. Under statutes, trademark protection is provided under Trademarks Act, 1999 (“**Trademarks Act**”), copyright protection is provided under Copyright Act, 1957, and patent protection is provided under the Patents Act, 1970. These statutes afford protection to intellectual property through imposition of civil and criminal liability for infringement. The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. A trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks.

Further, while there are currently no laws in India directly addressing disputes in relation to domain names, the courts have acknowledged that domain names are to be legally protected to the extent possible under the laws relating to passing off.

## **Laws governing foreign investments**

Foreign investment in India is governed by the provisions of FEMA Non-Debt Instruments Rules along with the Consolidated FDI Policy issued by the DPIIT, from time to time. Further, the RBI has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 which regulate the mode of payment and reporting requirements for investments in India by a person resident outside India.

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%).

### **The consolidated Foreign Direct Investment Policy of 2020 (the “Consolidated FDI Policy”)**

The Department for Promotion of Industry and Internal Trade (“**DPIIT**”), Ministry of Commerce and Industry on October 28, 2020 issued Consolidated FDI Policy, effective from October 15, 2020. The Consolidated FDI Policy lays down certain guidelines and conditions for foreign direct investment in the e-commerce sector. It defines both inventory based, and marketplace based model of e-commerce entities. Further, it provides that 100% FDI under automatic route is permitted in the marketplace model of e-commerce, while FDI is not permitted in the inventory-based model of e-commerce.

The Consolidated FDI Policy further subsumed regulations relating to inventory control, affiliated sellers, and exclusive arrangements which were introduced under Press Note 2 of 2018 released by the DPIIT on December 26, 2018. To be considered an e-commerce marketplace entity under the Consolidated FDI Policy, marketplaces cannot exercise any direct or indirect ownership or control over the inventory being sold on their platform. An e-commerce platform would be deemed to exercise ‘control’ over a vendor’s inventory, if 25% or more of such vendor’s purchases are from the e-commerce entity or its group companies. If an e-commerce entity is deemed to control the inventory of a vendor, the Consolidated FDI Policy prohibits the vendor from selling their goods on such e-commerce marketplace. Further, the Consolidated FDI Policy states that an entity having equity participation by an e-commerce marketplace entity or its group companies would not be permitted to sell its products on the platform run by such marketplace entity. Additionally, it also requires that an e-commerce marketplace entity would not mandate any seller to sell any product exclusively on its platform.

The Consolidated FDI Policy further provides for cash & carry wholesale trading which means sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. Wholesale trading includes resale, processing and thereafter sale, bulk imports with export/ex-bonded warehouse business sales and B2B e-commerce. Except in case of government, sales made by the wholesaler would be considered as cash & carry wholesale trading with valid business customers only when wholesale trading is made with the entities holding applicable tax registration, entities holding trade licenses under the Shops and Establishment Act issued by the government authority, entities holding permits / licenses for undertaking retail trade from government authorities or local self-government bodies and institutions having certificate of incorporation or registration as a society or registration as public trust for their self-consumption. The Consolidated FDI Policy further provides that wholesale trading of goods would be permitted among companies of the same group, however, wholesale trading to group companies should not exceed 25% of the total turnover of the wholesale venture.

### **Consumer Protection Laws**

The Consumer Protection Act, 2019 (“**COPRA 2019**”) repealed the Consumer Protection Act, 1986 and provides for a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, unlawful pricing and serving of food that may be hazardous to life. The COPRA 2019 along with the Consumer Protection (E-Commerce) Rules, 2020 (“**E-commerce Rules**”) also regulate matters relating to consumer rights and false or misleading advertising, and further establish the regulatory authorities where the customers can file complaints for investigation and adjudication. The E-Commerce rules impose obligations on marketplace and inventory e-commerce entities and sellers relating to the conduct of business and disclosure of information. Recently, the Government of India proposed certain amendments to the E-commerce Rules which, if notified, among others, provide for the registration of e-commerce entities and have prescribed certain restrictions in relation to flash sales, listing of related and associated parties as sellers and mis-selling of goods and services.

The proposed Draft Consumer Protection E-Commerce (Amendment) Rules, 2021 (“**Draft Consumer Protection Rules**”) aims to prohibit e-commerce entities from manipulating search results or indexes relating to the search queries of the users. Such manipulation or fixing search results is included as an anti-competitive practice under the Draft Consumer Protection rules. It also prohibits the use of name or brand associated with a market place e-commerce entity for the sale or promotion of goods or services in a manner which suggests that the goods or services are associated with the entity,

## **Competition Act, 2002 (the “Competition Act”)**

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The *prima facie* duty of the Competition Commission of India (“**Commission**”) is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interests of consumers and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may exceed to ₹100,000 for each day during such failure subject to maximum of ₹10,000,000, as the Commission may determine.

The proposed Draft Competition (Amendment) Bill, 2020 (“**Draft Bill**”) provides for expanding the definition of cartels to include buyer cartels, establishment of a governing board and provisions for settling cases with the Commission. It also proposes to amend the provision relating to mergers between two or more enterprises of firms or business by other business enterprises controlled by the government to promote competition, so that the small enterprises are not dominated by big enterprises.

## **Labour laws**

In addition to aforementioned material legislations, certain labour laws including Contract Labour (Regulation and Abolition) Act, 1970, the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Equal Remuneration Act, 1976, and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are applicable to the operation of our Company.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes\*:

- a) Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976 received the assent of the President of India on August 8, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.
- b) Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes received the assent of the President of India on September 28, 2020. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- c) Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee’s Compensation Act, 1923, Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee’s Provident Fund and the Employee’s State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.
- d) Occupational Safety, Health and Working Conditions Code, 2020, which amends and subsumes certain existing legislations, including Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

\* The Code on Wages, 2019, The Code on Social Security, 2020, The Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (enacted by the Parliament of India and assented to by the President of India) will come into force as may be notified in the Official Gazette by the Central Government of India, different dates may be appointed for different provisions of the Codes.

## **Other Legislations**

In addition to the above, our company is also compliant with the provisions of the Companies Act, 2013 and the relevant rules, regulations, and orders framed thereunder, the Arbitration and Conciliation Act, 1996, Indian Contract Act, 1882, Sale of Goods Act, 1930, and other applicable statutes imposed by the Centre or the State for its day-to-day operations

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as 'API Holdings Private Limited', a private limited company under the Companies Act, 2013, and was granted a certificate of incorporation dated March 31, 2019 by the Registrar of Companies. Subsequently, pursuant to an order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), the NCLT Mumbai approved the scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited with our Company and their respective shareholders, as a result of which the businesses of these entities were amalgamated into our Company, the transferor entities were dissolved, and our Company was the surviving entity. The amalgamation is effective from August 27, 2020. For further details on such amalgamation, see “- Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company” beginning on page 217.

Subsequently, we acquired Medlife International Private Limited and its subsidiaries in Fiscal 2021 and in Fiscal 2022, we acquired (a) Thyrocare Technologies Limited together with its subsidiary Nueclear Healthcare Limited and its associate Equinox Labs Private Limited; and (b) Akna Medical Private Limited, together with its subsidiaries, Vardhman Health Specialities Private Limited, Shreeji Distributors Pharma Private Limited, Supplythis Technologies Private Limited, Healthchain Private Limited, Allumer Medical Private Limited, Cosaintis Products Private Limited and pharmaceutical business of Novogene Life Sciences Private Limited. For details in relation to these acquisitions, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders on October 1, 2021 and a fresh certificate of incorporation dated October 28, 2021 was issued by the Registrar of Companies consequent to the change in the name of our Company to 'API Holdings Limited'.

### Changes in the Registered Office

The following table sets forth details of the changes in the registered office of our Company since incorporation:

Date of change	Details of change in the address of the Registered Office	Reasons for change in the address of the Registered Office
September 1, 2020	The registered office of our Company was changed from Unit No. 104, Marwahs Complex 4, Marwah Estate, Krishnalal Marwah Marg, Mumbai 400 072 to Gala No. 220, 2 <sup>nd</sup> Floor, Andheri Universal Industrial Premises, Co-op Soc Ltd, J.P. Road, Andheri West, Mumbai 400 058	To improve the operational efficiency
September 15, 2021	The registered office of our Company was changed from Gala No. 220, 2 <sup>nd</sup> Floor, Andheri Universal Industrial Premises, Co-op Soc Ltd, J.P. Road, Andheri West, Mumbai 400 058 to 902, 9 <sup>th</sup> Floor, Raheja Plaza I, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar West, Mumbai 400 086	To improve the operational efficiency and administrative convenience

### Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

- To carry on the business of providing or supplying manpower placement, manpower, human resources, in any form whatsoever, consultancy and recruiting, selecting, interviewing, training and employing all types of team leader personnel, senior, mid-level or junior executives, middle management staff, junior level staff, workers, labourers, skilled/ unskilled and other technical personnel etc. in India and overseas including undertaking job work, maintenance contract or any contract and labour work services or any other services required to individuals, bodies, corporate, societies, undertakings, institutions, associations, government, local authorities etc. and to carry on the business of providing services as human resource managers, consultants and advisors and to provide service, advice and guidance on employment matters and other human resource services associated with such services including termination, secondment and outplacement required to individuals, bodies, corporate, societies, undertakings, institutions, associations, government, local authorities etc. and to make available knowledge, skill, experience, staff, labour, to any person, persons, firm, body corporate, government and semi-government organization or any other organization, authority or entity for the purpose of execution and management and workers for office management and to provide consultancy and other services in connection with requirements of persons and manpower supply in India and overseas;*
- To carry on the business of provider of transportation and logistics services to any person, firm, company, body corporate or association of persons in India or abroad in relation to transport of persons and goods (including but not limited to*



pharmaceuticals, antibiotics, drugs, medicines, biologicals, nutraceuticals, healthcare, ayurvedic, fast moving consumer goods, medicinal preparations, vaccines, chemicals etc.) in all modes including bulk and containers, articles, or things or heavy and over dimensional cargo, of all kind and description, including but not limited to planning, design, documentation management and co-ordination in relation to transportation, physical transport by all means of transportation by land, air and water, for transporting goods, on all routes and lines on National and International level subject to law in force and for that purpose to purchase, hire or take on charter any ships, tugs, barges, lorries, vans, trailers and other vessels or vehicles like trucks, lorries, trawlers, dumpers, coaches, tankers, tractors, haulers, jeeps, trailers, motor buses, omnibuses, motor taxies, railways, tramways, aircrafts, hovercrafts, rockers, ships, vessels, boats, barges and so on whether propelled by petrol, diesel, electricity, steam oil, atomic power or any other form of power and for such drive to acquire, manage and operate warehouses, and bonded warehouses, act as agents for shippers and consigners, and to issue warehouse warrants and receipts and bills of lading and sale of for managing transportation services, managing container freight stations and act as freight contractors, freight forwarding agents, customs house agents, customs handling service providers, providing specialized services like fleet management including carrying out the activities of washing, servicing, repairing, maintaining, denting, painting of all types of vehicles and all other activities related thereto and distribution management, cold chain management for retail chain, packaging, kitting and labelling and similar services, logistics business management and related activities such as customer service support, maintenance and documentation management relating to logistics software like tracking, routing, scheduling, documentation management and back-end data generation for billing and service level agreement activities for successful deployment of vehicles to carry on the purposes of this Company;

3. To run, own, manage, administer, diagnostic centers, scan centres, nursing homes, hospitals, clinics, dispensaries, maternity homes, child welfare and family planning centres, clinical pathological testing laboratories, x-ray and ECG clinics in India and abroad and to act as consultants and advisers providing technical know-how, technical services and allied services for the establishment, operation and improvement of nursing homes, hospitals, clinics, medical institutions, medical centres, diagnostic centres and laboratories in India and abroad;
4. To carry the business of collecting, storing, managing, and providing patient medical data and records;
5. To carry on the business of hospital referrals, health tourism, emergency services including air ambulance and to run and maintain all types of ambulance services; and
6. To carry on the business of healthcare services by providing a digital platform for diagnostic tests from testing centers including diagnostic labs, pathological laboratories, forensic testing, X-ray clinics and polyclinics and provide electronic health record management and specimen collection service.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on.

#### **Amendments to our Memorandum of Association**

The amendments to our Memorandum of Association are set out below.

<b>Date of Shareholders' resolution</b>	<b>Details of the amendments</b>
August 28, 2020	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 710,600,000 divided into 11,060,000 equity shares of ₹ 10 each and 60,000,000 preference shares of ₹ 10 each pursuant to Merger 2020
	Amendment of the 'main objects' clause of Memorandum of Association to replace existing clause I with new Clauses 1, 2 and 3. For further details, see "- Main objects of our Company" on page 197
January 27, 2021	Amendment to Clause V of the Memorandum of Association to reflect reclassification of authorised share capital from ₹ 710,600,000 divided into 11,060,000 equity shares of ₹ 10 each and 60,000,000 preference shares of ₹ 10 each to ₹ 710,600,000 divided into 47,000,000 equity shares of ₹ 10 each and 24,060,000 preference shares of ₹ 10 each
July 24, 2021	Amendment to Clause V of the Memorandum of Association to reflect increase of authorised share capital from ₹ 710,600,000 divided into 47,000,000 equity shares of ₹ 10 each and 24,060,000 preference shares of ₹ 10 each to ₹ 10,000,000,000 divided into 975,940,000 equity shares of ₹ 10 each and 24,060,000 preference shares of ₹ 10 each
October 1, 2021	Amendment to Clause I of the Memorandum of Association to reflect the change in name of our Company from API Holdings Private Limited to API Holdings Limited
October 13, 2021	Amendment to Clause V of the Memorandum of Association to reflect increase in authorised share capital from ₹ 10,000,000,000 divided into 975,940,000 equity shares of ₹ 10 each and 24,060,000 preference

Date of Shareholders' resolution	Details of the amendments
	shares of ₹ 10 each to ₹ 10,310,800,000 divided into 1,004,818,900 equity shares of ₹ 10 each and 26,261,100 preference shares of ₹ 10 each pursuant to the Medlife Merger
October 13, 2021	The main objects sub-clause 3 of Clause III(A) was substituted for the following clauses pursuant to the Medlife Merger: <p>3. To run, own, manage, administer, diagnostic centers, scan centres, nursing homes, hospitals, clinics, dispensaries, maternity homes, child welfare and family planning centres, clinical pathological testing laboratories, x-ray and ECG clinics in India and abroad and to act as consultants and advisers providing technical know-how, technical services and allied services for the establishment, operation and improvement of nursing homes, hospitals, clinics, medical institutions, medical centres, diagnostic centres and laboratories in India and abroad;</p> <p>4. To carry the business of collecting, storing, managing, and providing patient medical data and records;</p> <p>5. To carry on the business of hospital referrals, health tourism, emergency services including air ambulance and to run and maintain all types of ambulance services; and</p> <p>6. To carry on the business of healthcare services by providing a digital platform for diagnostic tests from testing centers including diagnostic labs, pathological laboratories, forensic testing, X-ray clinics and polyclinics and provide electronic health record management and specimen collection service.</p>
October 13, 2021	Amendment to Clause V of the Memorandum of Association to reflect the split in the authorised share capital of our Company from ₹ 10,310,800,000 divided into 1,004,818,900 Equity Shares of ₹ 10 each, 26,261,100 preference shares of ₹ 10 each to ₹ 10,310,800,000 divided into 10,048,189,000 Equity Shares of ₹ 1 each and 26,261,100 preference shares of ₹ 1 each.

### Major events in the history of our Company

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2022	Acquisition of 71.22% of the paid-up equity share capital of Thyrocare Technologies Private Limited by our wholly-owned Subsidiary, Docon Technologies Private Limited
	Investment by Internet Fund VI Pte. Ltd. in our Company
	Acquisition of 67.30% of the paid-up equity share capital of Akna Medical Private Limited by our Company
	Acquisition of 49.17% of the paid-up equity share capital of Marg ERP Limited by our Company
	Investment by Naspers Ventures B.V., TPG Growth V SF Markets Pte. Ltd., Macritchie Investments Pte. Ltd. and B Capital Asia II, Ltd, B Capital GF III CI Holdco III LLC, B Capital GF III CI (B) Holdco III LLC in our Company
2021	Amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company
	Acquisition of 100% paid-up share capital of Medlife International Private Limited by our Company <sup>§</sup>
	Investment by Nasper Ventures B.V. and TPG Growth V SF Markets Pte. Ltd. in our Company
	Launch of video consultation offering on DocOn platform by Docon Technologies Private Limited
2020	Launch of sale of private label products under the brand 'LivEasy' by Thea Technologies Private Limited <sup>*</sup>
	Investment by Bessemer India Capital Holdings II Ltd., CDPQ Private Equity Asia Pte. Ltd., The Fundamentum Partnership Fund I, Eight Roads India Ventures III L.P., F-Prime Capital Partners Healthcare Fund V LP, TIMF Holdings, Financial Investments SPC, KB Global Platform Fund Limited, MacRitchie Investments Pte. Ltd. and Orios Advisors LLP in 91Streets Media Technologies Private Limited
	Acquisition of ERP and customer relationship management software 'RedBook' by one of our Subsidiaries, Aycon Graph Connect Private Limited pursuant to investment in paid-up share capital of Instinct Innovations Private Limited
2019	Transfer of Retailio platform to Ayro Retail Solutions Private Limited, one of our Subsidiaries, pursuant to execution of the business transfer agreement dated November 1, 2018 between Ayro Retail Solutions Private Limited and Mypos Technologies Private Limited

Financial Year	Particulars
<b>Major events in our history prior to incorporation of our Company</b>	
2017	Investment by Ascent Health and Wellness Solutions Private Limited* in D.C. Agencies Private Limited to expand geographical presence in Delhi
	Launch of warehouse operations by Thea Technologies Private Limited* in Bangalore to expand geographical presence in south India
	Acquisition of Muthu Pharma Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited and Shell Pharmaceuticals Private Limited by Ascent Health and Wellness Solutions Private Limited* to expand geographical presence in Chennai
	Launch of operations by Thea Technologies Private Limited* in Mumbai, Delhi and Ahmedabad to expand geographical presence
	Investment by Ascent Health and Wellness Solutions Private Limited* in VPI Medisales Private Limited to expand geographical presence in Bangalore
2016	Acquisition of Docon Technologies Private Limited by 91Streets Media Technologies Private Limited*
	Investment by Bessemer India Capital Holdings II Ltd., Orios Venture Adviros Private Limited, Aarin Capital Partners, Medi Assist Healthcare Services Private Limited and Astarc Ventures Private Trust in 91Streets Media Technologies Private Limited
	Investment by Evermed Holdings Pte. Ltd. in Ascent Health and Wellness Solutions Private Limited*
2015	Launch of PharmEasy application by 91Streets Media Technologies Private Limited*
2014	Incorporation of Ascent Health and Wellness Solutions Private Limited* to engage in healthcare and medicine related activities with one of our Founders, Siddharth Shah, as the promoter

<sup>5</sup> Merged into our Company vide order dated September 24, 2021 passed by the Regional Director, Ministry of Corporate Affairs, Mumbai.

\* Merged into our Company pursuant to the Merger 2020.

### Corporate profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products / services, entry into new geographies or exit from existing markets, suppliers, customers, capacity / facility creation, technology, and managerial competence, see “Our Business” beginning on page 162.

### Defaults or re-scheduling/restructuring of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of borrowings of our Company.

### Total number of shareholders of our Company

As on date of this Draft Red Herring Prospectus, our Company has 632 shareholders. For details, see “Capital Structure - Shareholding Pattern of our Company” beginning on page 117.

### Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

### Our Associates

As of the date of this Draft Red Herring Prospectus, our Company has 3 Associates.

There are no common pursuits between our Associates and our Company. Further, none of our Associates have any business interests in our Company.

### Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Company has 36 Subsidiaries.

#### I. Threpsi Solutions Private Limited (“Threpsi”)

##### Corporate Information

Threpsi was incorporated as a private limited company under the Companies Act, 2013, on February 1, 2019 pursuant to the certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U74999MH2019PTC320524 and its registered office is located at 217, 2nd Floor, Jhalwar Building, Patanwala Compound, near Shreyas, Ghatkopar, Mumbai 400 086, Maharashtra, India.

### Nature of Business

Threpsi is authorised to engage in the business of wholesale and/or retail trade of, among others, all kinds of pharmaceuticals, antibiotics, drugs, medicines, biologicals, nutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines and facilitate online requisition by the user for purchase of medicines and wellness / health related products and services.

Threpsi has granted a license to Axelia Solutions Private Limited to use, among others, the 'PharmEasy' trademark, service mark and logo to Axelia Solutions Private Limited which operates the 'PharmEasy' marketplace. For details, see " - Key terms of other subsisting material agreements" on page 223.

### Capital Structure

The capital structure of Threpsi is as follows:

Authorised share capital	Aggregate Nominal Value
1,500,000 equity shares of ₹ 10 each	₹ 15,000,000
Issued, subscribed and paid up capital	
1,210,847 equity shares of ₹ 10 each	₹ 12,108,470

Our Company holds 1,210,847 equity shares of Threpsi (including one equity share held by its nominee shareholder, Dhiraj Jain) aggregating to 100% of the issued, subscribed and paid-up share capital of Threpsi.

## 2. Aycon Graph Connect Private Limited ("Aycon")

### Corporate Information

Aycon was incorporated as a private limited company under the Companies Act, 2013, on June 21, 2019 pursuant to the certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U72900MH2019PTC327097 and its registered office is located at Ground and first floor at Mehta House, Near Anand Mahal, Cama Cross Lane, Ghatkopar (W), Mumbai 400 086, Maharashtra, India.

### Nature of Business

Aycon is authorised to engage in the business of, among others, developing software applications and products, client-based solutions, web-enabled solutions, quality and process control solutions, and networking solutions, and providing information technology, software and other related services. It is also authorised to carry on the business of information technology services for life sciences and providing health care solutions, as well as enterprise architecture development.

### Capital Structure

The capital structure of Aycon is as follows:

Authorised share capital	Aggregate Nominal Value
100,000 equity shares of ₹ 10 each	₹ 1,000,000
Issued, subscribed and paid-up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Company holds 10,000 equity shares of Aycon (including one equity share held by its nominee shareholder, Hardik Dedhia) aggregating to 100% of the issued, subscribed and paid-up share capital of Aycon.

## 3. ARZT and Health Private Limited ("ARZT")

### Corporate Information

ARZT was incorporated as a private limited company, under the Companies Act, 2013, on January 10, 2018 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre, Mumbai. Its corporate identification number is U51100MH2018PTC303960 and its registered office is located at Shop No.1, Cama Lane, Near SNDT College, Ghatkopar (West), Mumbai 400 086, India. A scheme of amalgamation has been filed for amalgamation of ARZT and Health Private Limited, Medlife Wellness Retail Private Limited and Metarain Distributors Private Limited with Threpsi which is pending for approval by NCLT Mumbai. For details, see " - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years" on page 217.

### Nature of Business

ARZT is authorised to engage in, among others, providing healthcare solutions using technology and enable online and offline aggregation, maintenance, sale and service of various healthcare products including to prescription medicine, nutrition, devices, ayurvedic products, homeopathy products, over the counter FMCG products, among others.

#### *Capital Structure*

The capital structure of ARZT is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
5,000 equity shares of ₹ 10 each	₹ 50,000
<b>Issued, subscribed and paid up capital</b>	
5,000 equity shares of ₹ 10 each	₹ 50,000

Our Company holds 5,000 equity shares of ARZT (including one equity share held by its nominee shareholder, Dheeraj Goyal) aggregating to 100% of the issued, subscribed and paid-up share capital of ARZT.

#### **4. Akna Medical Private Limited (“Aknamed”)**

##### *Corporate Information*

Aknamed was incorporated as a private limited company, under the Companies Act, 2013, on May 8, 2018 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre for and on behalf of the jurisdictional Registrar of Companies. Its corporate identification number is U74999HR2018PTC073972 and its registered office is located at C-6A/2, 2<sup>nd</sup> Floor Ardee City, Sector – 52A, Gurgaon 122 011, Haryana, India.

##### *Nature of Business*

Aknamed is authorised to engage in the business of, among others, importers, exporters, wholesale traders, buyers, wholesale suppliers of all kinds of pharmaceuticals, antibiotics, drugs, medicines, biologicals, nutraceuticals, healthcare, medical preparations, medical equipment and devices and instruments, of every kind and activation for use for medical purposes and to establish and run health portal, web sites, medical transcription centres, data processing / computer centres, to offer wholesale of medical and pharmaceutical equipment within India and outside India.

##### *Capital Structure*

The capital structure of Aknamed is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
4,992,640 equity shares of ₹ 10 each	₹ 49,926,400
<b>Issued, subscribed and paid up capital</b>	
3,352,407 equity shares of ₹ 10 each	₹ 33,524,070

Our Company holds 2,256,145 equity shares of Aknamed aggregating to 67.30% of the issued, subscribed and paid-up share capital of Akna.

#### **5. Docon Technologies Private Limited (“Docon”)**

##### *Corporate Information*

Docon was incorporated as a private limited company under the Companies Act, 2013 on June 20, 2016, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U72900KA2016PTC126436 and its registered office is located at 4<sup>th</sup> Floor, Prestige Blue Chip Software Park, Block I, Hosur Road, Madiwala Range, Dairy Colony, Bangalore 560 029, Karnataka, India.

##### *Nature of Business*

Docon is authorised to engage in the business of, among others, offering consultancy, advisory and all related services in the area of information technology including computer hardware and software, data communication, telecommunications, and process control and automation, research and development computer science.

##### *Capital Structure*

The capital structure of Docon is as follows:

Authorised share capital	Aggregate Nominal Value
15,000,000 equity shares of ₹ 10 each	₹ 150,000,000
<b>Issued, subscribed and paid-up capital</b>	
14,253,118 equity shares of ₹ 10 each	₹ 142,531,180

Our Company holds 14,253,118 equity shares of Docon (including one equity share held by its nominee shareholder, Hardik Dedhia) aggregating to 100% of the issued, subscribed and paid-up share capital of Docon.

## 6. AHWSPL India Private Limited (“AHWSPL”)

### Corporate Information

AHWSPL was incorporated as a private limited company under the Companies Act, 2013, on May 23, 2019, pursuant to the certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U74990MH2019PTC325721 and its registered office is situated at 902, 9<sup>th</sup> Floor, Raheja Plaza I, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar (West), Mumbai 400 086, Maharashtra, India.

### Nature of Business

AHWSPL is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products to pharmaceutical distributors and pharmacy chains, including online and offline distribution, both within and outside India, create or establish any marketplace, provide transportation and logistics services, and carry on the business of providing manpower placement and human resources.

### Capital Structure

The capital structure of AHWSPL is as follows:

Authorised share capital	Aggregate Nominal Value
100,000 equity shares of ₹ 10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Company holds 10,000 equity shares of AHWSPL (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up share capital of AHWSPL.

## 7. Medlife Wellness Retail Private Limited (“Medlife Wellness”)

### Corporate Information

Medlife Wellness was incorporated as a private limited company, under the Companies Act, 2013, on January 2, 2019 pursuant to a certificate of incorporation issued by the Registrar of Companies, Bangalore. Its corporate identification number is U24290KA2019PTC119959 and its registered office is located at 4<sup>th</sup> Floor, Enzyme Business Center, 29/6, Roopena Agrahara, Bommanahalli, Bangalore 560 027, Karnataka, India. A scheme of amalgamation has been filed for amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, Arzt and Health Private Limited with Threpsi which is pending approval by NCLT Mumbai. For details, see “ - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

### Nature of Business

Medlife Wellness is authorised to engage in the business of, among others, manufacturing, dealing, distributing, importing and exporting agents of all kinds of pharmaceutical and nutraceutical products, drugs, including generic drugs, medicines of all types, dietary and food supplements of any nature and kind, and to carry on the business of buying, selling, trading of medical and other consumer goods, whether by way of offline / physical stores or by way of marketplace / e-commerce / online presence, whether by way of wholesale / cash and carry / B2B trading or by way of retail / B2C trading, and to carry on business of distribution and / or trading of all other kind of goods, commodities and merchandise and providing services incidental thereto.

### Capital Structure

The capital structure of Medlife Wellness is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹ 100 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
2,424 equity shares of ₹ 100 each	₹ 242,400

Our Company holds 2,424 equity shares of Medlife Wellness (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Medlife Wellness.

## 8. Metarain Distributors Private Limited (“Metarain”)

### Corporate Information

Metarain was originally incorporated as a private limited company with the name Metarain Software Solutions Private Limited under the Companies Act, 2013, on August 27, 2014 pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka. Subsequently, its name was changed to Metarain Distributors Private Limited and a fresh certificate of incorporation dated November 10, 2016 was issued by the Registrar of Companies, Karnataka. Its corporate identification number is U74900KA2014PTC076073 and its registered office is located at No.309/1, 4<sup>th</sup> Floor, Survey No. 1352, CMC No. 468, BBMP No. 18, Roopena Agarahara Near Silk Board, Bangalore 560 068, Karnataka, India. A scheme of amalgamation has been filed for amalgamation of Metarain Distributors Private Limited, Medlife Wellness Retail Private Limited, Arzt and Health Private Limited with Threpsi which is pending approval by NCLT Mumbai. For details, see “ - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

### Nature of Business

Metarain is authorised to engage in the business of, among others, wholesale trading of pharmaceuticals, health wellness and FMCG products. It is also authorised to engage in the business of providing consultancy and research and development services for information technology related sectors and business solutions.

### Capital Structure

The capital structure of Metarain is as follows:

Authorised share capital	Aggregate Nominal Value
12,125,083 equity shares of ₹ 1 each	₹ 95,025,083
2,224,170 Series Seed Cumulative CCPS of ₹ 10 each	
25,830 Series Seed 1 CCPS of ₹ 10 each	
151,172 Series Seed 2 CCPS of ₹ 10 each	
3,086,752 Series A Cumulative CCPS ₹ 10 each	
790,720 Series A1 Cumulative CCPS ₹ 10 each	
2,011,356 Series A2 Cumulative CCPS ₹ 10 each	
<b>Issued, subscribed and paid up capital</b>	
12,125,083 equity shares of ₹ 1 each	₹ 12,125,083

Our Company holds 12,125,083 equity shares of Metarain (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up share capital of Metarain.

## 9. Instinct Innovations Private Limited (“Instinct Innovations”)

### Corporate Information

Instinct Innovations was incorporated as a private limited company under the Companies Act, 2013, on November 9, 2015 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra. Its corporate identification number is U72300MH2015PTC270042 and its registered office is located at 702 Indraprasth Tower, Carter Road no. 5, Behind Swagat Hall, Borivali (E), Mumbai 400 066, Maharashtra, India.

### Nature of Business

Instinct Innovations is authorised to engage in the business of, among others, software development and information technology enabled services like call centre management, medical and legal transcription, data processing, warehousing and database management, and dealing, buying and selling of computer hardware, computer systems and assemble data processors, programme designs.

Instinct Innovations has created and designed the ‘RedBook’ software. For details, see “Our Business” beginning on page 162.

#### *Capital Structure*

The capital structure of Instinct Innovations is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
70,000 equity shares of ₹ 10 each 10,500 optionally convertible preference shares of ₹ 200 each	₹ 2,800,000
<b>Issued, subscribed and paid up capital</b>	
49,497 equity shares of ₹ 10 each	₹ 494,970

Our Subsidiary, Aycon Graph Connect Private Limited, holds 49,497 equity shares of Instinct Innovations (including one equity share held by its nominee shareholder, Milind Pattarkine) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Instinct Innovations.

## **10. Ayro Retail Solutions Private Limited (“Ayro”)**

#### *Corporate Information*

Ayro was originally incorporated as Caerus Consumer Retail Private Limited, a private limited company, under the Companies Act, 2013, on February 23, 2017, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre, Mumbai. Its corporate identification number was U74999MH2017PTC291571. Pursuant to the special resolution by the shareholders at the extraordinary general meeting dated June 2, 2017, the name of Ayro was changed to its current name and a fresh certificate of incorporation dated June 23, 2017 was issued by the Registrar of Companies. The corporate identification number of Ayro is U74999PN2017PTC190721 and its registered office is located at Office No. 317, Phii Platinum Square situated at Viman Nagar, SNO 30/3A3B, Next to Hyatt, Pune 411 014, Maharashtra, India.

#### *Nature of Business*

Ayro is authorised to engage in the business of, among others, providing technology solutions to small, medium and large scale businesses and retail business, dealing in all kinds of pharmaceutical, health, wellness and allied products and services, and carrying on the business of wholesale distribution of pharmaceutical and other consumables.

#### *Capital Structure*

The capital structure of Ayro is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
10,000 equity shares of ₹ 10 each	₹ 100,000
<b>Issued, subscribed and paid up capital</b>	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Aycon Graph Connect Private Limited, holds 10,000 equity shares of Ayro (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Ayro.

## **11. Ascent Wellness and Pharma Solutions Private Limited (“Ascent Wellness”)**

#### *Corporate Information*

Ascent Wellness was incorporated as a private limited company, under the Companies Act, 2013, on May 27, 2019, pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U74999MH2019PTC325869 and its registered office is located at 902, 9<sup>th</sup> Floor, Raheja Plaza I, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar (W), Mumbai 400 086, Maharashtra, India.

#### *Nature of Business*



Ascent Wellness is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products to pharmaceutical distributors and pharmacy chains both within and outside India, create or establish any marketplace, provide transportation and logistics services, and carry on the business of providing manpower placement and human resources.

#### *Capital Structure*

The capital structure of Ascent Wellness is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
100,000 equity shares of ₹ 10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, AHWSPL India Private Limited, holds 10,000 equity shares of Ascent Wellness (including one equity share held by its nominee shareholder, Harsh Parekh) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Ascent Wellness.

## **12. Avighna Medicare Private Limited (“Avighna”)**

#### *Corporate Information*

Avighna was incorporated as a private limited company, under the Companies Act, 2013, on October 27, 2018 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U51909PN2018PTC179888 and its registered office is located at Shop No. 16, Ground Floor Bandal Capital, Paud Road, Kothrud, Pune 411 038, Maharashtra, India.

#### *Nature of Business*

Avighna is authorised to engage in the business of, among others, manufacturing, and distributing all types of drugs, bulk drugs and pharmaceuticals. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India and market, distribute, and maintain stock of medical instruments and equipment.

#### *Capital Structure*

The capital structure of Avighna is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
10,000 equity shares of ₹ 10 each	₹ 100,000
<b>Issued, subscribed and paid up capital</b>	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 10,000 equity shares of Avighna (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Avighna.

## **13. D.C. Agencies Private Limited (“DC Agencies”)**

#### *Corporate Information*

DC Agencies was incorporated as a private limited company, under the Companies Act, 2013, on August 12, 2016 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U74999DL2016PTC304376 and its registered office is located at B-6, Ground Floor, Mayapuri Industrial Area Phase-I, New Delhi 110 064, India.

#### *Nature of Business*

DC Agencies is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India.

#### *Capital Structure*

The capital structure of DC Agencies is as follows:

Authorised share capital	Aggregate Nominal Value
500,000 equity shares of ₹ 10 each	₹ 5,000,000
Issued, subscribed and paid up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 10,000 equity shares of DC Agencies (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of DC Agencies.

#### 14. Desai Pharma Distributors Private Limited (“Desai”)

##### *Corporate Information*

Desai was incorporated as a private limited company, under the Companies Act, 2013, on September 5, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies. Its corporate identification number is U74999MH2013PTC247908 and its registered office is located at 68/70, Ground Floor, Commercial Mansion, Clive Road, Danabunder, Elphinstone Estate, Mumbai 400 009, Maharashtra, India.

##### *Nature of Business*

Desai is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India

##### *Capital Structure*

The capital structure of Desai is as follows:

Authorised share capital	Aggregate Nominal Value
5,550,000 equity shares of ₹ 10 each	₹ 55,500,000
Issued, subscribed and paid up capital	
5,550,000 equity shares of ₹ 10 each	₹ 55,500,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 5,550,000 equity shares of Desai (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up share capital of Desai.

#### 15. Eastern Agencies Healthcare Private Limited (“Eastern”)

##### *Corporate Information*

Eastern was incorporated as a private limited company, under the Companies Act, 1956, on September 12, 2013 with the name Dial Health Institutional Pharmachem Private Limited pursuant to a certificate of incorporation issued by the Registrar of Companies. Pursuant to the special resolution passed by the shareholders of Eastern at the extraordinary general meeting held on March 20, 2014, its name was changed to Eastern Agencies Healthcare Private Limited. Its corporate identification number is U74999MH2013PTC248123 and its registered office is located at Mohan Studio, Andheri-Kurla Road, Andheri East, Mumbai 400 099, Maharashtra, India.

##### *Nature of Business*

Eastern is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India.

##### *Capital Structure*

The capital structure of Eastern is as follows:

Authorised share capital	Aggregate Nominal Value
11,750,000 equity shares of ₹ 10 each	₹ 117,500,000
Issued, subscribed and paid up capital	
11,750,000 equity shares of ₹ 10 each	₹ 117,500,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 11,750,000 equity shares of Eastern (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Eastern.

## 16. VPI Medisales Private Limited (“VPI”)

### Corporate Information

VPI was incorporated as a private limited company, under the Companies Act, 2013, on August 3, 2016 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U51909KA2016PTC095479 and its registered office is located at 2, 3 & 5<sup>th</sup> Floor, New BBMP Katha No. 269/1, PID No. 45-1-269/1, Junior College Road, Kasturibanagar, Mysore Road, Bangalore 560 026, Karnataka, India.

### Nature of Business

VPI is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India.

### Capital Structure

The capital structure of VPI is as follows:

Authorised share capital	Aggregate Nominal Value
500,000 equity shares of ₹ 10 each	₹ 5,000,000
Issued, subscribed and paid up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 10,000 equity shares of VPI (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Avighna.

## 17. Aarush Tirupati Enterprise Private Limited (“Aarush”)

### Corporate Information

Aarush was incorporated as a private limited company, under the Companies Act, 2013, on January 20, 2020 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U51909WB2020PTC235986 and its registered office is located at 670 Uttarpanchangram, Paschim Chowbagha, Kolkata, 700 100, West Bengal, India.

### Nature of Business

Aarush is authorised to engage in the business of, among others, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India.

### Capital Structure

The capital structure of Aarush is as follows:

Authorised share capital	Aggregate Nominal Value
50,000 equity shares of ₹ 10 each	₹ 500,000
Issued, subscribed and paid up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 10,000 equity shares of Aarush (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Aarush.

## 18. AKP Healthcare Private Limited (“AKP”)

### Corporate Information

AKP was incorporated as a private limited company, under the Companies Act, 2013, on September 27, 2017 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U24304KA2017PTC106747 and its registered office is located at #480, Lenin Nagar, Opposite Taralabalu School, Hadadi Road, Davanagere 577 004, Karnataka, India.

#### *Nature of Business*

AKP is authorised to engage in the business of, among others, dealing, manufacturing, distributing, and marketing maintain stock and pharmaceutical drugs and products as well as in the business of import, export, and distribution of health care instruments, equipment and accessories.

#### *Capital Structure*

The capital structure of AKP is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
10,000 equity shares of ₹ 100 each	₹ 7,000,000
600,000 preference share of ₹ 10 each	
<b>Issued, subscribed and paid up capital</b>	
2,021 equity shares of ₹ 100 each	₹ 202,100

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 1,031 equity shares of AKP aggregating to 51.01% of the issued, subscribed and paid-up equity share capital of AKP.

### **19. Aryan Wellness Private Limited (“Aryan”)**

#### *Corporate Information*

Aryan was incorporated as a private limited company, under the Companies Act, 2013, on November 13, 2017 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U51909HR2017PTC071447 and its registered office is located at Plot no. 11, Near Hero Honda Chowk, Sector- 34, Gurugram 122 001, Haryana, India.

#### *Nature of Business*

Aryan is authorised to engage in the business of, among others, manufacturing, purchasing, selling, marketing and distributing all types of pharmaceutical, medical and health care products. It is also authorised to engage in wholesale distribution of pharmaceutical, FMCG, and nutraceutical products both within and outside India and to carry on the business of and to act among others as marketers, distributors, collaborators, importers or otherwise to deal in all types of automatic, semi-automatic, digital, electronic instruments, all kinds of medical appliances, instruments and equipments.

#### *Capital Structure*

The capital structure of Aryan is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
100,000 equity shares of ₹ 10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 8,000 equity shares of Aryan aggregating to 80% of the issued, subscribed and paid-up equity share capital of Aryan.

### **20. Aushad Pharma Distributors Private Limited (“Aushad”)**

#### *Corporate Information*

Aushad was incorporated as a private limited company, under the Companies Act, 2013, on December 13, 2018 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U24290KA2018PTC119413 and its registered office is located at #168, 2<sup>nd</sup> Main, Yadavagiri, Mysore 570 020, Karnataka, India.

#### *Nature of Business*

Aushad is authorised to engage in the business of, among others, buying, selling, manufacturing, import and export of pharmaceutical products, chemicals, drugs and surgical instruments and equipment and also to establish, run, manage, administer, maintain and operate chemists and druggists’ shops, dispensaries, offices, warehouses, godowns, laboratories and such other premises as well as to conduct analytical and research work of all descriptions pertaining to the above.

### Capital Structure

The capital structure of Aushad is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹ 100 each 11,000 preference shares of ₹ 100 each	₹ 2,100,000
Issued, subscribed and paid up capital	
10,000 equity shares of ₹ 100 each 10,409 preference shares of ₹ 100 each	₹ 2,040,900

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 20 equity shares representing 0.20% of the paid-up equity share capital of Aushad and 10,409 preference shares representing 100% of the paid-up preference share capital of Aushad. Further, on a fully diluted basis, Ascent Wellness and Pharma Solutions Private Limited holds 51.10% of the paid-up share capital of Aushad.

## 21. Dial Health Drug Supplies Private Limited (“DHDSPL”)

### Corporate Information

DHDSPL was incorporated as a private limited company, under the Companies Act, 2013, on November 10, 2015 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra. Its corporate identification number is U51101MH2015PTC270083 and its registered office is located at Ground Floor, Gate 1A, Mohan Studio, Andheri-Kurla Road, Andheri (E), Mumbai 400 099, Maharashtra, India.

### Nature of Business

DHDSPL is authorised to engage in the business of, among others, dealing, manufacturing, distributing of drugs bulk drugs and pharmaceuticals of every description and application with indigenous and/or imported technology as well as to act as marketers, agents, consultants, distributors, collaborators, importers, exporters or otherwise to deal in all types of automatic, semi-automatic, digital, electronic instruments and in all kinds of medical appliances.

### Capital Structure

The capital structure of DHDSPL is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹ 10 each	₹ 100,000
Issued, subscribed and paid up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 10,000 equity shares of DHDSPL (including one equity share held by its nominee shareholder, Hardik Dedhia) aggregating to 100% of the issued, subscribed and paid-up equity share capital of DHDSPL.

## 22. Mahaveer Medi-Sales Private Limited (“Mahaveer”)

### Corporate Information

Mahaveer was incorporated as a private limited company, under the Companies Act, 2013, on March 11, 2016 pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka. Its corporate identification number is U51103KA2016PTC086880 and its registered office is located at No.97, Ground Floor, Mahaveer Arcade, Sirsi Circle, Mysore Road, Chamrajpet, Bangalore 560 018, Karnataka, India.

### Nature of Business

Mahaveer is authorised to engage in the business of, among others, pharma goods distribution buying, selling distributing, storing, stock maintaining, import, and export of medicines, drugs, mixtures, formulations, and other pharmaceutical products and equipment.

### Capital Structure

The capital structure of Mahaveer is as follows:

Authorised share capital	Aggregate Nominal Value
1,000,000 equity shares of ₹ 10 each	₹ 10,000,000

Authorised share capital	Aggregate Nominal Value
<b>Issued, subscribed and paid up capital</b>	
400,000 equity shares of ₹ 10 each	₹ 4,000,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 204,000 equity shares of Mahaveer aggregating to 51% of the issued, subscribed and paid-up share capital of Mahaveer.

### 23. Reenav Pharma Private Limited (“Reenav”)

#### *Corporate Information*

Reenav was incorporated as a private limited company, under the Companies Act, 2013, on April 18, 2018 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U74999MH2018PTC308208 and its registered office is located at 607, 6<sup>th</sup> Floor, Skyline Epitome Building, Near Jolly Gymkhana, Vidya Vihar (West), Mumbai 400 086, Maharashtra, India.

#### *Nature of Business*

Reenav is authorised to engage in the business of, among others, manufacture, trade, import, export, process, sell, and purchase all kinds of medical devices, pharmaceuticals, bulk drugs, chemicals and pharmaceutical formulations, and medical equipment and products.

#### *Capital Structure*

The capital structure of Reenav is as follows:

Authorised share capital	Aggregate Nominal Value
100,000 equity shares of ₹10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
100,000 equity shares of ₹ 10 each	₹ 1,000,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 51,000 equity shares of Reenav aggregating to 51% of the issued, subscribed and paid-up share capital of Reenav.

### 24. Venkatesh Medico Private Limited (“Venkatesh”)

#### *Corporate Information*

Venkatesh was incorporated as a private limited company, under the Companies Act, 2013, on September 26, 2017 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. Its corporate identification number is U24304KA2017PTC106716 and its registered office is located at #480, Lenin Nagar, Opposite Taralabalu School, Hadadi Road, Davanagere 577 004, Karnataka, India.

#### *Nature of Business*

Venkatesh is authorised to engage in the business of, among others, dealing, manufacturing, distributing (including online and offline distribution) of drugs and pharmaceutical products as well as in the business of import, export, and distribution of instruments, equipments, apparatus, and other accessories used in healthcare, treatment, diagnosis, and research.

#### *Capital Structure*

The capital structure of Venkatesh is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹ 100 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
1,000 equity shares of ₹ 100 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 510 equity shares of Venkatesh aggregating to 51% of the issued, subscribed and paid-up share capital of Venkatesh.

## 25. Muthu Pharma Private Limited (“Muthu Pharma”)

### Corporate Information

Muthu Pharma was incorporated as a private limited company, under the Companies Act, 2013, on March 11, 2016 pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu. Its corporate identification number is U51909TN2016PTC104638 and its registered office is located at No. 26, Ground and First Floor, 1<sup>st</sup> Street, Ambattur Industrial Estate North, Pattaravakkam, Thiruvallur – 600 098, Tamil Nadu, India. A scheme of amalgamation has been filed for amalgamation of Muthu Pharma Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited, Shell Pharmaceuticals Private Limited with Ascent Wellness which is pending approval by the Regional Director, Registrar of Companies, Mumbai. For details, see “ - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

### Nature of Business

Muthu Pharma is authorised to engage in the business of, among others, wholesale medical, drugs and general store items and to purchase, import, indent, sell, export and deal in pharmaceutical products, drugs, medicines and chemicals and carry on the business as agents of foreign manufacturers and suppliers of pharmaceutical products, drugs, chemicals and medicines.

### Capital Structure

The capital structure of Muthu Pharma is as follows:

Authorised share capital	Aggregate Nominal Value
250,000 equity shares of ₹ 10 each	₹ 2,500,000
Issued, subscribed and paid up capital	
250,000 equity shares of ₹ 10 each	₹ 2,500,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 250,000 equity shares of Muthu Pharma (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Muthu Pharma.

## 26. Pearl Medicals Private Limited (“Pearl Medicals”)

### Corporate Information

Pearl Medicals was incorporated as a private limited company, under the Companies Act, 1956, on July 14, 1999 pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu. Its corporate identification number is U85120TN1999PTC042837 and its registered office is located at Old Door No. 26, Second Floor, 1st Street, Ambattur Industrial Estate North, Pattaravakkam, Thiruvallur – 600 098, Tamil Nadu, India. A scheme of amalgamation has been filed for amalgamation of Pearl Medicals Private Limited, Rau and Co Pharma Private Limited, Muthu Pharma Private Limited and Shell Pharmaceuticals Private Limited with Ascent Wellness which is pending approval by Regional Director, Registrar of Companies, Mumbai. For details, see “ - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

### Nature of Business

Pearl Medicals is authorised to engage in the business of, among others, dealers, job workers, sellers, buyers, wholesalers, importers, sub-stockists, distributors agents in pharmaceutical, fine chemicals and bulk drugs.

### Capital Structure

The capital structure of Pearl Medicals is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹ 10 each	₹ 100,000
Issued, subscribed and paid up capital	
10,000 equity shares of ₹ 10 each	₹ 100,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 10,000 equity shares of Pearl Medicals (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Pearl Medicals.

## 27. Rau and Co Pharma Private Limited (“Rau Pharma”)

### Corporate Information

Rau Pharma was incorporated as a private limited company, under the Companies Act, 2013, on February 18, 2016 pursuant to a certificate of incorporation issued by the Assistant Registrar of Companies, Tamil Nadu. Its corporate identification number is U51109TN2016PTC104216 and its registered office is located at Old Door No. 26, Ground Floor, 1st Street, Ambattur Industrial Estate North, Pattaravakkam, Thiruvallur – 600 098, Tamil Nadu, India. A scheme of amalgamation has been filed for amalgamation of Rau and Co Pharma Private Limited, Muthu Pharma Private Limited, Pearl Medicals Private Limited, Shell Pharmaceuticals Private Limited with Ascent Wellness which is pending approval by Regional Director, Registrar of Companies, Mumbai. For details, see “ - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” on beginning page 217.

### Nature of Business

Rau Pharma is authorised to engage in the business of, among others, wholesale distribution of pharmaceutical products, food supplements, nutrition, health drinks and carry on the business as dealers, job workers, sellers, buyers, wholesalers distributors, marketing and agents in pharmaceutical products, bulk drugs, intermediates, medicines, allopathic, ayurvedic, homeopathic and all other related products.

### Capital Structure

The capital structure of Rau Pharma is as follows:

Authorised share capital	Aggregate Nominal Value
100,000 equity shares of ₹ 10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
100,000 equity shares of ₹ 10 each	₹ 1,000,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 100,000 equity shares of Rau Pharma (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Rau Pharma.

## 28. Shell Pharmaceuticals Private Limited (“Shell”)

### Corporate Information

Shell was incorporated as a private limited company, under the Companies Act, 1956, on August 5, 2009 pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu. Its corporate identification number is U51909TN2009PTC072476 and its registered office is located at Old Door No. 26, Second Floor, 1st Street, Ambattur Industrial Estate North, Pattaravakkam, Thiruvallur – 600 098, Tamil Nadu, India. A scheme of amalgamation has been filed for amalgamation of Shell Pharmaceuticals Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited and Muthu Pharma Private Limited with Ascent Wellness which is pending approval by Regional Director, Registrar of Companies, Mumbai. For details, see “ - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

### Nature of Business

Shell is authorised to engage in the business of, among others, manufacture of medicines, pharmaceutical products, bulk drugs, intermediates, allopathic, ayurvedic, unani, bio-technological products and monoclonal antibodies genetic by products, derivatives and to carry on the business as dealers, job workers, wholesalers in pharmaceutical products and all other related products.

### Capital Structure

The capital structure of Shell is as follows:

Authorised share capital	Aggregate Nominal Value
100,000 equity shares of ₹ 10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
90,000 equity shares of ₹ 10 each	₹ 900,000

Our Subsidiary, Ascent Wellness and Pharma Solutions Private Limited, holds 90,000 equity shares of Shell (including one equity share held by its nominee shareholder, Siddharth Shah) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Shell.



## 29. Allumer Medical Private Limited (“Allumer”)

### Corporate Information

Allumer was incorporated as a private limited company, under the Companies Act, 2013, on June 26, 2014 pursuant to a certificate of incorporation issued by the Deputy Registrar of Companies, Delhi. Its corporate identification number is U33110DL2014PTC268297 and its registered office is located at 2<sup>nd</sup> Floor, B-6/5, G/F B Block, Okhla Phase II, Ind Area, New Delhi 110 020, India.

### Nature of Business

Allumer is authorised to engage in the business of, among others, owning and operating hospital supplies focussed surgical / consumable distribution business.

### Capital Structure

The capital structure of Allumer is as follows:

Authorised share capital	Aggregate Nominal Value
10,000,000 equity shares of ₹ 10 each	₹ 100,000,000
<b>Issued, subscribed and paid up capital</b>	
9,921,080 equity shares of ₹ 10 each	₹ 99,210,800

Our Subsidiary, Akna Medical Private Limited, holds 9,921,080 equity shares of Allumer (including one equity share held by its nominee shareholder, Saurabh Pandey) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Allumer.

## 30. Shreeji Distributors Pharma Private Limited (“Shreeji Distributors”)

### Corporate Information

Shreeji Distributors was incorporated as a private limited company, under the Companies Act, 1956, on February 22, 2006 pursuant to a certificate of incorporation issued by the Registrar of Companies. Its corporate identification number is U52310MH2006PTC159945 and its registered office is located at Unit No 102(A), 1st Floor, DTC Building Sitaram Mills Compound, N.M Joshi Marg, Lower Parel, Mumbai 400 011, Maharashtra India.

### Nature of Business

Shreeji Distributors is authorised to engage in the business of, among others, owning and operating hospital supplies focussed pharmaceutical distribution business.

### Capital Structure

The capital structure of Shreeji Distributors is as follows:

Authorised share capital	Aggregate Nominal Value
100,000 equity shares of ₹10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
100,000 equity shares of ₹ 10 each	₹ 1,000,000

Our Subsidiary, Akna Medical Private Limited, holds 100,000 equity shares of Shreeji Distributors (including one equity share held by its nominee shareholder, Saurabh Pandey) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Shreeji Distributors.

## 31. Vardhman Health Specialities Private Limited (“Vardhman Health”)

### Corporate Information

Vardhman Health was incorporated as a private limited company, under the Companies Act, 1956, on March 21, 1997 with with the name Ranakpur Pharma Private Limited pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka Bangalore. Pursuant to the special resolution passed by the shareholders of Vardhman Health at the extraordinary general meeting, its name was changed to Vardhman Health Specialities Private Limited, pursuant to a certificate of incorporation dated July 8, 1988 issued by the Registrar of Companies, Karnataka, Bangalore. Its corporate identification number is U85110KA1997PTC022000 and its registered office is located at 199/5 912, 7<sup>th</sup> Main 2<sup>nd</sup> Block, Jayanagar, Bangalore 560 011, Karnataka, India.

#### *Nature of Business*

Vardhman Health is authorised to engage in the business of, among others, carrying on the business in India and elsewhere as manufacturers, producers processors, formulators, merchants, exporters and carry on the business of preparing for sale or otherwise for the manufacture of pharmaceuticals, drugs and medicines injections, among others.

#### *Capital Structure*

The capital structure of Vardhman Health is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
6,000,000 equity shares of ₹ 10 each	₹ 60,000,000
<b>Issued, subscribed and paid up capital</b>	
5,550,000 equity shares of ₹ 10 each	₹ 55,500,000

Our Subsidiary, Akna Medical Private Limited, holds 5,550,000 equity shares of Vardhman Health (including one equity share held by its nominee shareholder, Saurabh Pandey) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Vardhman Health.

### **32. Cosaintis Products Private Limited (“Cosaintis Products”)**

#### *Corporate Information*

Cosaintis Products was incorporated as a private limited company, under the Companies Act, 2013, on March 12, 2021 pursuant to a certificate of incorporation issued by the Deputy Registrar of Companies, Central Registration Centre for and on behalf of the jurisdictional Registrar of Companies. Its corporate identification number is U24230HR2021PTC093612 and its registered office is located at C-6A/2, 2<sup>nd</sup> floor, Ardee City, Sector – 52A, Gurgaon 122 011, Haryana, India.

#### *Nature of Business*

Cosaintis Products is authorised to engage in the business of, among others, of chemists, druggists, buyers, sellers, manufacturers, traders, agents, distributors and stockists in all kinds of healthcare consumables, surgical, pharmaceuticals and allied products in India and abroad on a wholesale basis. Further, it is authorised to carry on the research and developmental activities to develop new products and substitute for imported products and to develop and maintain testing house and laboratory for own use and for others.

#### *Capital Structure*

The capital structure of Cosaintis Products is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
10,000 equity shares of ₹ 10 each	₹ 100,000
<b>Issued, subscribed and paid up capital</b>	
2,000 equity shares of ₹ 10 each	₹ 20,000

Our Subsidiary, Akna Medical Private Limited, holds 2,000 equity shares of Cosaintis Products (including one equity share held by its nominee shareholder, Saurabh Pandey) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Cosaintis Products.

### **33. Healthchain Private Limited (“Healthchain”)**

#### *Corporate Information*

Healthchain was incorporated as a private limited company, under the Companies Act, 2013, on May 7, 2021 pursuant to a certificate of incorporation issued by the Registrar of Companies, Central Registration Centre for an on behalf of the jurisdictional Registrar of Companies. Its corporate identification number is U72900KA2021PTC147222 and its registered office is located at 3<sup>rd</sup> Floor, No.60, Doddakallasandra, Kanakpura Main Road, Bangalore 560 062, Karnataka, India.

#### *Nature of Business*

Healthchain is authorised to engage in the business of, among others, software designing, development, developing and dealing in computer software and solutions and to import, export, sell, purchase, distribute, host or otherwise deal in own and third party computer software packages, programs and solutions and to provide web based

applications, services and solutions, provide or take up information technology related assignments on sub-contracting basis, offering services on-site / off site or through development, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components, spare parts, equipment and devices and in providing consultancy services and trainings.

#### *Capital Structure*

The capital structure of Healthchain is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
10,000 equity shares of ₹ 10 each	₹ 100,000
<b>Issued, subscribed and paid up capital</b>	
2,000 equity shares of ₹10 each	₹ 20,000

Our Subsidiary, Akna Medical Private Limited, holds 1,400 equity shares of Healthchain aggregating to 70% of the issued, subscribed and paid-up equity share capital of Healthchain.

### **34. Supplythis Technologies Private Limited (“Supplythis Technologies”)**

#### *Corporate Information*

Supplythis Technologies was incorporated as a private limited company, under the Companies Act, 2013, on June 7, 2021 pursuant to a certificate of incorporation issued by the Registrar of Companies, Karnataka. Its corporate identification number is U51909KA2021PTCI48214 and its registered office is located at 3<sup>rd</sup> Floor, No.60, Doddakallasandra, Kanakpura Main Road, Bangalore 560 062, Karnataka, India.

#### *Nature of Business*

Supplythis Technologies is authorised to engage in the business of, among others, importers, exporters, wholesale traders, buyers, wholesale sellers, wholesale suppliers, packers, movers, preservers, stockists, agents, sub-agents, wholesale merchants and wholesale distributors of all kinds of surgicals, disposables and consumables, healthcare, ayurvedic and dietary supplement products, vaccines, chemicals, chemical products, dry salters, mineral waters, wines, cordials, liquors, soups, broths and other restoratives or foods or medical equipment, operating tables, operating lights head mirrors, fowlers, beds, wheel chairs, and devices and instruments, of every kind and activation for use for medical purposes, including trolleys, cupboards, incubation tubes, anaesthetic equipment, oxygen cylinders, all kinds of body scanners, x-ray units, x-ray equipment and surgical instruments. Further, Supplythis Technologies is authorised to establish and run health portal, web sites, medical transcription centres, data processing/computer centres, and e-commerce to offer wholesale of surgicals, disposables, healthcare consumables and devices within India and outside India.

#### *Capital Structure*

The capital structure of Supplythis Technologies is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
100,000 equity shares of ₹ 10 each	₹ 1,000,000
<b>Issued, subscribed and paid up capital</b>	
10,000 equity shares of ₹ 10 each	₹ 1,00,000

Our Subsidiary, Akna Medical Private Limited, holds 10,000 equity shares of Supplythis Technologies (including one equity share held by its nominee shareholder, Kartik Despandey) aggregating to 100% of the issued, subscribed and paid-up equity share capital of Supplythis Technologies.

### **35. Thyrocare Technologies Limited (“Thyrocare”)**

#### *Corporate Information*

Thyrocare was incorporated as a public limited company, under the Companies Act, 1956, on January 28, 2000 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai and commenced its business pursuant to the certificate for commencement of business from Registrar of Companies dated March 7, 2000. Its corporate identification number is L85110MH2000PLC123882 and its registered office is located at D-37/1, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai 400 703, Maharashtra, India.

### *Nature of Business*

Thyrocare is authorised to engage in the business of, among others, setting up hospitals, clinics, diagnosis center for thyroid disorders and for teaching, training and imparting practical knowledge in diagnostics and pathology and conducting specialty clinics, by appointing medical and paramedical professionals for diagnosis and therapy of various health care aspects in particular, thyrocare disorders.

Thyrocare operates diagnostics centres and provides services of diagnostic healthcare tests and allied services including pathology and has empanelled with Axelia for providing services to customers. For more details, please see “- Key terms of other subsisting material agreement” on page 223 below.

### *Capital Structure*

The capital structure of Thyrocare is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
100,000,000 equity shares of ₹ 10 each	₹ 1000,000,000
<b>Issued, subscribed and paid up capital</b>	
52,903,332 equity shares of ₹ 10 each	₹ 529,033,320

Our Subsidiary, Docon Technologies Limited, holds 37,656,092 equity shares of Thyrocare representing 71.22% of the issued, subscribed and paid-up equity share capital of Thyrocare.

## **36. Nueclear Healthcare Limited (“Nueclear Healthcare”)**

### *Corporate Information*

Nueclear Healthcare was incorporated as a public limited company, under the Companies Act, 1956, on January 31, 2011 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai and commenced its business on February 24, 2011 pursuant to certificate for commencement of business from the Registrar of Companies, Mumbai. Its corporate identification number is U74120MH2011PLC212839 and its registered office is located at D-37/1, TTC Industrial Area, Turbhe, MIDC, Navi Mumbai 400 703, Maharashtra, India.

### *Nature of Business*

Nueclear Healthcare is authorised to engage in the business of testing, analysis, establishing and setting up of diagnostic centres in the field of nuclear scanning, nuclear scan, petscan, radiology imaging techniques, x-rays, sonography, mammography bsa, whole body computerized axial topography, and cardiac magnetic resonance induction.

### *Capital Structure*

The capital structure of Nueclear Healthcare is as follows:

<b>Authorised share capital</b>	<b>Aggregate Nominal Value</b>
15,000,000 equity shares of ₹ 10 each	₹ 150,000,000
<b>Issued, subscribed and paid up capital</b>	
11,111,000 equity shares of ₹ 10 each	₹ 11,111,000

Our Subsidiary, Thyrocare Technologies Limited, holds 11,111,000 equity shares of Nueclear Healthcare (including one equity share each held by its six nominee shareholders, namely, A. Velumani HUF, A. Sundararaju HUF, A. Sundararaju, Anand Velumani, Amruta Velumani and Dr. Caesar Sengupta ) representing 100% of the issued, subscribed and paid-up equity share capital of Nueclear Healthcare.

## **Accumulated profits or losses**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

## **Significant financial and strategic partners**

Our Company does not have any significant financial or strategic partners as of the date of this Draft Red Herring Prospectus.

## **Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years**

Except as disclosed below, our Company (including the entities which got merged into our Company vide Merger 2020) has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last 10 years:

***Business transfer agreement dated July 3, 2020 entered into by and between Thea Technologies Private Limited (“Thea”) and Threpsi Solutions Private Limited (the “Thea BTA”)***

The Thea BTA was entered into between Thea and Threpsi on July 3, 2020, for transfer on a slump sale basis, as a going concern, of the wholesale business, business of marketing and wholesale of various food products under the label and brand name of ‘LIV EASY’ and ‘EVERHERB’ (which are intellectual property of Thea) and other ancillary business activities of Thea, including the assets and liabilities, undertaken at Ahmedabad, Chennai, Bangalore, Gurugram, Hyderabad, Jaipur and Mumbai which includes, among others, the business assets, contracts, stocks or stock in trade, licenses and permits, insurance policies and all working capital, at these locations, for an aggregate consideration of ₹ 1,220.31 million as provided under the Thea BTA.

***Business transfer agreement dated August 25, 2020 entered into by and between Thea Technologies Private Limited (“Thea”) and Aarush Tirupati Enterprise Private Limited (the “Thea Aarush BTA”)***

The Thea Aarush BTA was entered into between Thea and Aarush Tirupati Enterprise Private Limited on August 25, 2020, for transfer on a slump sale basis, as a going concern, of the wholesale business, business of marketing and wholesale of various food products under the label and brand name of ‘LIV EASY’ and ‘EVERHERB’ (which are the intellectual property of Thea) and other ancillary business activities of Thea undertaken at Kolkata, including the assets and liabilities, among others, the movable and immovable assets, all account receivables, sundry debtors, all material contracts, agreements, undertakings, goodwill, working capital, benefit of any deposits and all regulatory licenses and permits for an aggregate consideration of ₹ 376.57 million as provided under the Thea Aarush BTA, the transfer date being August 26, 2020.

***Business transfer agreement dated August 26, 2020 entered into by and between Thea Technologies Private Limited (“Thea”) and D.C. Agencies Private Limited (the “D.C. Agencies BTA”)***

The D.C. Agencies BTA was entered into between Thea Technologies Private Limited and D.C. Agencies Private Limited on August 26, 2020, for transfer on a slump sale basis, as a going concern, of the wholesale business of Thea, which includes, among others, business of warehousing, storing of pharmaceuticals and nutraceutical products to cater to the needs of retail pharmacies, healthcare service providers, healthcare aggregators and other distributors, other business activities in relation to the wholesale business of Thea and other ancillary business undertaken at the unit and office location in Delhi, including the assets and liabilities, among others, the movable and immovable assets, all account receivables, sundry debtors, all material contracts, agreements, undertakings, goodwill, working capital, benefit of any deposits and all regulatory licenses and permits for an aggregate consideration of ₹ 33.26 million as provided under the D.C. Agencies BTA, transfer date being August 26, 2020.

***Scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited (“Merged Entities”) and their respective shareholders with our Company (“Merger 2020”)***

Pursuant to an order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), NCLT Mumbai approved the scheme of amalgamation filed under Sections 230 to 232 of the Companies Act, which was made effective from August 27, 2020, also being the appointed date, for (a) amalgamation of Thea Technologies Private Limited and Swifto Services Private Limited with 91Streets Media Technologies Private Limited; (b) amalgamation of 91Streets Media Technologies Private Limited with our Company; (c) amalgamation of Ascent Health and Wellness Solutions Private Limited with our Company; and (d) amalgamation of Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited with our Company. The rationale of Merger 2020 was (a) consolidation of shareholdings into a single entity i.e. our Company; (b) eliminating duplicative communication and coordination efforts across multiple entities; (c) reducing the multiplicity of legal and regulatory compliances required across multiple entities; (d) economies in business operations, provide optimal utilization of resources and greater administrative efficiencies; and (e) enable business to pursue growth opportunities and offer investment opportunities to potential investors.

Pursuant to Merger 2020, the respective business activities and operations, including all properties and assets (whether movable or immovable, tangible or intangible), rights and benefits of all agreements, all other interests, rights and powers of every kind, nature and description, secured and unsecured debts, contingent liabilities, encumbrances over assets, legal proceedings and employees of Merged Entities were transferred to our Company. Consequent to Merger 2020, the authorised share capital of our Company increased from ₹ 1,00,000 divided into 10,000 equity shares of ₹ 10 each to ₹ 710,600,000 divided into 11,060,000 equity shares of ₹ 10 each and 60,000,000 preference shares of ₹ 10 each and certain Equity Shares and preference shares of our Company were issued to the erstwhile shareholders of the Merged Entities. For details, see “Capital Structure - Equity Share capital history of our Company” beginning on page 104.

***Business transfer agreement dated August 26, 2020 entered into by and between our Company, Ascent Health and Wellness Solutions Private Limited and Ascent Wellness and Pharma Solutions Private Limited read with the addendum to the business transfer agreement dated January 22, 2021 (the “Ascent BTA”)***

The Ascent BTA was entered into between our Company, Ascent Health and Wellness Solutions Private Limited (“**Confirming Party**”) and Ascent Wellness and Pharma Solutions Private Limited (“**Purchaser**”), for the transfer of the business of, among others, wholesale, distribution, warehousing, purchasing and storing of pharmaceutical and nutraceutical products to cater to the needs of retail pharmacies, healthcare aggregators, other distributors and healthcare business entities of the Confirming Party which had been acquired by our Company as an undertaking pursuant to the Merger 2020 to the Purchaser, on a slump sale basis and going concern, for an aggregate consideration of ₹ 1,664.20 million as provided under the Ascent BTA, with effect from August 27, 2020.

***Business transfer agreement dated September 25, 2020 entered into by and between our Company and Threpsi Solutions Private Limited (the “Threpsi BTA”)***

The Threpsi BTA was entered into between our Company and Threpsi on September 25, 2020, for the transfer of the business of developing, creating and owning technology and technology enabled online platforms including marketplace for facilitating the sale of pharmaceutical, over the counter and nutraceutical products and healthcare services, and other activities ancillary thereto, which was undertaken by 91Streets Media Technologies Private Limited (“**91Streets**”), pursuant to the merger of 91Streets with our Company by way of an order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), by the National Company Law Tribunal, Special bench at Mumbai. Pursuant to the Threpsi BTA, the right, title and interest of our Company in, among others, (a) all movable assets and immovable assets in possession or reversion; (b) all account receivables, sundry debtors, earnest moneys and deposits; (c) all material contracts, agreements, undertakings or other tenancies, goodwill etc.; (d) all assumed liabilities; (e) hired employees; (f) all governmental and regulatory licenses, permits, orders, consents etc.; (g) extension of all insurance covers / benefits under the insurance policies, of 91Streets were transferred by our Company, to Threpsi for an aggregate consideration of ₹ 1,449.18 million, as provided under the Threpsi BTA with effect from September 29, 2020.

***Scheme of amalgamation of Muthu Pharma Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited, Shell Pharmaceuticals Private Limited (“Transferred Entities”) and their respective shareholders with Ascent Wellness and Pharma Solutions Private Limited (“Ascent Wellness Merger”)***

Ascent Wellness and Pharma Solutions Private Limited, one of Subsidiaries, has filed a scheme of amalgamation for amalgamation of Muthu Pharma Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited, Shell Pharmaceuticals Private Limited with Ascent Wellness under Section 233 of the Companies Act with appointed date April 1, 2021 or such other date as may be fixed. The rationale of Ascent Wellness Merger is (a) simplification of group structure; (b) rationalization of administrative overheads; (c) better and more economic and efficient management, control and running of the businesses; and (d) greater administration efficiency.

Pursuant to the Ascent Wellness Merger, the respective business activities and operations, including all properties and assets (whether movable or immovable, tangible or intangible), land and building, leasehold assets, capital work in progress, contracts, employees, legal proceedings, all the receivables, advances, deposits, including but not limited to the business licenses, permits, authorizations, brand names, trademarks, copyrights and any other intellectual property rights of the Transferred Entities will stand transferred to Ascent Wellness. The Ascent Wellness Merger is pending approval by the Regional Director, Mumbai bench and is subject to receipt of requisite approvals.

***Scheme of amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, Arzt and Health Private Limited (“Transferred Entities”) and their respective shareholders with Threpsi Solutions Private Limited (“Threpsi Merger”)***

Threpsi Solutions Private Limited, one of our Material Subsidiaries, has filed a scheme of amalgamation for amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, Arzt and Health Private Limited with Threpsi under Sections 230 to Section 232 of the Companies Act with appointed date of January 22, 2021 or such other date as may be fixed by NCLT Mumbai. The rationale of Threpsi Merger is (a) simplification of group structure; (b) rationalization of administrative overheads; (c) better and more economic and efficient management, control and running of the businesses; and (d) greater administration efficiency.

Pursuant to the Threpsi Merger, the respective business activities and operations, including all properties and assets (whether movable or immovable, tangible or intangible), land and building, leasehold assets, capital work in progress, contracts, employees, legal proceedings, all the receivables, advances, deposits, including but not limited to the business licenses, permits, authorizations, brand names, trademarks, copyrights and any other intellectual property rights of the Transferred Entities will stand transferred to Threpsi. The Threpsi Merger is pending approval by the NCLT, Mumbai and is subject to receipt of requisite approvals.

### **Acquisition of Medlife Entities:**

**Securities Purchase agreement dated December 16, 2020 entered into by and amongst our Company, Medlife International Private Limited, Ananth Sankaranarayanan, Prasad Uno Family Trust, Ananth Sankaranarayanan Family Trust, Matrix Partners India Investments Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Times Internet Limited, Dream Incubator Inc. (“Medlife SPA”) read with the amendment agreement to Medlife SPA dated December 30, 2020**

Pursuant to Medlife SPA, our Company purchased 2,440,057 securities of Medlife International Private Limited from Ananth Sankaranarayanan, Prasad Uno Family Trust, Ananth Sankaranarayanan Family Trust, Matrix Partners India Investments Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Times Internet Limited, Dream Incubator Inc. (“**Medlife Shareholders**”) for an aggregate consideration of ₹ 10,827.61 million provided under the Medlife SPA by way of issue of 17,94,588 CCPS XVI, 1,29,023 CCPS XVII and 9,544 CCPS XVIII of our Company to Medlife Shareholders in accordance with the securities subscription agreement dated December 16, 2020. Further, as part of the Medlife SPA, the Company entered into CCD agreement dated December 16, 2020 with Ivy Icon Solutions LLP (“**Ivy Icon**”) for transferring the existing compulsorily convertible debentures held by Ivy Icon in Medlife International Private Limited in consideration of issuance of CCDs to Ivy Icon by our Company. See “*Capital Structure*” beginning on page 104. In terms of the Medlife SPA, the Medlife Shareholders have provided customary covenants and warranties to our Company, and further, our Company, group companies, our directors, officers, employees, agents, has been provided indemnity from any misrepresentation, inaccuracy or breach of the warranties provided to our Company and loss arising on account of, or in relation to operation by Medlife of the diagnostic laboratory at Kolkata in non-compliance with the provisions of West Bengal Clinical Establishments (Registration, Regulation and Transparency) Act, 2017, including without limitation, operating such laboratory without obtaining requisite prior registrations and licenses. However, such indemnification is subject to maximum thresholds of liability as stipulated under the Medlife SPA. Pursuant to the Medlife SPA, our Company (together with its nominee) acquired 100% of the share capital of Medlife International Private Limited.

**Scheme of amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited (“Transferred Entities”) and their respective shareholders with our Company (“Medlife Merger”)**

Pursuant to an order dated September 24, 2021, Regional Director, Ministry of Corporate Affairs, Mumbai, approved the scheme of amalgamation for amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited with our Company filed under Section 233 of the Companies Act, with the appointed date of January 25, 2021. The rationale of Medlife Merger was (a) simplification of group structure; (b) rationalization of administrative overheads; (c) better and more economic and efficient management, control and running of the businesses; and (d) greater administration efficiency.

Pursuant to the Medlife Merger, the respective business activities and operations, including all properties and assets (whether movable or immovable, tangible or intangible), secured and unsecured debt land and building, leasehold assets, encumbrances on assets, contracts, employees, legal proceedings, capital work in progress, all the receivables, advances, deposits, including but not limited to the business licenses, permits, authorizations, brand names, trademarks, copyrights and any other intellectual property rights of the Transferred Entities were transferred to our Company. Consequent to the Medlife Merger, the authorised share capital of our Company stood increased to ₹ 10,310,800,000 divided into 1,004,818,900 Equity Shares of ₹ 10 each and 26,261,100 preference shares of ₹ 10 each. For details, see “ - *Main objects of our Company*” and “*Amendments to our Memorandum of Association*” beginning on pages 197 and 198 respectively.

### **Thyrocare Acquisition**

**Share purchase agreement dated June 25, 2021 entered into by and amongst Docon Technologies Private Limited, Dr. A. Velumani, A. Sundararaju HUF, A. Velumani HUF, Amruta Velumani, Anand Velumani, A. Sundararaju, Thyrocare Properties and Infrastructure Private Limited, Pavilion Commercial Private Limited, Thyrocare Publications LLP, Sumathi Infra Project LLP, Mahima Advertising LLP (“Thyrocare SPA”)**

Pursuant to Thyrocare SPA, Docon Technologies Private Limited (“**Docon**”), a subsidiary of our Company, acquired 34,972,999 equity shares of Thyrocare Technologies Limited, a listed company incorporated in India, with corporate identity number L85110MH2000PLC123882 (“**Thyrocare**”), aggregating to 66.14% of the equity share capital from Dr. A. Velumani, A. Sundararaju HUF, A. Velumani HUF, Amruta Velumani, Anand Velumani, A. Sundararaju, Thyrocare Properties and Infrastructure Private Limited, Pavilion Commercial Private Limited, Thyrocare Publications LLP, Sumathi Infra Project LLP, and Mahima Advertising LLP (the “**Thyrocare Sellers**”), for an aggregate consideration of ₹ 45,464.90 million provided under the Thyrocare SPA pursuant to which Docon was required to undertake an open offer to the shareholders of Thyrocare in accordance with the SEBI Takeover Regulations. Accordingly, Docon, as the acquirer, issued a public announcement dated June 25, 2021 of an open offer for acquisition of up to 13,755,077 fully paid-up equity shares of face value of ₹ 10 each of Thyrocare from its public shareholders at a price of ₹ 1,300 per equity share in accordance with Regulation 3(1) of the SEBI Takeover Regulations, followed by issue of letter of offer dated August 2, 2021.

Pursuant to such open offer, Docon acquired 2,683,093 equity shares of Thyrocare, aggregating to 5.07% of the equity share capital of Thyrocare for an aggregate consideration of ₹ 3,488.02 million. In terms of the Thyrocare SPA, the parties to the Thyrocare SPA agreed for reclassification of the existing promoters of Thyrocare in accordance with the SEBI Listing Regulations, and application for reclassification of the Thyrocare Sellers as public shareholders has been filed by Thyrocare with the Stock Exchanges. Further, the Parties to the Thyrocare SPA also agreed for certain customary representations and warranties along with certain restrictive covenants of, among others, anti-disparagement, non-solicitation for a period of 60 months from the date of completion and non-compete during the period of 60 months from the completion date. The Thyrocare SPA further provides for deletion of the word 'Thyrocare' from the name of any entities controlled by Thyrocare and assignment of certain trademarks by Dr. A. Velumani in favour of Equinox Labs Private Limited and Nueclear Healthcare Limited. Further, our Company, and our directors have been provided indemnity from any inaccuracy or breach of the warranties provided to our Company and breach of any of the material covenants contained in the Thyrocare SPA by the seller group (as defined under the Thyrocare SPA). However, such indemnification is subject to maximum thresholds of liability as stipulated under the Thyrocare SPA.

### **Aknamed Acquisition**

**Shareholders' Agreement dated August 19, 2021 entered into by and amongst our Company, Akna Medical Private Limited, Vikram Kumaraswamy, Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Lightrock Growth Fund I S.A., SICAV – RAIF ("Lightrock", and the shareholders' agreement, the "Aknamed SHA") read with the share subscription and share purchase agreement dated August 19, 2021 by and amongst our Company, Akna Medical Private Limited, Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra ("Aknamed SSSPA")**

The parties to the Aknamed SHA ("Parties") executed the Aknamed SHA on August 19, 2021 to, *inter alia*, record the terms, understanding and agreement amongst the Parties pursuant to which our Company invested in Akna Medical Private Limited ("Aknamed") by subscribing to an aggregate of 1,204,133 equity shares of Aknamed for an aggregate consideration of ₹ 3,687.00 million provided under the Aknamed SHA. The Aknamed SHA records the terms pursuant to which the Parties shall participate in the organization, operations and affairs of Aknamed and its subsidiaries. In terms of the Aknamed SHA, as long as our Company and Lightrock hold at least 5% of the share capital of Aknamed, our Company and Lightrock are entitled to receive, among others, (a) unaudited quarterly financial statements, including cash flow statements within 30 days of the end of each quarter; (b) audited financial statements, including cash flow statements, within seven business days from the date of adoption of the audited financials by Aknamed; (c) monthly operational reports within 30 days of the end of each month; and (d) annual operating financial budget of Aknamed. Under the Aknamed SHA, Lightrock has certain affirmative voting rights. Furthermore, Lightrock has a tag along right in case of transfer of shares of Aknamed by our Company. Our Company is entitled to nominate three directors on the board of directors of Aknamed.

Further, pursuant to the Aknamed SSSPA, our Company subscribed to 975,937 equity shares of Aknamed for a consideration of ₹ 3,080.00 million as provided under the Aknamed SSSPA. The Aknamed SSSPA provides for the manner of issuance and allotment of the equity shares sold by certain shareholders of Aknamed to our Company. Our Company and the parties to the Aknamed SSSPA have provided certain mutually agreed customary representations and warranties for due incorporation, power and authority to enter into the transaction documents and the execution, delivery and performance of the Aknamed SSSPA being not in conflict with the applicable laws.

**Share purchase agreement dated August 19, 2021 entered into by and amongst our Company, Akna Medical Private Limited ("Aknamed"), Apurva Bhupendra Shah (HUF), Hiten Pravin Shah, Telama Investment, Chitra Mittal, Deepti Talra and Rohit Razdan ("Aknamed Angel SPA")**

Pursuant to the Aknamed Angel SPA, our Company purchased an aggregate of 76,075 equity shares of Aknamed from Apurva Bhupendra Shah (HUF), Hiten Pravin Shah, Telama Investment, Chitra Mittal, Deepti Talra and Rohit Razdan, respectively, for an aggregate consideration of ₹ 240.08 million as provided under the Aknamed Angel SPA.

**Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Akna Medical Private Limited ("Aknamed", and the Agreement to Sell, "Angel Akna ATS")**

Pursuant to the Angel Akna ATS, our Company has agreed to purchase in tranches 45,886 equity shares of Aknamed for an aggregate consideration of ₹ 144.81 million as provided under the Angel Akna ATS representing 1.37% of the issued and paid-up share capital of Aknamed ("Angel Sale Shares"), from Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy. The completion date for Angel Sale Shares as per Angel Akna ATS is February 1, 2022 or such other later as may be mutually agreed between the parties to the Angel Akna ATS.

**Agreement to Sell dated October 7, 2021 entered into by and amongst our Company, Lightrock Growth Fund I S.A., SICAV – RAIF ("Lightrock") and Akna Medical Private Limited ("Aknamed", and the agreement to sell, "Lightrock ATS")**



Pursuant to the Lightrock ATS, our Company has agreed to purchase in tranches (a) 693,248 equity shares of Aknamed for an aggregate consideration of ₹ 3,281.77 million as provided under the Lightrock ATS representing 20.68% of the issued and paid-up share capital of Aknamed (“**Tranche I Shares**”); and (b) 357,128 equity shares of Aknamed for an aggregate consideration of ₹ 1,690.61 million as provided under the Lightrock ATS representing 10.65% of the issued and paid-up share capital of Aknamed (“**Tranche II Shares**”), from Lightrock. The closing date for Tranche I Shares as per Lightrock ATS is April 30, 2022 or such other date as may be mutually agreed between the parties to the Lightrock ATS and the completion date for Tranche II Shares is May 31, 2023 or such other date as may be mutually agreed between the parties to the Lightrock ATS. Post fulfilment of obligations under the Lightrock ATS, Aknamed will become our wholly-owned subsidiary.

***Share subscription agreement dated August 19, 2021 entered into by and amongst our Company, Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra (“Akna Shareholders SSA”)***

Pursuant to the Akna Shareholders SSA, our Company issued and allotted an aggregate of 224,740 Equity Shares to Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra for an aggregate consideration of ₹ 1,318.10 million as provided under the Akna Shareholders SSA. For details, see “*Capital Structure - Equity share capital history of our Company*” beginning on page 104. Further, a side letter arrangement dated August 19, 2021 (“**Side Letter**”) has been entered into by and amongst our Company and Mahadevan Narayanamoni and Saurabh Pandey (“**Akna Founders**”) to record the rights and obligations of the Akna Founders as the shareholders of our Company. The Side Letter provides that, amongst others, Akna Founders shall have the same rights and obligations as the Founders for the purpose of certain clauses of the API SHA. Further, on and from January 2023, in the event an initial public offer is not consummated by the Company, each Akna Founder shall be entitled to transfer securities (including employee stock options granted to such Akna Founder, or any compulsorily convertible debentures, warrants or other similar instruments convertible into equity shares subscribed to by such Akna Founder) of the Company worth up to ₹250 million to any person (other than a competitor), without prior consent.

***Marg Acquisition***

***Shareholders’ agreement dated October 12, 2021 entered into by and amongst our Company, Marg ERP Limited, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi and Roxy Kanwar (“Marg SHA”) read with the share purchase agreement dated October 12, 2021, entered into by and amongst our Company, Marg ERP Limited, Anup Singh, Mahender Singh and Sudhir Singh (“Marg SPA”)***

Pursuant to the Marg SHA and the Marg SPA, our Company purchased an aggregate of 4,917,499 equity shares of face value of ₹ 10 each of Marg ERP Limited for an aggregate consideration of ₹ 2,548.00 million as provided under the Marg SPA from Sudhir Singh, Anup Singh and Mahender Singh. In terms of the Marg SHA, our Company has certain rights with respect to, among others, nomination of directors on the board of directors, representation on the committees of the board of directors, receipt of financial information of Marg ERP Limited, budgets, quarterly reports on the performance and annual business plans. Further, the parties to the Marg SHA have agreed to certain restrictive covenants including those for restricted transfer of shares without prior consent, right of pre-emption and tag-along rights.

***Agreement to Sell dated October 12, 2021 entered into by and amongst our Company, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi, Roxy Kanwar and Marg ERP Limited, (“Marg ATS”)***

Pursuant to the Marg ATS, our Company has agreed to purchase an aggregate of 5,082,501 equity shares (“**Sale Shares**”) of Marg ERP Limited (“**Marg**”) for an aggregate consideration of ₹ 2,633.51 million as provided under the Marg ATS representing 50.64% of the issued and paid-up share capital of Marg on a fully diluted basis from certain shareholders of Marg. Our Company’s right to purchase the Sale Shares shall accrue post March 31, 2022 and the parties to the Marg ATS have agreed for a long stop date of December 30, 2023 to achieve closing of the Marg ATS, subject to extension, as mutually agreed in terms of the Marg ATS.

***Summary of key agreements***

***Agreements with Key Managerial Personnel, Director, or any other employee***

Except for the following, there are no agreements entered into by a Key Managerial Personnel or Director or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company :

Grant of up to 330,000,000 options (“**IPO ESOPs**”) to the Founders pursuant to ESOP Plan 2020 during the period commencing from the date six months subsequent to the commencement of listing and trading of the Equity Shares of the Company pursuant to the Issue until eighteen months subsequent to the listing and trading of Equity Shares. The vesting of IPO ESOPs is linked to a pre-determined valuation of Equity Shares in the Issue and shall take place on the third and sixth anniversary of the date of listing of the Equity Shares subject to the volume weighted average closing price of the Equity Shares being more than certain percentage of the price at which the Equity Shares will be issued in the Issue. The grant of IPO ESOPs

under the ESOP Plan 2020 will be subject to Shareholders' approval post the commencement of listing and trading of the Equity Shares pursuant to the Issue.

### **Key terms of other subsisting material agreements**

Except for the shareholders' agreements and share subscription agreements, disclosed below, our Company has not entered into any other subsisting material agreements other than in the ordinary course of business of our Company.

### **API Holdings Restated SHA**

The parties to the API Holdings Restated SHA ("**Parties**") executed the API Holdings Restated SHA on September 27, 2021 to, *inter alia*, record the terms, understanding and agreement amongst the Parties pursuant to which the Parties shall participate in the organization, management, operations and affairs of our Company and the Subsidiaries with effect from the effective date (as defined in the API Holdings Restated SHA) and the terms governing their inter-se relationship in respect of the shareholding, management and administration of our Company and the Subsidiaries. The API Holdings Restated SHA constitutes the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings between the Parties.

The API Holdings Restated SHA sets out the terms and conditions governing the certain category of CCPS and the CCDs issued by our Company (which have been converted into Equity Shares of our Company), including in relation to dividend, voting and conversion thereof. The API Holdings Restated SHA provides the Parties a pre-emptive right to be offered any new securities to be issued by our Company, and anti-dilution protection by way of adjustment to the reference price of the CCPS and the CCDs (which have been converted into Equity Shares of our Company) in the event of any bonus issuer, stock-split, sub-division, consolidation or other capital restructuring, reorganization or reclassification or similar action or event in the share capital of our Company. The API Holdings Restated SHA also sets out terms and conditions in relation to issue of employee stock options to the employees of the Company and its Subsidiaries.

In terms of the Restated API SHA, our Company is required to obtain prior consent of Founders in relation to the following reserved matters, amongst others:

- Any change, variation or amendment of charter documents of our Company if it adversely and selectively affects the rights of any of the Founders;
- Any change, variation, or amendment to the rights and/or obligations of any the Founders;
- Removal of any founder director from the Board except under certain conditions stipulated under the API Holdings Restated SHA;
- Finalization and adoption of the business plan and any changes or amendments thereto;
- Commencement of a new activity or line of business by our Company;
- Formulation or adoption by our Company or any Subsidiary of any employee stock option plan/employee stock option scheme and allocation/grant of option under any such scheme / plan; and
- Appointment or termination of any key managerial personnel (other than the Founders) or any changes in the terms of employment of any key managerial personnel (other than the Founders), including changes to compensation.

Further, our Company is also required to obtain prior consent of certain investors in relation to the following reserved matters, among others:

- Alteration of any provision of the charter documents of our Company;
- Creation or issuance of any Equity Shares or security convertible into Equity Shares other than issuance pursuant to an employee stock option scheme;
- Formulation or adoption by our Company or any of our Subsidiaries of any employee stock option scheme and allocation / grants of options to Founders, basis the valuation report which is equal to or higher than the previous round of valuation at which equity shares or any convertible security was issued by our Company;
- Issue of securities with more favourable terms and rights than given to the holders of preferred securities (as defined under the API Holdings Restated API SHA);
- Any buy-back or declaration of dividends or other distributions to security holders (other than in accordance with the recent approved business plan);

- Any change to our Company's trade name or branding;
- Pricing for the Issue, appointment or termination of book running lead manager and determining the place / stock exchange for the Issue
- Entry / modification/ termination of, or material waiver or any material consent under any contract of our Company or any Subsidiary in relation to license, assignment or transfer of intellectual property rights of our Company and/or our Subsidiary;
- Any increase or decrease in the size of the board of directors of our Company and any changes or amendments thereto on account of appointment of independent directors;
- Determination of the directors to be appointed on the board of the Subsidiaries subject to the shareholders' agreement entered into between the shareholders of such Subsidiaries;
- Commencement or settlement of any litigation claim or proceeding;
- Appointment or termination of the employment or any material changes in the terms of employment of any key management personnel (excluding the founders); and
- Termination of founders' employment with our Company or a Subsidiary, as the case may be, pursuant to the mutual written understanding of our Company and the founders.

The API Holdings Restated SHA also provides for (a) non-compete by the Founders during the term of their employment agreement entered into by the relevant founder with our Company or any Subsidiaries until a period of 48 months from the date on which Founders' employment with our Company or the relevant Subsidiary, as the case may be, is terminated; (b) right of first refusal and tag along rights of other shareholders who hold 2% or more of the share capital of our Company on a fully diluted basis following the manner set out in the API Holdings Restated SHA in relation to any securities proposed to be transferred by the Founders or their respective immediate relatives or the Founder Group Shareholders and any persons to whom the Founders and Founder Group Shareholders are permitted in accordance with the API Holdings Restated SHA to transfer their securities to; (c) permitted thresholds up to which securities held by certain Parties can be transferred during stipulated periods; (d) restrictions upon transfer of securities to investors and requirements in relation to change of control; and (e) director nomination rights of certain parties and quorum requirements in relation to meetings of the Board and general meetings of our Company.

The API Holdings Restated SHA also provides that upon completion of the initial public offering of Equity Shares of our Company, the API Holdings Restated SHA shall automatically stand terminated and all rights available to the Shareholders shall fall away.

### ***Agreements in relation to Axelia***

#### ***Amended and restated licensing and services agreement dated July 29, 2021 entered into by and between Threpsi Solutions Private Limited ("Licensor") and Axelia Solutions Private Limited ("Licensee") (the "Licensing Agreement")***

Pursuant to the Licensing Agreement, the Licensor has granted to the Licensee a limited, revocable, non-exclusive, non-assignable, non-transferable, non-sub licensable license to use in India (a) the online e-commerce marketplace platform 'PharmEasy'; (b) all the intellectual property, including but not limited to, any invention, trademark, service mark, trade dress, logo, trade name and corporate name, trade secret and confidential business information, related to the marketplace platform 'PharmEasy'; and (c) any upgrade, development, improvement, enhancement, modification, adaptation, among others, for the business of the Licensee. The Licensee shall be obligated to use the platform solely in relation to operations and running of the platform and is prohibited from using the same in relation to any other business or for any other purpose. The Licensee shall indemnify the Licensor for, among others, breach or non-performance of obligations, representations, warranties, covenants, infringement of any third party intellectual property in relation to operating the platform, and consumer disputes/ complaints or product liability arising out of the operations of the platform.

In terms of the Licensing Agreement, the Licensee is required to pay to the Licensee within 30 business days of the end of every quarter of each financial year a minimum of 1% of the gross merchandise value transacted on the marketplace platform 'PharmEasy', exclusive of goods and services tax. The Licensing Agreement may be terminated (a) by mutual written consent of the Licensor and Licensee; and (b) by the Licensor in the event, among others, where (i) Licensee has been denied or deprived of substantial part or all of the authorizations required under applicable law to carry on its business and / or operate the online e-commerce marketplace platform 'PharmEasy'; (ii) by providing 30 business days' notice if the Licensee commits breach of any provisions of the Licensing Agreement and if the breach is capable of remedy, the Licensee fails to remedy within 15 business days after receipt of a written notice from the Licensor; (iii) the Licensee challenges the validity or the ownership or the entitlement of the Licensor to the confidential information, intellectual property on the e-commerce marketplace platform 'PharmEasy' and the improvements thereto.

**Shareholders' Agreement dated July 29, 2021 entered into by and amongst our Company, JM Financial Products Limited, Mathew Cyriac, Krushang Boria, Himanshu and Aarman Solutions Private Limited ("Aarman") read with the share subscription agreement dated July 29, 2021 (Collectively, the "Aarman Investment Agreements")**

Aarman, along with its nominee Krushang Boria, holds 100% of the shareholding of Axelia, on a fully diluted basis, which operates marketplace platform 'Pharmeasy' pursuant to the Licensing Agreement, mentioned above.

Pursuant to the Aarman Investment Agreements, (a) JM Financial Products Limited acquired (i) 1,999,000 equity shares and 7,996,000 compulsorily convertible cumulative preference shares of face value of ₹ 10 each; and (ii) 4,900,000 equity shares and 19,600,000 compulsorily convertible cumulative preference shares of face value of ₹ 10 each, for an aggregate consideration of ₹ 344.95 million; (b) our Company acquired 19.99% of the paid-up share capital of Aarman comprising (i) 1,999,000 equity shares and 7,996,000 compulsorily convertible cumulative preference shares of face value of ₹ 10 each for an aggregate consideration of ₹99.95 million; and (c) Mathew Cyriac acquired 1,102,000 equity shares and 4,408,000 compulsorily convertible cumulative preference shares of face value of ₹ 10 each of Aarman for an aggregate consideration of ₹ 55.10 million. Our Company and other investors have been provided customary representations and warranties by Aarman in terms of the Aarman Investment Agreements. Our Company has other rights such as drag along, tag along, right to first refusal, right to first offer, in the event of any transfer of shares by any other party, subject to terms and conditions specified in the agreement.

**Brand usage agreement dated September 20, 2021 entered into by and amongst Threpsi Solutions Private Limited and our Company ("Brand Usage Agreement")**

Pursuant to the Brand Usage Agreement, effective from April 1, 2021, Threpsi has granted a limited and restricted right on a non-exclusive, non-sub assignable, non-transferable, revocable basis in (a) the brand / mark /intellectual property (including the domain name) related to the online e-commerce marketplace platform 'PharmEasy'; and (b) certain trademarks assigned by our Company to Threpsi (collectively, the "Brand Names") vide deed of assignment dated September 25, 2020 which was effective from September 29, 2020, to our Company till the validity of the Brand Usage Agreement. The Brand Usage Agreement can be terminated by our Company or Threpsi by providing a prior notice of 30 days. Our Company is required to pay to Threpsi a brand usage fee of 1% of sales (as and when generated by our Company using the Brand Names) subject to a minimum value of ₹ 3 million per annum which our Company is required to pay for promoting its services and business, as agreed under the Brand Usage Agreement. The frequency of payment period will be mutually decided by the parties.

**Logistics Service Agreement dated September 9, 2021 between Axelia Solutions Private Limited ("Recipient") and our Company (the "Logistics Agreement")**

Pursuant to the Logistics Agreement, our Company has agreed to provide the services of, among others, (a) managing and supervising delivery persons for providing the logistics services; (b) manage procurement of products and further delivery of such products; (c) supervise receipt, management and transmission of products; and (d) receiving, routing and dispatch of the products. In terms of the Logistics Agreement, our Company is paid a commission ranging between 10% to 20% depending on the delivery type and supplier city, among others, within the time period as may be mutually agreed between our Company and the Recipient. The Logistics Agreement can be terminated by our Company or the Recipient by giving a 30 days advance notice.

**Service listing agreement dated October 26, 2021 entered into by and amongst Axelia Solutions Private Limited ("Axelia") and our Company ("Service Listing Agreement")**

Pursuant to the Service Listing Agreement, Axelia is engaged to, among others, list our Company's laboratories and the laboratories empanelled by our Company for providing the diagnostic services on the 'PharmEasy' platform under our Company's brand name of PharmEasy labs or any other name/mark of our Company. In terms of the Service Listing Agreement, Axelia is required to pass on the order details immediately to the selected laboratory by the user for providing the diagnostic services, list all the test and information in relation to the diagnostic services, among others. The consideration charged by Axelia to our Company under the Service Listing Agreement is 10% exclusive of the goods and services tax on the transaction value net of discounts and the Service Listing Agreement can be terminated by our Company or Axelia without assigning any reason and by giving a prior written notice of 30 days.

**Vendor agreement dated June 10, 2021 entered into by and amongst Axelia Solutions Private Limited ("Axelia") and Docon Technologies Private Limited ("Docon") read with the amendment agreement dated October 20, 2021 (the "Vendor Agreement")**

Pursuant to the Vendor Agreement, Docon has been appointed for providing the tele-consultancy services through the doctors registered on the 'DocStat' platform to the customers on the PharmEasy platform and Axelia shall facilitate the services for the customers on the PharmEasy platform which is operated by Axelia. The consideration to be paid is decided on a mutually agreed basis. Further, Docon is required to provide the services mentioned above to 80% of the customers as

facilitated by Axelia. The Vendor Agreement can be terminated by Docon or Axelia without assigning any reason and by giving a prior written notice of 30 days.

***Service agreement dated October 20, 2021 entered into by and amongst Axelia Solutions Private Limited (“Axelia”) and Docon Technologies Private Limited (“Docon”) (the “Docon Service Agreement”)***

Pursuant to the Docon Service Agreement, Docon has availed the listing services on a non-exclusive and contractual basis provided by Axelia on the ‘PharmEasy’ platform for providing online medical consultancy (including but not limited to tele-consultancy) to the users of the ‘PharmEasy’ platform through its doctors. Docon is required to pay a sum amounting to 2% of the transaction value on the ‘PharmEasy’ platform to Axelia by way of a listing fee. The Docon Service Agreement can be terminated by Docon or Axelia without assigning any reason and by giving a prior written notice of 30 days.

***Healthcare Service agreement dated July 29, 2021 entered into by and amongst Axelia Solutions Private Limited (“Axelia”) and Thyrocare Technologies Limited (“Thyrocare”) (the “Thyrocare Service Agreement”)***

Pursuant to the Thyrocare Service Agreement which is effective from January 13, 2021, Thyrocare has been empanelled with Axelia to provide the diagnostic and pathology services excluding radiology and imaging services to the users of the ‘PharmEasy’ mobile application and from the website ‘www.pharmeasy.in’. In terms of the Thyrocare Service Agreement, Axelia shall provide the diagnostic orders generated on the ‘PharmEasy’ platform to Thyrocare based on the choice of lab mentioned by the user. The Thyrocare Service Agreement can be terminated by Thyrocare or Axelia without assigning any reason and by giving a prior written notice of 30 days.

## OUR MANAGEMENT

### Board of Directors

In terms of the Articles of Association, our Company is required to have not more than 15 Directors. As on date of this Draft Red Herring Prospectus, our Board comprises 11 Directors including three Executive Directors, three Non-Executive Directors and five Independent Directors (including one woman Independent Director).

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
1.	<p>Siddharth Shah</p> <p><b>DIN:</b> 05186193</p> <p><b>Designation:</b> Co-founder, Managing Director and Chief Executive Officer</p> <p><b>Term:</b> Appointed as Managing Director for five years with effect from August 27, 2020 and not liable to retire by rotation</p> <p><b>Period of directorship:</b> Managing Director since August 27, 2020</p> <p><b>Address:</b> Opposite Odeion Cinema, 701/702 B Wing, Kailash Tower, Vallabh Baug Lane, Ghatkopar (East), Mumbai 400 075, Maharashtra, India</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> July 31, 1988</p> <p><b>Age:</b> 33 years</p>	<ul style="list-style-type: none"> <li>• JM Financial Home Loans Limited</li> </ul>
2.	<p>Aditya Puri</p> <p><b>DIN:</b> 00062650</p> <p><b>Designation:</b> Chairman and Non-Executive Director</p> <p><b>Term:</b> Appointed with effect from April 20, 2021 and liable to retire by rotation</p> <p><b>Period of directorship:</b> Director since April 20, 2021</p> <p><b>Address:</b> 1002, 10<sup>th</sup> Floor, Vinayak Angan, N.B. Parulekar Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India</p> <p><b>Occupation:</b> Business</p> <p><b>Date of birth:</b> October 27, 1950</p> <p><b>Age:</b> 71 years</p>	<ul style="list-style-type: none"> <li>• Salisbury Investments Private Limited</li> <li>• Solara Active Pharma Sciences Limited</li> <li>• Stelis Biopharma Limited</li> </ul>
3.	<p>Harsh Parekh</p> <p><b>DIN:</b> 06661731</p> <p><b>Designation:</b> Co-founder and Whole-time Director</p>	NIL

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
	<p><b>Term:</b> Appointed as Whole-time Director for five years with effect from August 27, 2020 and liable to retire by rotation</p> <p><b>Period of directorship:</b> Director since July 1, 2019</p> <p><b>Address:</b> B-403, Aaradhya One, G.M. Road, Amar Mahal Junction, Chembur West, Mumbai 400 089, Maharashtra, India</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> June 29, 1987</p> <p><b>Age:</b> 34 years</p>	
4.	<p>Dharmil Sheth</p> <p><b>DIN:</b> 06999772</p> <p><b>Designation:</b> Co-Founder and Whole-time Director</p> <p><b>Term:</b> Appointed as Whole-time Director for five years with effect from September 9, 2021 and liable to retire by rotation</p> <p><b>Period of directorship:</b> Director since September 9, 2021</p> <p><b>Address:</b> 8A, 804, Akash Deep CHS Damodar Park, LBS Marg, Near R City Mall, Ghatkopar West, Mumbai 400 086, Maharashtra, India</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> September 19, 1988</p> <p><b>Age:</b> 33 years</p>	<ul style="list-style-type: none"> <li>• Nueclear Healthcare Limited</li> <li>• Solar Magic Private Limited</li> <li>• Thyrocare Technologies Limited</li> </ul>
5.	<p>Ashutosh Sharma</p> <p><b>DIN:</b> 07825610</p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Term:</b> Appointed with effect from April 5, 2021 and liable to retire by rotation</p> <p><b>Period of directorship:</b> Director since April 5, 2021</p> <p><b>Address:</b> #9173, Prestige Shantiniketan, Opposite Bg Bazar, Whitefield, Bangalore 560 066, Karnataka, India</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> August 27, 1977</p> <p><b>Age:</b> 44 years</p>	<ul style="list-style-type: none"> <li>• BUNDL Technologies Private Limited</li> <li>• Idisha Info Labs Private Limited</li> <li>• Meesho Inc.</li> <li>• NTEX Transportation Services Private Limited</li> </ul>
6.	<p>Ankur Thadani</p> <p><b>DIN:</b> 03566737</p>	<ul style="list-style-type: none"> <li>• Campus Activewear Private Limited</li> <li>• Fourth Partner Energy Private Limited</li> </ul>

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
	<p><b>Designation:</b> Non-Executive Director</p> <p><b>Term:</b> Appointed with effect from March 2, 2021 and liable to retire by rotation</p> <p><b>Period of directorship:</b> Director since March 2, 2021</p> <p><b>Address:</b> 1101, Floor 11, Monte Carlo, Opposite P and T Colony, Madan Mohan Malviya Road, Mulund West, Mumbai 400 080, Maharashtra, India</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> April 1, 1984</p> <p><b>Age:</b> 37 years</p>	<ul style="list-style-type: none"> <li>• Nova Medical Centers Private Limited</li> <li>• Quality Care India Limited</li> <li>• Rhea Healthcare Private Limited</li> <li>• Solara Active Pharma Sciences Limited</li> <li>• Stelis Biopharma Limited</li> <li>• Steriscience Specialties Private Limited</li> </ul>
7.	<p>Deepak Vaidya</p> <p><b>DIN:</b> 00337276</p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director for five years with effect from September 9, 2021.</p> <p><b>Period of directorship:</b> Director since April 20, 2021</p> <p><b>Address:</b> 251 Suraj Bldg, Walkeshwar Road, Malabar Hills, Mumbai 400 006, Maharashtra, India</p> <p><b>Occupation:</b> Consultant</p> <p><b>Date of birth:</b> January 9, 1945</p> <p><b>Age:</b> 76 years</p>	<ul style="list-style-type: none"> <li>• Apollo Multispeciality Hospitals Limited</li> <li>• Criss Financial Limited</li> <li>• Indraprastha Medical Corporation Limited</li> <li>• Marudhar Hotels Private Limited</li> <li>• Spandana Sphoorty Financial Limited</li> <li>• Strides Pharma Science Limited</li> <li>• Suntec Business Solutions Private Limited</li> <li>• UTI Capital Private Limited</li> </ul>
8.	<p>Vineeta Rai</p> <p><b>DIN:</b> 07013113</p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director for five years with effect from September 9, 2021</p> <p><b>Period of directorship:</b> Director since September 9, 2021</p> <p><b>Address:</b> House no. 20-A, Poorvi Marg, Near E Block Market, Vasant Vihar, Vasant Vihar-I, South West Delhi, New Delhi 110 057, India</p> <p><b>Occupation:</b> Retired Civil Servant (Indian Administrative Service)</p> <p><b>Date of birth:</b> September 5, 1944</p> <p><b>Age:</b> 77 years</p>	<ul style="list-style-type: none"> <li>• Indraprastha Medical Corporation Limited</li> <li>• Solara Active Pharma Sciences Limited</li> <li>• Stelis Biopharma Limited</li> </ul>
9.	<p>Subramaniam Somasundaram</p> <p><b>DIN:</b> 01494407</p>	<ul style="list-style-type: none"> <li>• Innoviti Payment Solutions Private Limited</li> <li>• Teamlease Services Limited</li> </ul>



S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other directorships
	<p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director for five years with effect from September 9, 2021</p> <p><b>Period of directorship:</b> Director since September 9, 2021</p> <p><b>Address:</b> H-46, Chaithanya Smaran, Whitefield Hoskote Road, Near Shell Petrol Bunk, Kannamangala, Bangalore 560 067, Karnataka, India</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> November 28, 1960</p> <p><b>Age:</b> 60 years</p>	<ul style="list-style-type: none"> <li>• Titan Commodity Trading Limited</li> </ul> <p><b>Foreign Entity</b></p> <ul style="list-style-type: none"> <li>• Favre Leuba AG, Switzerland</li> </ul>
10.	<p>Ramakant Sharma</p> <p><b>DIN:</b> 02318054</p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director for five years with effect from September 9, 2021</p> <p><b>Period of directorship:</b> Director since September 9, 2021</p> <p><b>Address:</b> Flat no. DF04, Banyantree APTs, Kariyama Agarahara, Debarbisanahalli, Bellandur ORR, Bangalore 560 103, Karnataka, India</p> <p><b>Occupation:</b> Business</p> <p><b>Date of birth:</b> December 12, 1979</p> <p><b>Age:</b> 41 years</p>	<ul style="list-style-type: none"> <li>• Home Interior Designs E-Commerce Private Limited</li> <li>• Indepot Technologies Private Limited</li> <li>• Ukeyo Technologies Private Limited</li> <li>• Workspace Business Services Private Limited</li> </ul> <p><b>Foreign Entity</b></p> <ul style="list-style-type: none"> <li>• Lambda Computing Inc.</li> <li>• Livspace Pte. Limited</li> <li>• Pay Later Partners Pte. Limited</li> </ul>
11.	<p>Jaydeep Tank</p> <p><b>DIN:</b> 05014753</p> <p><b>Designation:</b> Independent Director</p> <p><b>Term:</b> Appointed as Independent Director for five years with effect from September 9, 2021.</p> <p><b>Period of directorship:</b> Director since September 9, 2021</p> <p><b>Address:</b> Near Somaiya College, 701, Madhav Meera, Neelkanth Valley, Ghatkopar (East), Mumbai, 400 077, Maharashtra, India</p> <p><b>Occupation:</b> Obstetrician and Gynaecologist</p> <p><b>Date of birth:</b> March 14, 1969</p> <p><b>Age:</b> 52 years</p>	<ul style="list-style-type: none"> <li>• Akna Medical Private Limited</li> <li>• Docon Technologies Private Limited</li> <li>• Mahaveer Med-Sales Private Limited</li> <li>• Pinnacle Wellbeing Private Limited</li> <li>• Threpsi Solutions Private Limited</li> </ul>

## Relationship between our Directors

None of our Directors are related to each other or our Key Managerial Personnel.

## Brief biographies of our Directors

**Siddharth Shah** is the Co-founder, Managing Director and Chief Executive Officer of our Company. He holds a bachelor's degree in computer engineering from the Dwarakadas J. Sanghavi College, Mumbai and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was associated with Ascent Health and Wellness Solutions Private Limited as its managing director. He has been a Director on our Board since August 27, 2020.

**Aditya Puri** is the Chairman and a Non-executive Director of our Company. He is a chartered accountant and an associate member of the Institute of Chartered Accountants of India, New Delhi. Previously, he has been associated with HDFC Bank Limited as its managing director. He has been a Director on our Board since April 20, 2021.

**Harsh Parekh** is a Co-founder and Whole-time Director of our Company. He holds a master's degree in business administration from the School of Business Management, Narsee Monjee Institute of Management Studies, Mumbai. Previously, he was associated with Bharti Airtel Limited. He was also the Chief Operations Officer of Ascent Health and Wellness Solutions Private Limited. He has been a Director on our Board since July 1, 2019.

**Dharmil Sheth** is a Co-founder and Whole-time Director of our Company. He holds a bachelor's degree in electronics engineering from the K.J. Somaiya College of Engineering, University of Mumbai and a post graduate diploma degree in management (marketing) from the Institute of Management Technology, Ghaziabad. He was associated with MakeMyTrip (India) Private Limited as a part of the online products team, and with 91Streets Media Technologies Private Limited as director and co-founder. He has been a Director on our Board since September 9, 2021.

**Ashutosh Sharma** is a Non-Executive Director of our Company. He holds a master's degree of business administration from the University of Chicago, Booth School of Business, Illinois. He was associated with Norwest Venture Partners, Qualcomm India Private Limited and is currently associated with MIH Internet Private Limited (a Prosus Company). He has been a Director on our Board since April 5, 2021.

**Ankur Thadani** is a Non-Executive Director of our Company. He holds a bachelor's degree in electronics and telecommunication engineering from the University of Mumbai, Maharashtra. He is associated with TPG Growth and RISE Fund as a partner. He has been a Director on our Board since March 2, 2021.

**Deepak Vaidya** is an Independent Director of our Company. He is a chartered accountant and an associate member of the Institute of Chartered Accountants of India, New Delhi. He is on the board of various companies in the pharmaceutical, hospitals, and finance sector. He has been a Director on our Board since April 20, 2021.

**Vineeta Rai** is an Independent Director of our Company. She holds a bachelor's degree in arts (history honours) from the University of Delhi, New Delhi. She is a retired Indian Administrative Officer (Batch of 1968) and has an experience in the fields of health administration and finance with work experience in the Ministry of Finance, Government of India. She was also appointed as member secretary of the Second Administrative Reforms Commission. She has serviced as Whole Time Member of National Consumer Disputes Redressal Commission from June 02, 2010 to August 13, 2014. She was in UNFPA (United Nations Population Fund) Country Support Team for South and Central Asia as an Advisor on Gender, Population and Development from November 1993 to March 1999. She has been a Director on our Board since September 9, 2021.

**Subramaniam Somasundaram** is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Madras and is a chartered accountant and cost accountant with experience in finance, strategy and business roles. Previously, he was associated with the Titan Company Limited, as its chief financial officer. During his association with Titan Company Limited, he was also on the board of its subsidiaries like Caratlane Trading Private Limited, Titan Engineering and Automation Limited, Favre Leuba AG and the joint venture, Montblanc India Retail Private Limited. He continues to be on the board of Innoviti Payment Solutions Pvt Ltd, Titan Commodity Trading Limited, Favre Leuba AG, Switzerland and Teamlease Services Limited. He has worked in the telecom industry as well as the chief financial officer for BPL Mobile Group and chief executive officer for BPL Mobile operations in Mumbai and has also worked with the Essar Group in its telecom foray into Africa. He has also been associated earlier in his career with I.T.C. Limited, V.S.T. Industries Limited, Mannai Corporation Limited, Qatar, among other companies. He has been a Director on our Board since September 9, 2021.

**Ramakant Sharma** is an Independent Director of our Company. He holds a bachelor's degree in materials and metallurgical engineering from the Indian Institute of Technology, Kanpur and a post graduate degree in management from the Indian School of Business, Hyderabad. He is a co-founder, chief technology officer and chief operating officer at Livspace.com (Home Interior Design E-commerce Private Limited), home interior and renovation platform. He was an operating partner at Jungle Ventures Pte Limited and was a part of core-leadership team and vice president of engineering at Myntra Designs Private Limited. He was also associated with GE Medical Systems (India) Private Limited, Immensitas Private Limited, Clearsights Technologies Private Limited, Andor Communications Private Limited, Kidext Technologies Private Limited and Chatpay Commerce Private

Limited. He is on the boards of various technology start-ups including Livespace.com (Home Interior Designs E-commerce Private Limited), Workspace Business Services Private Limited, Ukeyo Technologies Private Limited (formerly Xpert Home Technologies Private Limited) and Lambda Computing Inc., among other companies. He also serves venture capital funds as a member of investment committee to Artha Ventures and as an advisor to Fundamental. He has been a Director on our Board since September 9, 2021.

**Jaydeep Tank** is an Independent Director of our Company. He is a Doctor of Medicines (M.D.) (Branch II: Obstetrics and Gynaecology), Diplomate of National Board (DNB) and holds a diploma in gynaecology and obstetrics from the College of Physicians and Surgeons of Mumbai, Maharashtra. He has been conferred the Fellowship of the Indian College of Obstetricians and Gynaecologists and has specialized in gynaecology and obstetrics. He has been awarded the Young Gynaecologist Award in the year 2000, at the 17<sup>th</sup> Asian and Oceanic Congress of Obstetrics and Gynaecology, Singapore. He has been a member of the Indian College of Obstetricians and Gynaecologists. He is associated with Ashwini Maternity and Surgical Hospital, Mumbai as a consultant and is a designated partner of Tank Maternity and Surgical Hospital LLP. He has been a Director on our Board since September 9, 2021.

### Confirmations

None of our Directors, is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors, is, or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Further, none of our Directors have been identified as Wilful Defaulters.

### Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Ashutosh Sharma and Ankur Thadani who have been nominated by Prosus and TPG Growth, respectively, and Siddharth Shah who has been nominated by the Co-Founders pursuant to the Shareholders Agreement on our Board, there are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was selected as a director. For further details, see “*History and Certain Other Corporate Matters- Summary of Key Agreements – Key Terms of Other Subsisting Material Agreements – API Holdings Restated SHA*” beginning on page 223.

### Service contracts with Directors

Except for Siddharth Shah, Dharmil Sheth, and Harsh Parekh who are entitled to statutory benefits upon termination of their employment from our Company or on retirement, none of our Directors has entered into employment agreements with our Company pursuant to which they are entitled to any benefits upon termination of employment.

### Details of borrowing powers

Pursuant to a resolution passed by our Shareholders at the AGM held on October 1, 2021, our Board has been authorised to borrow any sum or sums of monies, which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), in excess of our Company’s aggregate paid-up share capital, securities premium and free reserves, provided that the total amount which may be so borrowed and outstanding shall not exceed a sum of ₹ 100,000 million.

### Terms of appointment of our Directors

#### Siddharth Shah

Pursuant to the resolution passed by our Board on August 27, 2020, Siddharth Shah was appointed as the Managing Director of our Company for a term of five years with effect from August 27, 2020. Further, vide resolutions of the Board and Shareholders dated September 9, 2021 and October 1, 2021 respectively, Siddharth Shah was also appointed as the Co-founder, Managing Director and Chief Executive Officer of our Company.

Further, pursuant to the special resolution dated October 1, 2021 passed by the shareholders and the employment agreement dated September 9, 2021 (“**Employment Agreement**”) entered into between our Company and Siddharth Shah, he is entitled to the remuneration as detailed below:

Sr. No.	Particulars	Remuneration (in ₹ million)
1.	Fixed Salary	12.00 per annum
2.	Variable Pay	6.00 per annum
3.	Perquisites	Employee stock options as determined by the Board of Directors and/or the Nomination and Remuneration Committee

Further, pursuant to resolution passed by our Board in its meeting held on September 9, 2021, a special performance bonus was to be paid for an amount not exceeding ₹ 610 million to Siddharth Shah for his performance and contribution towards the growth trajectory of the Company, including supporting and completing various transactions and value creation till August 31, 2021, and which was paid in Financial Year 2022.

### Harsh Parekh

Pursuant to the resolutions passed by our Board on August 27, 2020, Harsh Parekh was appointed as a Whole-time Director of our Company for a term of five years with effect from August 27, 2020. Further, vide resolutions of the Board and Shareholders dated September 9, 2021 and October 1, 2021 respectively, Harsh Parekh was designated as the Co-founder and Whole-time director of our Company.

Further, pursuant to the special resolution dated October 1, 2021 passed by the shareholders and the employment agreement dated September 9, 2021 (“**Employment Agreement**”) entered into between our Company and Harsh Parekh, he is entitled to the remuneration as detailed below:

Sr. No.	Particulars	Remuneration (in ₹ million)
1.	Fixed Salary	12.00 per annum
2.	Variable Pay	6.00 per annum
3.	Perquisites	Employee stock options as determined by the Board of Directors and/or the Nomination and Remuneration Committee

Further, pursuant to resolution passed by our Board in its meeting held on September 9, 2021, a special performance bonus was to be paid for an amount not exceeding ₹ 570 million to Harsh Parekh for his performance and contribution towards the growth trajectory of the Company, including supporting and completing various transactions and value creation till August 31, 2021, and which was paid in Financial Year 2022.

### Dharmil Sheth

Pursuant to the resolutions passed by our Board and shareholders on September 9, 2021 and October 1, 2021 respectively, Dharmil Sheth was appointed as a Co-founder and Whole-time Director of our Company for a term of five years with effect from September 9, 2021.

Further, pursuant to the special resolution dated October 1, 2021 passed by the shareholders and the employment agreement dated September 9, 2021 (“**Employment Agreement**”) entered into between our Company and Dharmil Sheth, he is entitled to the remuneration as detailed below:

Sr. No.	Particulars	Remuneration (in ₹ million)
1.	Fixed Salary	12.00 per annum
2.	Variable Pay	6.00 per annum
3.	Perquisites	Employee stock options as determined by the Board of Directors and/or the Nomination and Remuneration Committee

Further, pursuant to resolution passed by our Board in its meeting held on September 9, 2021, a special performance bonus was to be paid for an amount not exceeding ₹ 800 million to Dharmil Sheth for his performance and contribution towards the growth trajectory of the Company, including supporting and completing various transactions and value creation till August 31, 2021, and which was paid in Financial Year 2022.

## I. Remuneration to Executive Directors:

Our Company has paid the following remuneration to our Executive Directors in Financial Year 2021:

S. No.	Name of Director	Total remuneration (in ₹ million)
1.	Siddharth Shah	17.44 <sup>(1)</sup>
2.	Dharmil Sheth	23.07 <sup>(2)</sup>
3.	Harsh Parekh	2.83 <sup>(3)</sup>
	<b>Total</b>	<b>43.34</b>

<sup>(1)</sup> Includes remuneration of ₹ 2.88 million from Ascent Health and Wellness Solutions Private Limited (which merged into our Company pursuant to Merger 2020).

<sup>(2)</sup> Includes remuneration of ₹ 1.52 million from 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020).

<sup>(3)</sup> Remuneration of ₹ 2.83 million received from Ascent Health and Wellness Solutions Private Limited (which merged into our Company pursuant to Merger 2020).

## 2. Remuneration to Non-Executive Directors and Independent Directors:

All of our Non-Executive Directors and Independent Directors were appointed in Financial Year 2022. Accordingly, no remuneration was paid to our Non-Executive Directors and Independent Directors in Financial Year 2021.

Non-Executive Directors and Independent Directors are entitled to receive sitting fees of ₹ 0.01 million per meeting for attending each meeting of our Board and our committees, pursuant to a resolution of the Board dated September 9, 2021 within the limits prescribed under the Companies Act, 2013.

Further, pursuant to a resolution of the Board dated September 9, 2021, our Independent Directors are also entitled to receive commission for the Financial Year 2022 as set forth below:

S. No.	Name of Director	Commission (in ₹ million)
1.	Subramaniam Somasundaram	4.5
2.	Deepak Vaidya	2.5
3.	Vineeta Rai	2.5
4.	Ramakant Sharma	1.2
5.	Jaydeep Tank	1.2

### Remuneration from Subsidiaries

Except as stated below, none of our Directors have been paid any remuneration from our Subsidiaries, including contingent or deferred compensation accrued for the year during Financial Year 2021.

S. No.	Name of Director	Name of Subsidiary	Remuneration paid (in ₹ million)
1.	Siddharth Shah	Ascent Wellness and Pharma Solutions Private Limited	5.10
2.	Harsh Parekh	Ascent Wellness and Pharma Solutions Private Limited	18.53

### Bonus or profit-sharing plan for the Directors

Except for bonus payable to our Executive Directors as part of their employment agreements and pursuant to resolution passed by our Board in its meeting held on September 9, 2021, our Company does not have any bonus or profit-sharing plan.

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares.

Except as stated below, none of our Directors hold any shareholding in our Company as on date of this Draft Red Herring Prospectus.

S. No.	Name of Director	Number of Equity Shares
1.	Siddharth Shah	145,387,880 <sup>(1)</sup>
2.	Harsh Parekh	27,087,500 <sup>(2)</sup>
3.	Dharmil Sheth	30,053,650 <sup>(3)</sup>
4.	Aditya Puri	13,117,280
5.	Deepak Vaidya	10,931,030
6.	Ramakant Sharma	1,405,030
7.	Jaydeep Tank	203,720 <sup>(4)</sup>

<sup>(1)</sup> Includes 82,500,000 and 22,000,000 Equity Shares held by Siddharth Shah Family Trust and Arpi Shah Family Trust respectively, of which Siddharth Shah is the beneficiary and/or trustee.

<sup>(2)</sup> Includes 13,543,750 Equity Shares held by HP Family Trust of which Harsh Parekh is the beneficiary and trustee.

<sup>(3)</sup> Includes 15,026,825 Equity Shares held by DNS Family Trust of which Dharmil Sheth is the beneficiary and trustee.

<sup>(4)</sup> Includes 20,350 Equity Shares held by Jaydeep Dahyala Tank HUF of which Jaydeep Tank is the Karta.

Further, as on the date of this Draft Red Herring Prospectus, the details of employee stock options (“ESOPs”) granted and outstanding to our Directors are as follows:

S. No.	Name of the Director	Number of Options Granted and Outstanding
1.	Siddharth Shah <sup>(1)(2)</sup>	48,288,460
2.	Dharmil Sheth <sup>(1)(2)</sup>	48,288,460
3.	Harsh Parekh <sup>(1)(2)</sup>	48,288,460
4.	Aditya Puri	6,567,000

<sup>(1)</sup> Up to 275,000,000 employee stock options to be granted between Harsh Parekh, Siddharth Shah, Hardik Dedhia, Dhaval Shah and Dharmil Sheth, collectively, by the Nomination and Remuneration Committee within six months of the listing subject to satisfactory completion of integration of all acquisitions as determined by the Nomination and Remuneration Committee.

<sup>(2)</sup> Up to 330,000,000 employee stock options to be granted between Harsh Parekh, Siddharth Shah, Hardik Dedhia, Dhaval Shah and Dharmil Sheth, collectively, by the Nomination and Remuneration Committee between six to 18 months of the listing. The vesting of such employee stock options is linked to a pre-determined valuation of Equity Shares in the Issue. For details, see “History and Certain Corporate Matters” - Key terms of other subsisting material agreements” beginning on page 223.

## Interest of Directors

None of our Directors have any interest in any property acquired or proposed to be acquired, by our Company.

None of our Directors are interested in the promotion or formation of our Company as on date of this Draft Red Herring Prospectus. Siddharth Shah, Dharmil Sheth and Harsh Parekh are Co-Founders of our Company.

None of our Directors have any interest in any transaction in acquisition of land, construction of building and supply of machinery, etc.

No consideration in cash or shares or otherwise or in any other form has been paid or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested, by any person, either to induce 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.

Further, relatives of our Director, Dharmil Sheth, have leased two properties owned by them to Threpsi, one of our Subsidiaries, for the purpose of business operations.

All our Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration, payable to them by our Company under our Articles of Association and respective appointment letters, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company pursuant to their employment agreements with our Company. Our Directors, may also be interested to the extent of sitting fees received from certain of our subsidiaries pursuant to being on board of directors of such subsidiaries or Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares) and employee stock options, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives.

Further, one of our Non-Executive Directors, Aditya Puri, is interested in fees paid by our Company to a firm where he is a partner, for certain professional advisory services. For details, see “Financial Information – Restated Consolidated Financial Information – Related Party Transaction – Note 49” on page 322.”

For details of shareholding of Directors in our Subsidiaries, see “History and Certain Corporate Matters – Our Subsidiaries” beginning on page 200.

## Changes in the Board in the last three years

There have been no changes in our Board in the last three years, except as follows:

Name	Date of appointment/ change/cessation	Reason for change
Ved Kalanoria	October 22, 2021	Resignation due to pre- occupation
Dovaldas Buzinskas	September 9, 2021	Resignation due to personal reasons
Kartik Srivatsa	September 9, 2021	Resignation due to personal reasons
Sandeep Singh	September 9, 2021	Resignation due to personal reasons
Dharmil Sheth	September 9, 2021	Appointment as a Co-founder and Whole-time Director
Deepak Vaidya	September 9, 2021	Appointment as Independent Director
Jaydeep Tank	September 9, 2021	Appointment as Independent Director
Ramakant Sharma	September 9, 2021	Appointment as Independent Director
Subramaniam Somasundaram	September 9, 2021	Appointment as Independent Director
Vineeta Rai	September 9, 2021	Appointment as Independent Director
Dhaval Shah	September 7, 2021	Resignation due to personal reasons
Vishal Vijay Gupta	September 7, 2021	Resignation due to personal reasons
Ved Kalanoria	May 27, 2021	Appointment as Additional Director
Aditya Puri	April 20, 2021	Appointment as Additional Director
Deepak Vaidya	April 20, 2021	Appointment as Additional Director
Prem Venkatachalam Pavoov	April 8, 2021	Resignation in terms of Shareholders Agreement read with Articles of Association
Puncham Mukim	April 8, 2021	Resignation in terms of the Shareholders Agreement read with Articles of Association
Ashutosh Sharma	April 5, 2021	Appointment as Additional Director
Ashish Kumar	March 19, 2021	Resignation in terms of Shareholders Agreement read with Articles of Association
Ankur Thadani	March 2, 2021	Appointment as Additional Director
Dovaldas Buzinskas	November 9, 2020	Appointment as Additional Director
Ashish Kumar	August 27, 2020	Appointment as Additional Director

Name	Date of appointment/ change/cessation	Reason for change
Kartik Srivatsa	August 27, 2020	Appointment as Additional Director
Prem Venkatachalam Pavoor	August 27, 2020	Appointment as Additional Director
Puncham Mukim	August 27, 2020	Appointment as Additional Director
Sandeep Singh	August 27, 2020	Appointment as Additional Director
Siddharth Shah	August 27, 2020	Appointment as Additional Director
Vishal Vijay Gupta	August 27, 2020	Appointment as Additional Director
Dhaval Shah	July 1, 2019	Appointment as Additional Director
Harsh Shailesh Parekh	July 1, 2019	Appointment as Additional Director
Namita Rungta	July 2, 2019	Resignation due to pre-occupation with other activities
Nimesh Rungta	July 2, 2019	Resignation due to pre-occupation with other activities

## Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team, constitution of the Board committees and formulation of policies, each as required under law, including the SEBI Listing Regulations. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises of 11 Directors, including three Executive Directors, three Non-Executive Directors (including our Non-Executive Chairman), and five Independent Directors (including one woman Independent Director). The Chairman of our Board is a Non-Executive Chairman and accordingly, in compliance with the requirements of SEBI Listing Regulations, one-third of the total strength of our Board comprises of Independent Directors. Further, in compliance with the SEBI Listing Regulations, our Board comprises of a woman Director, who is an Independent Director. Additionally, in compliance with Section 152 of the Companies Act, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

## Committees of the Board

The Board functions either as a full board, or through various committees constituted to oversee specific operational areas.

### Audit Committee

The Audit Committee of our Board consists of three members. The members of the Audit Committee are:

S. No.	Name and designation of Director	Committee designation
1.	Subramaniam Somasundaram, <i>Independent Director</i>	Chairperson
2.	Ramakant Sharma, <i>Independent Director</i>	Member
3.	Harsh Parekh, <i>Co-founder and Whole-time Director</i>	Member

The Audit Committee was constituted pursuant to a resolution passed by our Board at its meeting held on September 9, 2021. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

The terms of reference of our Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;

- (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions; and
  - (g) Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  6. Examination of the financial statement and auditor's report thereon;
  7. Monitoring the end use of funds raised through public offers and related matters;
  8. 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, the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  10. Approval or any subsequent modification of transactions of the Company with related parties;

*Explanation: The term "related party transactions" shall have the same meaning as provided in Regulation 2(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or the Companies Act, 2013.*

11. Grant omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;
12. Scrutiny of inter-corporate loans and investments;
13. Valuation of undertakings or assets of the Company, wherever it is necessary;
14. Evaluation of internal financial controls and risk management systems;
15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
16. 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;
17. Discussion with internal auditors of any significant findings and follow up thereon;
18. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on Company and its shareholders.
19. 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;
20. 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;
21. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
22. To review the functioning of the vigil / whistle blower mechanism implemented by the Company with the chairperson of the Audit Committee directly hearing grievances of victimization of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;
23. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;



24. Reviewing the utilization of loans and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
25. Review financial statements, in particular, the investments made by the unlisted subsidiaries;
26. Lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transaction which are repetitive in nature;
27. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable laws or by any other regulatory authority; and
28. Performing such other functions as may be necessary or appropriate for the performance of its duties.

The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit 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 internal auditor; and
- (f) Statement of deviations as and when becomes applicable:
  - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee of the Board consists of three members. The members of the Nomination and Remuneration Committee are:

S. No	Name and designation of Director	Committee designation
1.	Deepak Vaidya, <i>Independent Director</i>	Chairperson
2.	Ankur Thadani, <i>Non-Executive Director</i>	Member
3.	Ramakant Sharma, <i>Independent Director</i>	Member

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board at its meeting held on September 9, 2021. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include the following:

- I. Formulating 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;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that-

- i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
2. Formulating criteria for evaluation of performance of independent directors and the Board;
3. Devising a policy on diversity of the Board;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6. Determining whether to extend or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommending to the Board, all remuneration, in whatever form, payable to senior management;
8. Administering, monitoring and formulating detailed terms and conditions of the Company's employee stock option plans in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
9. Undertaking and recommending to the Board re-structuring plan for the Company;
10. Reviewing human resources and people strategy and its alignment with the business strategy, periodically or whenever a change is made to either;
11. Reviewing the efficacy of human resources practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, key managerial personnel and the executive team);
12. Analysing, monitoring and reviewing various human resource and compensation matters;
13. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
14. 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;
15. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or other applicable laws or by any other regulatory authority; and
16. Performing such other functions as may be necessary or appropriate for the performance of its duties.

#### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee of the Board consists of four members. The members of the Stakeholders' Relationship Committee are:

<b>S. No</b>	<b>Name and designation of Director</b>	<b>Committee designation</b>
1.	Ankur Thadani, <i>Non-Executive Director</i>	Chairperson
2.	Vineeta Rai, <i>Independent Director</i>	Member
3.	Dharmil Sheth, <i>Co-founder and Whole-time Director</i>	Member
4.	Ashutosh Sharma, <i>Non-Executive Director</i>	Member

The Stakeholders' Relationship Committee was constituted pursuant to a Board resolution dated September 9, 2021, which was subsequently reconstituted pursuant to Board resolution dated October 26, 2021. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The terms of reference of the Stakeholders' Relationship Committee include the following:

1. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, credit of securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and such other securities-holders related matters;
2. To review of measures taken for effective exercise of voting rights by shareholders;
3. To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. To review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
5. To consider and approve, transfer or transmission of shares and other securities;
6. To consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
7. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
8. To dematerialize or rematerialize the issued shares;
9. To ensure proper and timely attendance and redressal of investor queries and grievances;
10. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other applicable laws or by any other regulatory authority; and
11. Performing such other functions as may be necessary or appropriate for the performance of its duties.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of our Board consists of four members. The members of the Corporate Social Responsibility Committee are:

<b>S. No</b>	<b>Name and designation of Director</b>	<b>Committee designation</b>
1.	Vineeta Rai, <i>Independent Director</i>	Chairperson
2.	Jaydeep Tank, <i>Independent Director</i>	Member
3.	Ankur Thadani, <i>Non-Executive Director</i>	Member
4.	Siddharth Shah, <i>Co-founder, Managing Director and Chief Executive Officer</i>	Member

The Corporate Social Responsibility Committee was constituted pursuant to a resolution passed by our Board at its meeting held on September 9, 2021. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, 2013.

The terms of reference of the Corporate Social Responsibility Committee of our Company include:

1. Formulation and recommending to the Board, a corporate social responsibility (“**CSR**”) policy indicating the activities to be undertaken by the Company in areas or subject specified in the Schedule VII of the Companies Act, 2013, as amended from time to time;
2. Reviewing and recommending the amount of expenditure to be incurred on the CSR activities of the Company as per the requirements of the Companies Act, 2013;
3. Monitoring CSR policy of the Company from time to time and its implementation by the Company from time to time;
4. Formulating and recommending to the Board the environmental, social and governance (“**ESG**”) strategy of the Company;
5. Formulating and recommending to the Board goals relating to environmental, social and governance strategy of the Company, evaluating Company’s performance and analysing any deviations in this regard;

6. Assist in overseeing internal and external communications regarding environmental, social and governance matters of the Company;
7. Identifying, evaluating and recommending to the Board the sustainable development goals (“SDG”) of the Company and monitoring the efforts taken by the Company towards achieving these;
8. Defining and laying down the metrics to track the overall performance of the Company against the CSR, ESG and SDG goals;
9. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.

### **Risk Management Committee**

The Risk Management Committee of our Board consists of three members. The members of the Risk Management Committee are:

<b>S. No</b>	<b>Name and designation of Director</b>	<b>Committee designation</b>
1.	Ashutosh Sharma, <i>Non-Executive Director</i>	Chairperson
2.	Siddharth Shah, <i>Co-founder, Managing Director and Chief Executive Officer</i>	Member
3.	Subramaniam Somasundaram, <i>Independent Director</i>	Member

The Risk Management Committee was constituted pursuant to a resolution passed by our Board at its meeting held on September 9, 2021. Further, the composition of the Risk Management Committee was changed further due to resignation of Ved Kalanoria as a Director of our Company.

The terms of reference of the Risk Management Committee of our Company include:

1. Reviewing and monitoring the risk management plan for the Company;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
7. To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board;
8. The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
9. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee; and
10. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, environmental, social and governance related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - c. Business continuity plan.

## Management Organisation Structure



### Key Managerial Personnel

**Siddharth Shah** is the Co-founder, Managing Director and Chief Executive Officer of our Company. For details, see “– *Brief Biographies of Directors*”. For details of compensation paid to him during Financial Year 2021, see “– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*” and “– *Payment or benefit to Directors of our Company – Remuneration from Subsidiaries*”.

**Harsh Parekh** is a Co-founder and Whole-time Director of our Company. For details, see “– *Brief Biographies of Directors*”. For details of compensation paid to him during Financial Year 2021, see “– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*” and “– *Payment or benefit to Directors of our Company – Remuneration from Subsidiaries*”.

**Dharmil Sheth** is a Co-founder and Whole-time Director of our Company. For details, see “– *Brief Biographies of Directors*”. For details of compensation paid to him during Financial Year 2021, see “– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*”.

**Hardik Dedhia** is a Co-Founder of our Company. He is responsible for scaling up technological innovations in our Company and plays a key role in integrating technology teams and solutions across our Company and our Subsidiaries. He joined Ascent Health and Wellness Solutions Private Limited as the Chief Technical Officer on April 1, 2016, which merged into our Company pursuant to Merger 2020. He holds a bachelor’s degree in electronics and telecommunication engineering from the University of Mumbai, Maharashtra and a master’s degree in electrical and computer engineering from the Carnegie Mellon University, Pennsylvania. Previously, he has been associated with NetApp as a quality assurance engineer and Ascent Health and Wellness Solutions Private Limited as its Chief Technical Officer. During the Financial Year 2021, he received a remuneration of ₹ 21.36 million from Ascent Health and Wellness Solutions Private Limited (which merged into our Company pursuant to Merger 2020) and Ascent Wellness and Pharma Solutions Private Limited.

**Dhaval Shah** is the Co-Founder of our Company. He is responsible for growth of products and services in our Company and plays a key role in various acquisitions and integration undertaken by our Company and our Subsidiaries. He joined 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) on April 1, 2015 and is working with our Company since Merger 2020. He holds a post graduate diploma in management from XLRI, Xavier School of Management, Jamshedpur, Jharkhand. He also holds a MBBS degree certificate from the Maharashtra University of Health Sciences, Nashik. Previously, he was associated with McKinsey and Company Inc. as a consultant. Post that, he was associated with 91Streets Media Technologies Private Limited as an executive director. He was also a director of our Company till September 6, 2021. During the Financial Year 2021, he received a remuneration of ₹ 20.74 million, which includes remuneration from 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020).

**Chebolu V. Ram** is the Chief Financial Officer of our Company. He joined our Company on October 12, 2020. He holds a bachelor’s degree in Commerce from the Pondicherry University. He is a chartered accountant and an associate member of

the Institute of Chartered Accountants of India, New Delhi. He has significant experience in finance, strategy and operations across e-pharma, hospitality, healthcare, ITES, telecom, insurance and manufacturing industries. Previously, he has been associated with Apollo Health and Lifestyle Limited, Genpact India, Bharti Airtel Limited, Nagarjuna Fertilisers and Chemicals Limited, and Impresario Entertainment & Hospitality Private Limited. He has featured in the CFO Power List 2019 as Investor Relations Icon and has received Professional Achiever Award for healthcare sector by the Institute of Chartered Accountants of India in 2018. During the Financial Year 2021, he received a remuneration of ₹ 5.65 million from our Company.

**Abhinav Yajurvedi** is the Chief Technology Officer of our Company. He joined 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) on February 18, 2019 and was appointed Chief Technology Officer of our Company on September 9, 2021. He holds a bachelor's degree in science from the University of Delhi, New Delhi and a master's degree in computer application from the Indian Institute of Technology, Roorkee. Previously, he has been associated with Amazon Development Center (India) Private Limited as a software development manager and Myntra Designs Private Limited as the senior vice-president, engineering. During the Financial Year 2021, he received a remuneration of ₹ 16.20 million from 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) and Threpsi Solutions Private Limited.

**Drashti Shah** is the Company Secretary and Chief Compliance Officer of our Company. She joined Ascent Health and Wellness Solutions Private Limited (which merged into our Company pursuant to Merger 2020) on October 6, 2016 and was appointed as Head Legal and Company Secretary of our Company on February 10, 2021. She holds a bachelor's degree in commerce from the University of Mumbai and is an associate member of the Institute of Company Secretaries of India. She has also completed a bachelor's degree course in law from the University of Mumbai. Previously she has been associated with Reliance Industries Limited as team manager in corporate secretarial and compliance department. During the Financial Year 2021, she received a remuneration of ₹ 14.91 million, which includes remuneration from Ascent Health and Wellness Solutions Private Limited (which merged into our Company pursuant to Merger 2020), AHWSPL India Private Limited, and Ascent Wellness and Pharma Solutions Private Limited.

**Akarsh Bharadwaj** is the Chief Strategy Officer of our Company. He joined 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) on April 1, 2018 and was appointed as Chief Strategy Officer in our Company on September 9, 2021. He holds a bachelor's degree in electronics and communication engineering from the Vellore Institute of Technology, Tamil Nadu and a post graduate diploma in management (finance) from the Institute of Management Technology, Ghaziabad. Previously, he has been associated with Dun & Bradstreet Information Services India Private Limited and Goldman Sachs (India) Securities Private Limited. During the Financial Year 2021, he received a remuneration of ₹ 18.66 million from 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) and Threpsi Solutions Private Limited.

**Savita Sharma** is the Chief Human Resource Officer of our Company. She joined our Company on October 1, 2021. She has completed a bachelor's degree course in commerce from the University of Lucknow, Uttar Pradesh and a post graduate diploma in management from the Symbiosis Centre for Management & Human Resource Development, Pune, Maharashtra. Previously she has been associated with Mahindra & Mahindra Limited, Patni Computer Systems Limited, Vodafone India Limited, Infoedge (India) Limited and Bharti Airtel Limited. No remuneration was paid to her during the Financial Year 2021 as she joined our Company in Financial Year 2022.

### **Confirmations**

None of our Key Managerial Personnel are related to each other or to the Directors of our Company.

Except as disclosed in “- Arrangement or understanding with major Shareholders, customers, suppliers or others” on page 232, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as Key Managerial Personnel.

### **Service Contracts with Key Managerial Personnel**

Except for employment agreements with all our Key Managerial Personnel which provides for fixed salary, variable pay and grant of employee stock options, no Key Managerial Personnel has entered into a service contract with our Company or Subsidiaries pursuant to which they are entitled to any benefits upon termination of employment.

### **Contingent and deferred compensation payable to our Director and Key Managerial Personnel**

No contingent or deferred compensation has accrued or is payable to any of our Directors or Key Managerial Personnel for Financial Year 2021.

### **Bonus or profit-sharing plans of our Key Managerial Personnel**

Except for bonus payable to our Key Managerial Personnel as part of their employment agreements and pursuant to resolution passed by our Board in its meeting held on September 9, 2021, our Company does not have any bonus or profit-sharing plan.

## Status of Key Managerial Personnel

Except for Savita Sharma, our Chief Human Resource Officer, who is on probation, all our Key Managerial Personnel are permanent employees of our Company.

## Shareholding of our Key Managerial Personnel

For details of shareholding and employee stock options granted to our Executive Directors, see “- Shareholding of Directors in our Company” on page 234.

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

S. No.	Name of Key Managerial Personnel	Number of Equity Shares
1.	Dhaval Shah <sup>(1)</sup>	28,948,150
2.	Hardik Dedhia <sup>(2)</sup>	26,797,870
3.	Savita Sharma	37,290

<sup>(1)</sup> Includes 14,474,075 Equity Shares held by DS Family Trust of which Dhaval Shah is the beneficiary and trustee.

<sup>(2)</sup> Includes 13,200,000 Equity Shares held by Manjula Dedhia Family Trust of which Hardik Dedhia is the beneficiary and trustee.

Further, as on the date of this Draft Red Herring Prospectus, the following employee stock options have been granted and outstanding to our Key Managerial Personnel.

S. No.	Name of the Key Managerial Personnel	Number of Options Granted and Outstanding
1.	Dhaval Shah <sup>(1)(2)</sup>	48,288,460
2.	Hardik Dedhia <sup>(1)(2)</sup>	48,288,460
3.	Abhinav Yajurvedi	22,639,430
4.	Akarsh Bharadwaj	6,331,710
5.	Drashti Shah	4,390,100
6.	Chebolu V. Ram	2,371,050
7.	Savita Sharma	691,570

<sup>(1)</sup> Up to 275,000,000 employee stock options to be granted between Harsh Parekh, Siddharth Shah, Hardik Dedhia, Dhaval Shah and Dharmil Sheth, collectively, by the Nomination and Remuneration Committee within six months of the listing subject to satisfactory completion of integration of all acquisitions as determined by the Nomination and Remuneration Committee.

<sup>(2)</sup> Up to 330,000,000 employee stock options to be granted between Harsh Parekh, Siddharth Shah, Hardik Dedhia, Dhaval Shah and Dharmil Sheth, collectively, by the Nomination and Remuneration Committee between six to 18 months of the listing. For details, see “History and Certain Corporate Matters” - Key terms of other subsisting material agreements” beginning on page 223.

## Changes in our Key Managerial Personnel

Other than as disclosed in “- Changes in the Board in the last three years” on page 235, the changes in our Key Managerial Personnel in the last three years are as follows:

S. No.	Name of the Key Managerial Personnel	Date of change	Reason for change
1.	Savita Sharma	October 13, 2021	Appointed as Chief Human Resource Officer
2.	Abhinav Yajurvedi	September 9, 2021	Appointed as Chief Technology Officer
3.	Akarsh Bharadwaj	September 9, 2021	Appointed as Chief Strategy Officer
4.	Dhaval Shah	September 9, 2021	Appointed as Co-Founder
5.	Hardik Dedhia	September 9, 2021	Appointed as Co-Founder
6.	Chebolu V. Ram	June 16, 2021	Appointed as Chief Financial Officer
7.	Drashti Shah	February 10, 2021	Appointed as Company Secretary

## Interest of Key Managerial Personnel

For interest of our Executive Directors, see “- Interest of Directors” on page 235.

Except our Executive Directors, our Key Managerial Personnel do not have any interest in our Company or Subsidiary 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. Our Key Managerial Personnel may also be interested to the extent of Equity Shares and employee stock options, if any (together with dividends and other distributions in respect of such Equity Shares), held by them in our Company.

Further, except to the extent of interest payable by our Company to Siddharth Shah, our Co-Founder, Managing Director and Chief Executive Officer, for the outstanding loan of ₹ 2.25 million acquired in business combination by our Company

(pursuant to Merger 2020) as on June 30, 2021, no other Key Managerial Personnel have any interest in our Company or Subsidiary.

### **Payment or Benefit to Key Managerial Personnel**

No non-salary amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel, other than normal remuneration and any employee stock options, for services rendered as officers of our Company, special performance bonus paid to our Executive Directors as disclosed in “- *Terms of Appointment of Directors*” and Dhaval Shah and Hardik Dedhia pursuant to resolution passed by our Board in its meeting held on September 9, 2021 of ₹ 780 million and ₹ 570 million respectively for their performance and contribution towards the growth trajectory of the Company, including supporting and completing various transactions and value creation till August 31, 2021, and which was paid in Financial Year 2022, and other than as disclosed in “- *Bonus or profit-sharing plan for the Directors*” and “*Other Financial Information – Related Party Transactions*” on pages 234 and 683 respectively.

### **Loans to Key Managerial Personnel**

No loans have been availed by our Key Managerial Personnel from our Company.

### **Employee Stock Options**

For details of our employee stock option plans, see “*Capital Structure – ESOP Plan 2020*” on page 123.



## OUR PRINCIPAL SHAREHOLDERS

Our Company does not have an identifiable promoter in terms of the SEBI ICDR Regulations and the Companies Act. Consequently, there are no members forming part of the 'promoter group' in terms of the SEBI ICDR Regulations.

### Principal Shareholders

1. *Shareholders who control 15% or more of the voting rights in our Company*

As on the date of this Draft Red Herring Prospectus, no shareholder controls 15% or more of the voting rights in our Company. For further details, see "*Capital Structure*" and "*History and Certain Corporate Matters – Summary of key agreements*" on beginning on pages 104 and 223, respectively.

2. *Persons who have the right to appoint director(s) on our Board*

In accordance with the terms of the API Holdings Restated SHA, following the consummation of the Issue, i.e. the date of receipt of final listing and trading approvals from the Stock Exchanges for commencement of trading of the Equity Shares pursuant to the Issue, and subject to approval of the Shareholders by way of a special resolution in the first general meeting convened after the listing of Equity Shares pursuant to the Issue:

- (a) so long as Prosus, Temasek and TPG ("**Selected Investors**"), either individually or together with any of its affiliates, (i) holds at least 5% (Five per cent) of the total issued and paid-up equity share capital of our Company (excluding ESOPs that are yet to be exercised) ("**Selected Investor Director Threshold**"), each such Selected Investor shall be entitled to nominate 1 (One) Director to the Board ("**Selected Investor Director**"). The Selected Investor Director shall be liable to retire by rotation in accordance with applicable law, subject to reappointment and any such retirement shall be without prejudice to the right of the Selected Investors to nominate the Selected Investor Director for so long as it holds the Selected Investor Director Threshold. The Selected Investors shall be entitled to nominate an alternate director for the Selected Investor Director. The Selected Investors shall have the right to nominate a replacement for the Selected Investors Director, at any time and without cause. For the avoidance of doubt, each of the Selected Investor shall cease to have the right to appoint its Selected Investor Director once its shareholding falls below the Selected Investor Director Threshold, notwithstanding that its shareholding subsequently increases to or beyond the Selected Investor Director Threshold, provided however that the Selected Investor Director at the time the shareholding of the Selected Investor falls below the Selected Investor Director Threshold shall be entitled to continue in his position until the expiry of his term.
- (b) So long as at least 3 (three) Founders continue to remain in full time employment of our Company, the Founders collectively shall be entitled to nominate not more than 3 (three) Directors to the Board of our Company ("**Founder Directors**") from among the Founders. In the event the number of Founders who are in full time employment of the Company falls below 3 (Three), the remaining Founders shall have the right to nominate such Directors from among the remaining Founders, which is proportionate to the number of remaining Founders. For instance, if there are two remaining Founders, they shall collectively be entitled to nominate not more than 2 (Two) Directors from among the two such remaining Founders to the Board and if there is 1 (One) remaining Founder, such remaining Founder shall be entitled to nominate itself to the Board.
- (c) If none of the Founders continue to remain in the full time employment of our Company, so long as the Founders, together with their respective affiliates, jointly hold at least 5% (Five per cent) of the total issued and paid-up share capital of the Company (excluding ESOPs that are yet to be exercised) ("**Founder Directors Threshold**"), such Founders shall collectively be entitled to nominate not more than 1 (One) Director ("**Founder Director**") from among the Founders, to the Board of the Company. For the avoidance of doubt, the Founders shall cease to have the right to appoint the Founder Director once the joint shareholding of the Founders falls below the Founder Director Threshold, notwithstanding that their joint shareholding subsequently increases to or beyond the Founder Director Threshold, provided however that the Founder Director at the time the joint shareholding of the Founders falls below the Founder Director Threshold, shall be entitled to continue in his position until the expiry of his term.
- (d) For the purposes of Articles (b) and (c) above, it is clarified that the Founder Directors shall be entitled to nominate alternate directors for the Founder Directors.
- (e) Further, such rights of nomination of Director(s) shall not supersede the requirement of the composition of the Board being in compliance with applicable law and shall be subject to receipt of necessary regulatory approvals, if applicable. In addition, the rights of the the Selected Investors and the Founders in this regard shall be subject to the receipt of shareholders' approval by way of special resolution, in the first general meeting of the Company held after successful listing and trading pursuant to completion of the IPO.

The term “affiliate” shall mean:

“affiliate” in relation to a person, other than Temasek:

- (i) being a person other than a natural person, means any entity or person, which controls, is controlled by, or is under the common control with such person;
- (ii) being a natural person, means the relatives (the term “Relative” would have the meaning as ascribed to it under the Companies Act) of such person, and any person which is controlled by such natural person; and
- (iii) being an investor, and without prejudice to the generality of the foregoing, includes its general partners, limited partners and any fund or investment vehicle owned, managed, advised, controlled or promoted by such investor, or by its affiliates or investment managers or advisors,

Without limiting the generality of the foregoing, the term “Affiliate”, in relation to the Founders, shall also include, without limitation a trust for which any of the Founders is a settlor or a beneficiary.

- (i) Temasek Holdings (Private) Limited (“**Temasek Holdings**”); and
- (ii) Temasek Holding’s wholly-owned subsidiaries whose boards of directors or equivalent governing bodies comprise employees or nominees of (a) Temasek Holdings; (b) Temasek Pte. Ltd. (being a wholly-owned subsidiary of Temasek Holdings); and/or (c) wholly-owned subsidiaries of Temasek Pte. Ltd.

Without limiting the generality of the foregoing, the term “affiliate”, in relation to TPG, shall also include, without limitation:

- (i) each fund, collective investment scheme, trust, partnership (including any co-investment partnership), investment vehicle or other entity managed, advised or Controlled by TPG Group Holdings (SBS) Advisors, Inc. or any of its affiliates (“**TPG Funds**”);
- (ii) any general partner, manager or investment adviser of, or to, a TPG Fund (as long as such general partner, manager or investment adviser is also controlled by TPG Group Holdings (SBS) Advisors, Inc.);
- (iii) any body corporate controlled by any TPG Fund; and / or
- (iv) any limited partner of, or investor in, any TPG Fund.

For details, see “*Capital Structure*”, “*History and Certain Corporate Matters – Summary of key agreements – Key terms of other subsisting material agreements*”, “*Our Management*” and “*Main Provisions of Articles of Association*” on beginning pages 104, 222, 227 and 765, respectively.

## **GROUP COMPANIES**

Pursuant to a resolution dated October 28, 2021 our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies of our Company shall include (i) the companies (excluding Subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information during the periods in respect of which the Restated Consolidated Financial Information have been included in this Draft Red Herring Prospectus; (ii) companies with which there were related party transactions during the period subsequent to the last date of the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus and until the date of this Draft Red Herring Prospectus and (iii) any other companies that are considered material by the Board.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group company.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013.

According to the dividend policy adopted by our Board on October 28, 2021, the quantum of dividend to be distributed, if any, will depend on a number of factors, including profit earned during the current financial year, present and future capital expenditure plans of our Company including organic/ inorganic growth opportunities, financial commitments with respect to the outstanding borrowings and interest thereon, cost of borrowings, among others. 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*” and “*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future*” beginning on pages 684 and 71, respectively.

Our Company has not declared dividends on the Equity Shares or Preference Shares since our incorporation until the date of filing of this Draft Red Herring Prospectus.

## **SECTION V: FINANCIAL INFORMATION**

### **RESTATED CONSOLIDATED FINANCIAL INFORMATION**

*Our Company was incorporated on March 31, 2019. Accordingly, we have included in this Draft Red Herring Prospectus the Restated Consolidated Financial Information for the three months ended June 30, 2021, the Fiscal ended March 31, 2021 and the one year and one day period ended March 31, 2020. References to “Fiscal 2021” are to the 12-month period ended March 31, 2021 and references to “Fiscal 2020” are to the period from March 31, 2019 to March 31, 2020.*

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# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
API Holdings Limited  
(formerly known as API Holdings Private Limited)  
902, 9th Floor, Raheja Plaza 1, B-Wing,  
Opposite R-City Mall, L.B.S Marg,  
Ghatkopar (W),  
Mumbai 400086

## **Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)**

Dear Sirs,

1. This report is issued in accordance with the terms of our agreement dated October 28, 2021.
2. We have examined the attached restated consolidated financial information, expressed in Rupees in millions of API Holdings Limited [formerly known as API Holdings Private Limited] (hereinafter referred to as the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising:
  - (a) the "Restated Consolidated Statement of Assets and Liabilities" as at June 30, 2021, March 31, 2021 and March 31, 2020 (enclosed as Annexure I);
  - (b) the "Restated Consolidated Statement of Profit and Loss" for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period from March 31, 2019 (being the date of incorporation of the Company) to March 31, 2020, hereinafter referred to as "the period ended March 31, 2020" (enclosed as Annexure II);
  - (c) the "Restated Consolidated Statement of Changes in Equity" for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 (enclosed as Annexure III);
  - (d) the "Restated Consolidated Statement of Cash flows" for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 (enclosed as Annexure IV);
  - (e) the "Basis of Preparation, Significant Accounting Policies" for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 (enclosed as Annexure V);
  - (f) the "Notes to the Restated Consolidated Financial Information" for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 (enclosed as Annexure VI); and

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T: +91 (22) 66691500, F: +91 (22) 66547804/07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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- (g) the "Statement of Adjustments to Audited Consolidated Financial Statements" as at June 30, 2021, March 31, 2021, March 31, 2020 and for the period ended June 30, 2021, for the year ended March 31, 2021 interim and for the period ended March 31, 2020 (enclosed as Annexure VII);

(hereinafter together referred to as the "Restated Consolidated Financial Information"), prepared by the Management of the Company in connection with the Proposed Initial Public Offering of Equity Shares of the Company (the "IPO" or "Issue") in accordance with the requirements of:

- i. Section 26 of the Companies Act, 2013 (the "Act") as amended from time to time;
- ii. Paragraph (A) of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and
- iii. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The said Restated Consolidated Financial Information has been approved by the Board of Directors of the Company at their meeting held on October 28, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") and initialed by us for identification purposes only.

## Management's Responsibility for the Restated Consolidated Financial Information

3. The preparation of the Restated Consolidated Financial Information, for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (SEBI), BSE Limited and NSE Limited in connection with the proposed IPO, is the responsibility of the Management of the Company. The Restated Consolidated Financial Information have been prepared by the Management of the Company in accordance with the basis of preparation stated in note 2 to the Restated Consolidated Financial Information in Annexure V. The Management's responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company and its subsidiaries comply with the Act, SEBI ICDR Regulations and the Guidance Note.

## Auditor's Responsibilities

4. Our work has been carried out considering the concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019) 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, and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Issue.
5. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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6. Our examination of the Restated Consolidated Financial Information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report.
7. The Restated Consolidated Financial Information, expressed in Rupees in millions, has been prepared by the Company's Management from:
  - (a) the audited special purpose interim consolidated financial statements of the Group as at and for the period ended June 30, 2021 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act, except for inclusion of comparative information, as those are not being given in the Restated Consolidated Financial Information as per the option available to the Issuer under para 11(I) (A) (i) of the SEBI ICDR Regulations, and other accounting principles generally accepted in India (the "special purpose consolidated financial statements") which have been approved by the Board of Directors at their meeting held on September 9, 2021.
  - (b) the audited consolidated financial statements of the Group as at and for the year ended March 31, 2021, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 24, 2021. The comparative information for the period ended March 31, 2020 included in such financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at March 31, 2020 and for the period ended March 31, 2020, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which was approved by the Board of Directors at their meeting held on December 23, 2020.
  - (c) the audited consolidated financial statements of the Group as at and for the period ended March 31, 2020, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which was approved by the Board of Directors at their meeting held on December 23, 2020.
8. For the purpose of our examination, we have relied on
  - (a) Auditors' report issued by us dated September 9, 2021 on the special purpose consolidated financial statements of the Group as at and for the period ended June 30, 2021 as referred in paragraph 7 above, on which we issued a modified opinion vide our report dated September 9, 2021 modified with regard to non furnishing of comparative figures, which are not being presented in the Restated Consolidated Financial Information as per the option of not presenting the comparative information availed by the Issuer as per clause 11 (I) (A) (i) of SEBI ICDR Regulations.
  - (b) Auditors' report issued by us dated July 30, 2021 on the audited consolidated financial statements of the Group as at and for the year ended March 31, 2021 as referred in paragraph 7 above, on which we issued an unmodified opinion vide our report dated July 30, 2021; and



# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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- (c) Examination Report issued by the Company's previous auditors dated October 28, 2021 on the restated consolidated financial statements of the Group (i.e. API Holdings Private Limited and its subsidiaries before giving effect of the scheme of amalgamation) as at March 31, 2020 and for the period ended March 31, 2020 as referred in paragraph 7 above, on which they issued an unmodified opinion. The audit for the period ended March 31, 2020 was conducted by the Company's previous auditors, A. R. Sodha & Co. (the "Previous Auditors"), and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows, the summary statement of significant accounting policies, and other explanatory information and (collectively, the "2020 Restated Consolidated Financial Information") examined by them for the said period. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us. The examination report included for the said period is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2020 Restated Consolidated Financial Information:
- i) have been prepared in accordance with the Act and the SEBI ICDR Regulations and the Guidance Note;
  - ii) have been prepared after incorporating adjustments for the changes in accounting policies (as disclosed in Annexure IV to their report), material errors and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at 31st March, 2020 and;
  - iii) there are no qualifications in the auditors' reports which require any adjustments.
9. We have not audited any financial statements of the Group as of any date or for any period subsequent to June 30, 2021. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Group as of any date or for any period subsequent to June 30, 2021.

## Opinion

10. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors and other auditors for the respective periods referred to in paragraphs 16 and 17, we report that the Restated Consolidated Financial Information:
- a. have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note;
  - b. have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure VII to this report), material errors, if any and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at and for the period ended June 30, 2021, for all the reporting periods; and
  - c. there are no qualifications in the auditors' reports which require any adjustments.
11. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the special purpose consolidated financial statements of the Group and audited consolidated financial statements of the Group mentioned in paragraph 7 above.

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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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 or other auditors on the consolidated financial statements of the Group for all the reporting periods.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

## Emphasis of Matters

14. The auditors' report issued by us dated July 30, 2021 on the consolidated financial statements of the Group as at and for the year ended March 31, 2021 includes the following Emphasis of Matter paragraph:

"We draw your attention to Note 52 to the consolidated financial statements in respect of the Scheme of Amalgamation (the "Scheme") between the Holding Company and Thea Technologies Private Limited ('Thea'), Swifto Services Private Limited ('Swifto'), 91Streets Media Technologies Private Limited ('91 Streets'), Ascent Health and Wellness Solutions Private Limited ('Ascent'), Aahaan Commercials Private Limited ('Aahaan') and Lokprakash Vidhya Private Limited ('Lokprakash'), as approved by National Company Law Tribunal ("NCLT") vide its order dated June 8, 2020. The Scheme has been given effect to in the consolidated financial statements in the following manner:

- a) all the assets and liabilities of Thea and Swifto have been transferred to 91Streets; and subsequently the assets and liabilities of 91Streets have been transferred to API in accordance with Ind AS 103, which is different from the appointed date specified in the NCLT Order;
- b) all the assets and liabilities of Ascent, Aahaan and Lokprakash have been transferred with effect from the appointed date as set out in the Scheme which is different from the date required under Ind AS 103.

Our opinion is not modified in respect of this matter."

Note 52 as referred in the Emphasis of Matter paragraph above has been reproduced as Note 51 to the Restated Consolidated Financial Information, and the reference to "the Holding Company or API" therein is made to mean the Company.

15. The auditors' report issued by us dated September 9, 2021 on the special purpose consolidated financial statements of the Group as at and for the period ended June 30, 2021 includes the following Emphasis of Matter paragraph:

"We draw attention to Note 2 to the special purpose consolidated financial statements, which describes the basis of its preparation. The special purpose consolidated financial statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose consolidated financial statements for the purposes for which those have been prepared. Our opinion is not modified in respect of this matter."

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)  
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## Other Matters

16. As indicated in our audit reports referred to in paragraph 8 above:

- (a) We did not audit the consolidated financial information of the Group (i.e. API Holdings Private Limited and its subsidiaries before giving effect of the scheme of amalgamation) included in the consolidated financial statements of the Group as at March 31, 2020 and for the period ended March 31, 2020, which constitute total assets of Rs. 76.09 million and net liabilities of Rs. 32.17 million as at March 31, 2020, total revenue of Rs. Nil, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 32.27 million and net cash inflows amounting to Rs. 21.20 million for the period ended March 31, 2020 and are based on the previously issued statutory financial statements for the said period prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the Previous Auditors, A. R. Sodha & Co, who expressed an unmodified opinion vide their report dated December 23, 2020. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.
- (b) We did not audit the consolidated financial information of one subsidiary, whose financial information reflect total assets of Rs. 3,428.54 million and net liabilities of Rs. 5,529.18 million as at March 31, 2021, total revenues of Rs. 632.23 million, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 792.39 million and net cash inflows of Rs. 1,510.58 million for the period from January 22, 2021 to March 31, 2021 included in the consolidated financial statements, for the year ended March 31, 2021, which have been audited by other auditors, S.R. Batliboi & Associates LLP, whose report has been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the report of the other auditors.
- (c) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs. Nil and net assets of Rs. Nil as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 0.01 million and net cash inflows of Rs. 0.01 million for the period from August 26, 2020 to February 9, 2021 included in the consolidated financial statements, for the year ended March 31, 2021, which have been audited by other auditors, Patel Senghani & Parvadiya, whose report has been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

- (d) The special purpose consolidated financial statements of the Group as at and for the period ended June 30, 2021 dealt with by this report, have been prepared for the express purpose of preparation of restated consolidated financial information of the Group for inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO").

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)  
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- (e) We did not audit the special purpose financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 268.20 million and net liabilities of Rs. 575.51 million as at June 30, 2021, total revenues of Rs. 57.02 million, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 23.31 million and net cash out flows amounting to Rs. 200.53 million for the period ended on that date, as considered in the special purpose consolidated financial statements. These special purpose financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the special purpose consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the special purpose consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

17. We did not examine:

- (a) the restated consolidated financial information of a subsidiary (i.e. Medlife International Private Limited) whose financial information reflect total assets of Rs. 3,428.54 million, net liabilities of Rs. 5,529.18 million as at March 31, 2021, total revenues of Rs. 632.23 million, net cash inflows of Rs. 1,510.58 million and total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 792.39 million for the period from January 22, 2021 to March 31, 2021 included in the Restated Consolidated Financial Information, for the year ended March 31, 2021, which have been examined by other auditors, S.R. Batliboi & Associates LLP, whose examination report have been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the examination report of the other auditors.

The other auditors of the subsidiary, have confirmed that:

- i. the restated consolidated summary statements of the group have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies of the API Holdings Limited;
  - ii. there are no qualifications in the auditors' report on the special purpose consolidated audited financial statements of the company as at March 31, 2021 and for period January 22, 2021 to March 31, 2021 which require any adjustments to the restated consolidated summary Statements; and
  - iii. the restated consolidated summary statements of the group have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- (b) the restated consolidated financial information of two subsidiaries (i.e. Metarain Distributors Private Limited and Evriksh Healthcare Private Limited) whose financial information reflect total assets of Rs. 268.20 million as at June 30, 2021, net liabilities of Rs. 575.51 million, total revenues of Rs. 57.02 million, net cash outflows of Rs. 200.53

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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million and total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 23.31 million for the period ended on that date, as included in the Restated Consolidated Financial Information, for the period ended June 30, 2021, which have been examined by other auditors, M O J & Associates, whose examination report have been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the examination report of the other auditors.

The other auditors of the subsidiaries, have confirmed that:

- i. the restated summary statements have been prepared in accordance with the basis of preparation as stated in Note 1 to the restated summary statements;
  - ii. the restated summary statements have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies of the ultimate holding company;
  - iii. there are no qualifications in the auditors' report on the special purpose audited financial statements of the companies as at 30 June 2021 which require any adjustments to the Restated Summary Statements; and
  - iv. the restated summary statements of the companies have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- (c) the restated consolidated financial information of the Group (i.e. API Holdings Private Limited and its subsidiaries before giving effect of the scheme of amalgamation referred to in paragraph 14 above) included in the consolidated financial statements of the Group as at and for the period ended March 31, 2020, which constitute total assets of Rs. 76.09 million and net liabilities of Rs. 32.17 million as at March 31, 2020, total revenue of Rs. Nil, total loss of Rs. 32.27 million and net cash inflows amounting to Rs. 21.20 million for the period ended March 31, 2020 which has been examined and reported upon by Previous Auditors, A. R. Sodha & Co, whose report has been furnished to us by the Management of the Company and our opinion on the Restated Consolidated Financial Information to the extent they have been derived from such restated consolidated financial information is based solely on the examination report issued by them.

The Previous Auditors of the Group have confirmed that the restated consolidated financial information of the Group:

- i. have been prepared in accordance with the Act and the SEBI ICDR Regulations and the Guidance Note;
- ii. have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure IV to their report), material errors and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at 31st March, 2020; and
- iii. there are no qualifications in the auditors' reports which require any adjustments.

# Price Waterhouse Chartered Accountants LLP

Independent Auditor's Examination Report on Restated Consolidated Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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18. We did not examine the restated financial information of one subsidiary, whose financial information reflect total assets of Rs. Nil and net assets of Rs. Nil as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 0.01 million and net cash inflows amounting to Rs. 0.01 million for the period from August 26, 2020 to February 9, 2021, as considered in the Restated Consolidated Financial Information. These restated financial information are unexamined and have been furnished to us by the Management, and our opinion on the Restated Consolidated Financial Information in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unexamined restated financial information. In our opinion and according to the information and explanations given to us by the Management, the restated financial information is not material to the Group.

Our opinion is not modified in respect of the above matters.

## Restriction on Use

19. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Nitin Khatri

Partner

Membership Number 110282

UDIN : 21110282AAAAANA6813

Place : Mumbai

Date : October 28, 2021

**Index**

**API Holdings Limited (formerly known as API Holdings Private Limited)**

<b>Sr. No</b>	<b>Details of Restated Consolidated Financial Information</b>	<b>Annexure Reference</b>
1	Restated Consolidated Statement of Assets and Liabilities	Annexure I
2	Restated Consolidated Statement of Profit and Loss	Annexure II
3	Restated Consolidated Statement of Changes in Equity	Annexure III
4	Restated Consolidated Statement of Cash Flows	Annexure IV
5	Basis of Preparation, Significant Accounting Policies	Annexure V
6	Notes to Restated Consolidated Financial Information	Annexure VI
7	Statement of Adjustments to Audited Consolidated Financial Statements	Annexure VII

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure I - Restated Consolidated Statement of Assets and Liabilities  
(All amounts in Rupees million, unless otherwise stated)

Particulars	Annexure VI Note	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	678.16	613.68	207.94
Capital work-in-progress	3(i)	19.59	2.50	-
Right-of-use asset	4	965.54	948.48	399.72
Goodwill	5	31,986.36	31,921.56	6.75
Other intangible assets	6	637.50	668.55	21.56
Intangible assets under development	7	-	-	3.50
Financial assets				
Investments	8	45.68	1.08	10.33
Other financial assets	9	117.81	114.02	59.00
Deferred tax assets (net)	10	51.61	16.75	183.33
Current tax assets (net) - Non Current	11	231.30	186.14	66.17
Other non-current assets	12	1,341.29	1,399.54	9.54
		<b>36,074.84</b>	<b>35,872.30</b>	<b>967.84</b>
<b>Current assets</b>				
Inventories	13	5,238.76	4,056.16	1,159.49
Financial assets				
Investments	14	8.17	8.06	7.38
Trade receivables	15	4,186.07	3,582.86	472.55
Cash and cash equivalents	16	3,157.19	2,295.45	241.65
Other bank balances	17	6,475.32	936.36	343.64
Loans	18	9.00	9.00	1,507.20
Other financial assets	19	131.40	163.65	48.42
Current tax assets (net)	20	-	2.35	-
Other current assets	21	3,154.86	2,127.25	976.58
		<b>22,360.77</b>	<b>13,181.14</b>	<b>4,756.91</b>
		<b>58,435.61</b>	<b>49,053.44</b>	<b>5,724.75</b>
<b>Total assets</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	22	295.35	256.20	0.10
<b>Other equity</b>				
Share Application Money	24(viii)	1,876.24	-	-
Instruments entirely in the nature of equity	23	764.89	115.46	-
Equity component of compound financial instruments	24	828.90	828.90	78.90
Money received against share warrants	24	-	-	16.25
Reserves and surplus	24	41,414.87	33,193.24	2,367.17
<b>Equity attributable to owners of parent</b>		<b>45,180.25</b>	<b>34,393.80</b>	<b>2,462.42</b>
Non-controlling interests		1,223.73	1,417.95	-
<b>Total equity</b>		<b>46,403.98</b>	<b>35,811.75</b>	<b>2,462.42</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	25	2,230.35	2,321.53	1,526.59
Lease liabilities	47	830.07	795.68	331.56
Other financial liabilities	26	0.01	7.80	108.09
Provisions	27	83.42	146.80	20.25
Deferred tax liabilities (net)	10	148.12	207.69	0.06
Contract liabilities	28	2.74	0.08	0.39
		<b>3,294.71</b>	<b>3,479.58</b>	<b>1,986.94</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	29	2,321.41	3,532.35	308.86
Lease liabilities	47	183.34	191.36	75.19
Trade payables				
-total outstanding dues of micro enterprises and small enterprises	30	63.08	115.77	28.79
-total outstanding dues of creditors other than micro enterprises and small enterprises	30	3,053.07	3,539.76	680.92
Other financial liabilities	31	1,760.76	1,351.05	46.74
Provisions	32	184.23	245.39	38.94
Current tax liabilities (net)	33	4.47	2.89	-
Other current liabilities	34	1,089.92	707.10	91.25
Contract liabilities	35	76.64	76.44	4.70
		<b>8,736.92</b>	<b>9,762.11</b>	<b>1,275.39</b>
<b>Total liabilities</b>		<b>12,031.63</b>	<b>13,241.69</b>	<b>3,262.33</b>
<b>Total equity and liabilities</b>		<b>58,435.61</b>	<b>49,053.44</b>	<b>5,724.75</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure I - Restated Consolidated Statement of Assets and Liabilities**  
(All amounts in Rupees million, unless otherwise stated)

The above Restated Consolidated Statement of Assets and Liabilities should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure - VII

This is the Restated Consolidated Statement of Assets and Liabilities referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited (formerly known as API Holdings Private Limited)**  
CIN :U60100MH2019PLC323444

**Nitin Khatri**  
*Partner*  
Membership number: 110282

**Siddharth Shah**  
*CEO and Managing Director*  
DIN: 05186193

**Harsh Parekh**  
*Whole time Director*  
DIN: 06661731

**Chebolu V Ram**  
*Chief Financial Officer*

**Drashti Shah**  
*Company Secretary and Chief Compliance Officer*

Place: Mumbai  
Date: October 28, 2021

Place: Mumbai  
Date: October 28, 2021

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure II - Restated Consolidated Statement of Profit and Loss**  
(All amounts in Rupees million, unless otherwise stated)

Particulars	Annexure VI Note	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>Income</b>				
Revenue from operations	36	11,968.08	23,352.69	6,675.42
Other income	37	104.52	253.93	699.06
<b>Total income</b>		<b>12,072.60</b>	<b>23,606.62</b>	<b>7,374.48</b>
<b>Expenses</b>				
Purchase of stock-in-trade	38	12,346.05	22,668.17	6,991.24
Changes in inventories of stock-in-trade	39	(1,266.49)	(1,143.95)	(582.38)
Employee benefits expense	40	1,658.39	2,702.94	1,371.90
Finance costs	41	205.80	434.31	118.86
Depreciation and amortisation expense	42	170.43	329.01	187.71
Other expenses	43	2,155.99	4,818.80	2,756.71
<b>Total expenses</b>		<b>15,270.17</b>	<b>29,809.28</b>	<b>10,844.04</b>
<b>Restated loss before tax</b>		<b>(3,197.57)</b>	<b>(6,202.66)</b>	<b>(3,469.56)</b>
<b>Tax expense</b>				
Current tax	44	35.77	46.68	(0.10)
Deferred tax charge / (credit)	44	(94.43)	164.02	(116.67)
<b>Total tax expenses / (credit)</b>		<b>(58.66)</b>	<b>210.70</b>	<b>(116.77)</b>
<b>Restated loss after tax for the year / periods</b>		<b>(3,138.91)</b>	<b>(6,413.36)</b>	<b>(3,352.79)</b>
<b>Restated other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement gains / (losses) on defined benefit plans		79.29	(34.50)	2.72
Income-tax relating to above items		-	(0.41)	(0.65)
<b>Restated other comprehensive income/ (loss)</b>		<b>79.29</b>	<b>(34.91)</b>	<b>2.07</b>
<b>Restated total comprehensive income / (loss) for the year / periods</b>		<b>(3,059.62)</b>	<b>(6,448.27)</b>	<b>(3,350.72)</b>
<b>Restated loss for the year / periods attributable to:</b>				
- Owners of the parent		(3,317.78)	(6,361.89)	(3,352.23)
- Non controlling interest		178.87	(51.47)	(0.56)
		<b>(3,138.91)</b>	<b>(6,413.36)</b>	<b>(3,352.79)</b>
<b>Restated other comprehensive income / (loss) for the year / periods attributable to:</b>				
- Owners of the parent		78.87	(34.27)	2.09
- Non controlling interest		0.42	(0.64)	(0.02)
		<b>79.29</b>	<b>(34.91)</b>	<b>2.07</b>
<b>Restated total comprehensive income / (loss) for the year / periods attributable to:</b>				
- Owners of the parent		(3,238.91)	(6,396.16)	(3,350.13)
- Non controlling interest		179.29	(52.12)	(0.59)
		<b>(3,059.62)</b>	<b>(6,448.28)</b>	<b>(3,350.72)</b>
<b>Restated loss per share (face value of Rs. 10 each) attributable to owners of the parent</b>				
Basic	45	(77.20)	(206.77)	(129.15)
Diluted		(77.20)	(206.77)	(129.15)

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure II - Restated Consolidated Statement of Profit and Loss**  
(All amounts in Rupees million, unless otherwise stated)

The above Restated Consolidated Statement of Profit and Loss should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure - VII

This is the Restated Consolidated Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited (formerly known as API Holdings Private Limited)**  
CIN :U60100MH2019PLC323444

**Nitin Khatri**  
*Partner*  
Membership number: 110282

**Siddharth Shah**  
*CEO and Managing Director*  
DIN: 05186193

**Harsh Parekh**  
*Whole time Director*  
DIN: 06661731

**Chebolu V Ram**  
*Chief Financial Officer*

**Drashti Shah**  
*Company Secretary and Chief Compliance Officer*

Place: Mumbai  
Date: October 28, 2021

Place: Mumbai  
Date: October 28, 2021

API Holdings Limited (formerly known as API Holdings Private Limited)

Annexure III - Restated Consolidated Statement of Changes in Equity

(All amounts in Rupees million, unless otherwise stated)

A. Equity Share Capital

Particulars	Amount
As at March 31, 2019	0.10
Shares issued during the period	-
As at March 31, 2020	0.10
Shares issued during the year	256.10
As at March 31, 2021	256.20
Shares issued during the period	39.15
As at June 30, 2021	295.35

B. Instrument entirely in the nature of equity

Particulars	Amount
As at March 31, 2019	-
Changes during the period	-
As at March 31, 2020	-
Changes during the year	115.46
As at March 31, 2021	115.46
Changes during the period (refer note 23)	649.43
As at June 30, 2021	764.89

C. Other equity

Particulars	Share application money pending allotment	Reserve and Surplus					Equity component of compound financial instruments	Money received against share warrants	Total Other equity	Non controlling interest	Total
		Securities premium reserve	Accumulated deficit	Capital reserve	Amalgamation (deficit) / reserve balance	Employee stock option outstanding					
<b>Balance as at March 31, 2019</b>	-	-	-	-	-	-	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited ("Acquirer")	-	4,896.10	(4,032.59)	1.30	4.90	146.80	78.70	16.25	1,111.46	(1.34)	1,110.12
Restated loss for the period	-	-	(3,352.23)	-	-	-	-	-	(3,352.23)	(0.56)	(3,352.79)
Restated Other comprehensive income / (loss) (net of tax)	-	-	2.09	-	-	-	-	-	2.09	(0.02)	2.07
<b>Total restated comprehensive income / (loss) for the period</b>	-	-	<b>(3,350.14)</b>	-	-	-	-	-	<b>(3,350.14)</b>	<b>(0.58)</b>	<b>(3,350.72)</b>
<b>Transaction with owners in their capacity as owners</b>											
Instrument entirely in the nature of equity issued by acquirer	-	4,478.80	-	-	2.06	-	-	-	4,480.86	-	4,480.86
Equity share capital issued by Acquirer	-	6.40	-	-	-	-	-	-	6.40	-	6.40
Transaction cost on issue of equity instruments	-	(13.80)	-	-	-	-	-	-	(13.80)	-	(13.80)
Equity component of instruments issued by the acquirer	-	-	-	-	-	-	0.20	-	0.20	-	0.20
Share based payment expense	-	-	-	-	-	239.20	-	-	239.20	-	239.20
Transaction with Non Controlling interest	-	-	(11.86)	-	-	-	-	-	(11.86)	1.93	(9.93)
<b>Balance as at March 31, 2020</b>	-	<b>9,367.50</b>	<b>(7,394.59)</b>	<b>1.30</b>	<b>6.96</b>	<b>386.00</b>	<b>78.90</b>	<b>16.25</b>	<b>2,462.32</b>	<b>0.01</b>	<b>2,462.33</b>
<b>Balance as at April 1, 2020</b>	-	<b>9,367.50</b>	<b>(7,394.59)</b>	<b>1.30</b>	<b>6.96</b>	<b>386.00</b>	<b>78.90</b>	<b>16.25</b>	<b>2,462.32</b>	<b>0.01</b>	<b>2,462.33</b>
Restated loss for the year	-	-	(6,361.89)	-	-	-	-	-	(6,361.89)	(51.47)	(6,413.36)
Restated Other comprehensive income / (loss) (net of tax)	-	-	(34.27)	-	-	-	-	-	(34.27)	(0.64)	(34.91)
<b>Total restated comprehensive income / (loss) for the year</b>	-	-	<b>(6,396.16)</b>	-	-	-	-	-	<b>(6,396.16)</b>	<b>(52.11)</b>	<b>(6,448.27)</b>
<b>Transaction with owners in their capacity as owners</b>											
Equity component of instruments issued during the year	-	-	-	-	-	-	750.00	-	750.00	-	750.00
Issue of equity shares and instruments in the nature of equity	-	13,134.18	-	-	-	-	-	-	13,134.18	-	13,134.18
Issue of shares as consideration for business combination	-	24,906.07	-	-	-	-	-	-	24,906.07	-	24,906.07
Bonus shares issued	-	(228.15)	-	-	-	-	-	-	(228.15)	-	(228.15)
Transaction cost on issue of equity instruments	-	(21.91)	-	-	-	-	-	-	(21.91)	-	(21.91)

Employee share based payment issued in business combination	-	-	-	-	-	268.70	-	-	268.70	-	268.70
Share based payment expense	-	-	-	-	-	568.08	-	-	568.08	-	568.08
Employee share options repurchased during the year	-	-	(86.18)	-	-	(136.19)	-	-	(222.37)	-	(222.37)
Adjustment on conversion of share warrants	-	-	(35.20)	-	-	-	-	(16.25)	(51.45)	-	(51.45)
Put liability recognised	-	-	(1,112.93)	-	-	-	-	-	(1,112.93)	-	(1,112.93)
Adjustment on account of amalgamation of Acquirer	-	-	-	-	(34.24)	-	-	-	(34.24)	-	(34.24)
Non-controlling interests on acquisition of businesses	-	-	-	-	-	-	-	-	-	1,470.06	1,470.06
<b>Balance as at March 31, 2021</b>	-	<b>47,157.69</b>	<b>(15,025.06)</b>	<b>1.30</b>	<b>(27.28)</b>	<b>1,086.59</b>	<b>828.90</b>	-	<b>34,022.14</b>	<b>1,417.96</b>	<b>35,440.10</b>
<b>Balance as at April 1, 2021</b>	-	<b>47,157.69</b>	<b>(15,025.06)</b>	<b>1.30</b>	<b>(27.28)</b>	<b>1,086.59</b>	<b>828.90</b>	-	<b>34,022.14</b>	<b>1,417.96</b>	<b>35,440.10</b>
Restated loss for the period	-	-	(3,317.78)	-	-	-	-	-	(3,317.78)	178.87	(3,138.91)
Restated Other comprehensive income / (loss) (net of tax)	-	-	78.87	-	-	-	-	-	78.87	0.42	79.29
<b>Total restated comprehensive income / (loss) for the year</b>	-	-	<b>(3,238.91)</b>	-	-	-	-	-	<b>(3,238.91)</b>	<b>179.29</b>	<b>(3,059.62)</b>
<b>Transaction with owners in their capacity as owners</b>											
Application money received pending allotment of shares	1,876.24	-	-	-	-	-	-	-	1,876.24	-	1,876.24
Equity component of instruments issued during the period	-	11,684.41	-	-	-	-	-	-	11,684.41	-	11,684.41
Transaction cost on issue of equity instruments	-	(28.55)	-	-	-	-	-	-	(28.55)	-	(28.55)
Share based payment expense	-	-	-	-	-	97.73	-	-	97.73	-	97.73
Employee share options repurchased during the period	-	-	(200.95)	-	-	(55.13)	-	-	(256.08)	(373.51)	(629.59)
Change in value of put liability	-	-	(36.96)	-	-	-	-	-	(36.96)	-	(36.96)
<b>Balance as at June 30, 2021</b>	<b>1,876.24</b>	<b>58,813.55</b>	<b>(18,501.88)</b>	<b>1.30</b>	<b>(27.28)</b>	<b>1,129.19</b>	<b>828.90</b>	-	<b>44,120.02</b>	<b>1,223.74</b>	<b>45,343.76</b>

The above Restated Consolidated Statement of Changes in Equity should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure - VII

This is the Restated Consolidated Statement of Changes of Equity referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**

Firm's Registration No: 012754N/N500016

**Nitin Khatri**

Partner

Membership number: 110282

**For and on behalf of the Board of Directors of**

**API Holdings Limited (formerly known as API Holdings Private Limited)**

CIN :U60100MH2019PLC323444

**Siddharth Shah**

CEO and Managing Director

DIN: 05186193

**Harsh Parekh**

Whole time Director

DIN: 06661731

**Chebolu V Ram**

Chief Financial Officer

Place: Mumbai

Date: October 28, 2021

**Drashti Shah**

Company Secretary and Chief Compliance Officer

Place: Mumbai

Date: October 28, 2021

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure IV - Restated Consolidated Statement of cash flows**  
(All amounts in Rupees million, unless otherwise stated)

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>A. Cash flow from operating activities</b>			
Restated Loss before tax	(3,197.57)	(6,202.66)	(3,469.56)
<b>Adjustments for :</b>			
Depreciation and Amortisation Expenses	170.43	329.01	187.71
Finance Costs	205.80	434.31	118.86
Net Loss on sale of property, plant and equipment	0.01	1.32	6.61
Bad debts written off	1.91	16.26	21.80
(Gain)/loss on fair valuation of financial instruments measured at fair value through profit and loss (net)	(0.12)	596.49	(546.94)
Loss on financial instruments	-	64.45	-
Gain on termination of leases	(6.20)	(19.43)	(0.43)
Liabilities no longer required written back	(0.31)	(26.69)	-
Share based payment expense	97.73	568.08	239.20
Unwinding of interest on security deposits	(5.60)	(14.66)	(5.32)
Provision for doubtful advances and statutory dues	3.00	93.22	-
Expected credit loss provision on financial assets	54.84	54.22	23.96
Interest income	(79.00)	(162.41)	(114.84)
<b>Operating loss before working capital changes</b>	<b>(2,755.08)</b>	<b>(4,268.49)</b>	<b>(3,538.95)</b>
<b>Changes in working capital:</b>			
(Increase)/decrease in other current and non-current financial assets	(63.70)	171.89	(18.24)
(Increase)/decrease in other current and non-current assets	(848.42)	(703.21)	(593.89)
(Increase)/decrease in trade receivables	(666.42)	(990.68)	(259.60)
(Increase)/decrease in inventories	(1,182.60)	(1,124.38)	(541.22)
Increase/(decrease) in other current and non-current financial liabilities	268.56	(269.67)	0.32
Increase/(decrease) in other current and non-current liabilities	382.94	(1,793.79)	55.90
Increase/(decrease) in trade payables	(539.38)	741.45	377.86
Increase/(decrease) in provisions	(45.25)	145.13	27.93
Increase/(decrease) in contract liabilities	2.86	71.74	1.88
<b>Cash generated from operations</b>	<b>(5,446.49)</b>	<b>(8,020.01)</b>	<b>(4,488.01)</b>
Income taxes paid (net)	(76.77)	(116.81)	(32.16)
<b>Net cash flow used in operating activities (A)</b>	<b>(5,523.26)</b>	<b>(8,136.82)</b>	<b>(4,520.17)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(173.02)	(308.83)	(137.25)
Proceeds from sale of property, plant and equipment and intangible assets	19.06	11.74	2.33
Investment made in equity instruments	(44.60)	(1.08)	(36.11)
Investment in mutual funds	0.01	(0.39)	-
Loans and advances given to related parties	-	-	(1,529.58)
Repayment of loans by related parties	-	-	6.47
Amounts (invested in)/liquidation of fixed deposits (net)	(2,997.70)	(308.06)	(307.80)
Interest received	65.38	156.82	114.84
Cash (paid)/acquired on business acquisitions	(13.00)	494.74	(8.30)
<b>Net cash flow generated from/(used in) investing activities (B)</b>	<b>(3,143.87)</b>	<b>44.94</b>	<b>(1,895.40)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure IV - Restated Consolidated Statement of cash flows**  
(All amounts in Rupees million, unless otherwise stated)

<b>C. Cash flow from financing activities</b>			
Proceeds from issue of equity instruments	11,743.10	7,077.17	4,487.26
Payment of share issue costs	(28.55)	(21.91)	(13.80)
Repayment of long term credit facility	-	(151.25)	-
Payment for extinguishment of financial instruments	-	(64.45)	-
Proceed from issue of instruments entirely in the nature of equity	629.89	3,992.51	-
Employee share options bought-back during the year/period	(615.20)	(222.37)	-
Share application money received	1,876.24	-	0.10
Proceeds / (repayments) from short term borrowings (net)	15.16	1,584.05	12.99
Repayment of long term borrowings	(1,317.28)	(1,772.41)	(177.00)
Proceeds from long term borrowings	-	339.01	2,171.73
Finance costs paid	(205.20)	(410.90)	(103.22)
Transactions with non controlling interest	-	(5.00)	(5.00)
Principal element of lease payments	(52.30)	(154.21)	(56.80)
<b>Net cash flow from financing activities (C)</b>	<b>12,045.86</b>	<b>10,190.24</b>	<b>6,316.26</b>
<b>Net cash flows during the year/period (A+B+C)</b>	<b>3,378.73</b>	<b>2,098.36</b>	<b>(99.31)</b>
Cash and cash equivalents (opening balance)	2,300.83	202.47	301.78
Cash and cash equivalents (closing balance)	<b>5,679.56</b>	<b>2,300.83</b>	<b>202.47</b>
<b>Cash and cash equivalents at the end of the year (refer Note 16)</b>			
Comprises :			
Cash on hand	28.51	18.05	2.19
Cheque in hand	8.90	83.04	7.01
Balance with banks			
In current accounts	3,119.78	694.36	80.54
In deposit accounts	-	1,500.00	151.91
Add: Earmarked funds with banks (refer note 17)	2,543.35	8.30	-
Less: Temporary book overdraft	(20.98)	(2.92)	(39.18)
	<b>5,679.56</b>	<b>2,300.83</b>	<b>202.47</b>

**Details of non-cash investing and financing activities**

The following are the non cash investing and financing activities:

Fair value changes in investments	-	-	25.78
Acquisition of Right to use assets	129.94	289.28	278.79
Shares issued for business combination	-	24,966.30	-
Bonus issue of shares	-	228.15	-
Equity component of compound financial instruments	-	750.00	78.90
Inventory converted into Property, plant and equipment	-	10.89	20.00

Also, refer note 25, Net Debt Reconciliation for disclosure of non-cash financing activities

The above Restated Consolidated Statement of Cash Flow should be read in conjunction with Notes to the Restated Consolidated Financial Information appearing in Annexure - VI and Statement of Adjustments to Audited Consolidated Financial Statements appearing in Annexure - VII

This is the Restated Consolidated Statement of Cash Flows referred to in our report of even date.

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited (formerly known as API Holdings Private Limited)**  
CIN :U60100MH2019PLC323444

**Nitin Khatri**  
*Partner*  
Membership number: 110282

**Siddharth Shah**  
*CEO and Managing Director*  
DIN: 05186193

**Harsh Parekh**  
*Whole time Director*  
DIN: 06661731

**Chebolu V Ram**  
*Chief Financial Officer*

**Drashti Shah**  
*Company Secretary and Chief Compliance Officer*

Place: Mumbai  
Date: October 28, 2021

Place: Mumbai  
Date: October 28, 2021

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure V – Basis of Preparation, Significant Accounting Policies

**Note 1: Background**

API Holdings Limited [formerly known as API Holdings Private Limited] (“API” or “the Company”) is a public Company limited by shares, incorporated on March 31, 2019 and domiciled in India. The Company and its subsidiaries, (collectively the “Group”) are engaged in diversified businesses primarily trading of pharmaceutical and cosmetic goods, licensing of internet portals or mobile applications related to sales and distribution of pharmaceutical and cosmetic goods, teleconsulting etc. The registered address of the Company is 902, 9th Floor, Raheja Plaza 1, B-Wing, Opposite R-City Mall, L.B.S Marg, Ghatkopar (W) Mumbai 400086.

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the annual general meeting of the shareholders of the Company held on October 1, 2021 and consequently the name of the Company has changed to API Holdings Limited pursuant to a fresh certificate of incorporation issued by the Registrar of Companies on October 28, 2021.

On August 27, 2020 (the “Effective Date”), the Scheme of Amalgamation of Thea Technologies Private Limited (“TTPL”), Swifto Services Private Limited (“SSPL”) with 91Streets Media Technologies Private Limited (“91Streets”) and 91Streets, Ascent Health and Wellness Solutions Private Limited (“Ascent”), Aahaan Commercials Private Limited (“ACPL”) and Lokprakash Vidhya Private Limited (“LVPL”) with API Holdings Limited (“API” or “the Company”) and their respective shareholders (the “Scheme”) became effective, pursuant to filing of the order of National Company Law Tribunal, Bench, Mumbai sanctioning the Scheme, with the Registrar of Companies, Mumbai.

Pursuant to the Scheme becoming effective, the erstwhile TTPL, SSPL (being subsidiaries of 91Streets) amalgamated into 91Streets, and 91Streets, Ascent, ACPL and LVPL amalgamated into the Company. Accordingly, these companies were dissolved without winding up and the entire business, assets, liabilities, undertaking, etc. of these companies were transferred to and now vests with the Company.

The Scheme has been accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103 Business Combinations with the Effective Date being the acquisition date. 91Streets has been determined to be the acquirer for accounting purposes. As a result, upon consummation of the Scheme, the historical consolidated financial statements of 91Streets have been included in the comparative restated consolidated financial statements of the Group. The share capital as appearing in the restated consolidated financial statements is that of API Holdings Limited (the surviving entity in the amalgamation). Refer note 51 for details.

**Note 2: Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of the restated consolidated financial information. These policies have been applied consistently to all the periods presented, unless otherwise stated. These restated consolidated financial information are for the group consisting of API Holdings Limited and its subsidiaries (collectively referred to as “Group”).

**A. Basis of preparation**

The restated consolidated financial information of the Group comprises of the Restated Consolidated Statement of Assets and Liabilities as at June 30, 2021, March 31, 2021 and March 31, 2020, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Statement of Cash flows for the three months period ended June 30, 2021, year ended March 31, 2021 and period from March 31, 2019 (i.e. date of incorporation) through March 31, 2020 and Notes to the Restated Consolidated Financial Information and Statement of Adjustments to Audited Consolidated Financial Statements (collectively, the ‘Restated Consolidated Financial Information’).



API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure V – Basis of Preparation, Significant Accounting Policies

These Restated Consolidated Financial Information have been prepared by the Management of the Group for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI"), National Stock Exchange of India Limited and BSE Limited in connection with proposed Initial Public Offering ("IPO") of its equity shares.

The Restated Consolidated Financial Information, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

- (i) Section 26 of the Companies Act, 2013 ("the Act") as amended from time to time;
- (ii) Paragraph A of Clause 11 (I) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI ICDR Regulations") issued by the Securities and Exchange Board of India (the "SEBI"); and
- (iii) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI") as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been prepared by the Management from the audited consolidated financial statements of the Group as at and for the period ended June 30, 2021 which is prepared in accordance with Indian Accounting Standards (Ind AS) 34, Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, as at and for the year ended March 31, 2021 and as at and for the period ended March 31, 2020 which is prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act, which have been approved by the Board of Directors of the Holding Company at their meetings held on September 9, 2021, July 26, 2021 and December 23, 2020, respectively.

The Group prepared its financial statements for the period from 31 March 2019 to 31 March 2020 (which is the first financial statements after incorporation), in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and amended thereafter. The financial statements for the year ended 31 March 2021 were the first financial statements, the Group has prepared in accordance with Ind AS, together with the comparative information as at 31 March 2020 and for the period from 31 March 2019 to 31 March 2020.

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of auditor's reports on the audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:

- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors, if any, and regrouping/reclassifications retrospectively in the periods/year ended June 30, 2021, March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended June 30, 2021.
- (b) do not require any adjustment for qualification as there are no qualifications in the underlying audit reports.

The restated consolidated financial information was authorised for issue in accordance with a resolution of the Board of Directors on October 28, 2021.

#### Historical cost convention

The restated consolidated financial information have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and contingent consideration (if any) - measured at fair value;

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure V – Basis of Preparation, Significant Accounting Policies

- assets held for sale – measured at fair value less cost to sell;
- defined benefit plans – plan assets measured at fair value; and
- share-based payments.

**New and amended standards adopted by the Group**

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2021:

- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The Group has applied the following amendments to the Schedule III Division II of the Companies Act, 2013 while preparing the restated consolidated financial information:

- Additional disclosures related to ageing of trade receivables, trade payables, unbilled revenue, capital work in progress, intangibles under developments etc.
- Additional disclosures related to title deeds of immovable properties, ratios, corporate social responsibility, loans given, utilisation borrowed funds and securities premium, reconciliation of returns submitted to banks with books of accounts, delay in registration of charges outstanding, promoters shareholding, relationship with struck off companies, surrendered income, revaluation of Property, plant and equipment and valuation of investment properties etc.
- Presentation of lease liabilities and current maturities of long term debt in the restated consolidated financial information.

The Group has applied the above amendments to the extent considered applicable to this restated consolidated financial information.

**Use of estimates and judgements**

The preparation of the restated consolidated financial information in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the restated consolidated financial information and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the restated consolidated financial information in the period in which changes are made and, if material, their effects are disclosed in the notes to the restated consolidated financial information.

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

**Significant judgements:**

a) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized. Estimation of the level of future taxable profits is therefore required to determine the appropriate carrying value of the deferred tax assets. Considering past losses, uncertainty of its ability to generate future taxable profit in the parent and certain subsidiaries, the Group has recognised deferred tax assets in the parent entity and certain subsidiaries only to the extent of deferred tax liabilities. Refer note 10 for details.

b) Business combination

In accounting for business combinations, judgment is required in identifying the acquirer and acquiree for the purpose of business combination and whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the

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Annexure V – Basis of Preparation, Significant Accounting Policies

identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations. Refer note 51 for details.

Critical estimates:

- a) Fair value of employee share options  
The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions include expected volatility, share price, expected dividends, term and discount rate, under this pricing model. Refer note 52 for details.
- b) Impairment of goodwill  
The Group tests whether goodwill has suffered any impairment loss on an annual basis. The recoverable amount of the cash generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the initial period are extrapolated using the estimated growth rates. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. Refer note 5 for details.

**B. Principles of consolidation**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the restated consolidated statement of profit and loss, restated consolidated statement of changes in equity and restated consolidated statement of assets and liabilities, respectively.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**C. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company, which assesses the financial performance and position of the Group as a whole and makes strategic decisions, has been identified as the chief operating decision maker. Refer note 50 for details.

**D. Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the restated consolidated financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The restated consolidated financial information are presented in Indian rupee (Rupees), which is the functional and presentation currency of the Company.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in profit or loss.

All foreign exchange gains and losses are presented in the restated consolidated statement of profit and loss on a net basis within other income/other expenses as applicable.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as at Fair Value through Other Comprehensive Income (FVOCI) are recognised in other comprehensive income.

**E. Revenue recognition**

**(i) Sale of goods**

The Group sells a range of pharmaceutical and cosmetic goods. Sales are recognised when control of the products is transferred which occurs when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and goods and service tax. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level.

A receivable is recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) **Sale of services**

The Group provides services of delivery person, software, and technology platform services. Revenue is recognised in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Some contracts include multiple performance obligations, such as the sale of hardware and sale of software. The hardware can be procured from any other party and does not include an integration service. It is therefore accounted for as a separate performance obligation. If contracts include the sale of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods, and service tax.

Customers are invoiced on a periodic basis and consideration is payable when invoiced in accordance with the credit period.

(iii) **Customer loyalty programme**

The Group operates a loyalty programme where customers accumulate points for purchases made. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire. A contract liability is recognised until the points are redeemed or expire.

(iv) **Financing components**

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. No significant element of financing is deemed present as the sales are made with a credit term consistent with market practice.

**F. Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the restated consolidated financial information. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit/(loss) nor taxable profit/(tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### G. Leases

##### As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

#### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred on operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the restated consolidated statement of assets and liabilities based on their nature.

## H. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

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The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity,
- amount of pre-existing relationships with the acquiree, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

**(I) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(J) Cash and cash equivalents**

For the purpose of presentation in the restated consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the restated consolidated statement of assets and liabilities.

**(K) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.



(L) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of purchase comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(M) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Group commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/other expenses.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/other expenses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/other expenses and impairment gains/(losses) are presented as separate line item in restated consolidated statement of profit and loss.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other income/other expenses in the period in which it arises. Interest income from these financial assets is included in other income.

(b) **Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ other expenses in the restated consolidated statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(v) **Derecognition of financial assets**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) **Income recognition**

**Interest income :** Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the restated consolidated statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Dividends :** Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment.

**(N) Derivatives and hedging activities**

Derivatives are only used for economic hedging purposes and not as speculative activities. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at FVPL. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group does not designate derivatives contracts as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income/other expenses.

**Embedded derivatives** : Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109, Financial Instruments are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

**(O) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the restated consolidated statement of assets and liabilities where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**(P) Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the written down value method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

- Computer hardware - 3 years
- Office equipment – 5 years
- Furniture and fixtures - 10 years
- Vehicles - 10 years
- Plant and machinery - 15 years
- Electrical fittings/installations - 10 years

Leasehold improvements are depreciated, using the straight-line method, over the shorter of their useful life or the lease term, unless the entity expects to use the assets beyond the lease term.

The useful lives have been determined by the management which is in accordance with those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

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An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/other expenses.

(Q) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries and businesses is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity/business include the carrying amount of goodwill relating to the entity/business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

(ii) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(iii) Research and development

Research expenditure and development expenditure that do not meet the criteria in (ii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(iv) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method over the period of 3 years.

(R) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(S) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of optionally convertible debentures is determined using a market interest rate for an equivalent non-convertible debenture. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the debentures. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the restated consolidated statement of assets and liabilities when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income/ expenses.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**(T) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**(U) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Material contingent liabilities are disclosed in the restated consolidated financial information unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the restated consolidated financial information unless it is virtually certain that the future event will confirm the asset's existence and the asset will be realised.

(V) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the restated consolidated statement of assets and liabilities.

(ii) Other long-term employee benefit obligations

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the restated consolidated statement of assets and liabilities if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Defined benefit plans

The liability or asset recognised in the restated consolidated statement of assets and liabilities in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the restated consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the restated consolidated statement of changes in equity and in the restated consolidated statement of assets and liabilities.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred.

**(iv) Share-based payments**

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

**Employee options**

The fair value of options granted under the Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The equity instruments generally vest in a graded manner over the vesting period. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Cancellation or settlements are accounted as an acceleration of vesting, and therefore recognised immediately at the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

If new equity instruments are granted to the employee and, on the date when those new equity instruments are granted, the Group identifies the new equity instruments granted as replacement equity instruments for the cancelled equity instruments, the Group accounts for the granting of replacement equity instruments in the same way as a modification of the original grant of equity instruments. When the terms of an equity-settled award are modified, the Group recognises as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Payments made to the employee on the settlement of the options is accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense and presented as cash flow from operating activities in the restated statement of cash flows. Any excess or shortfall between the repurchase date fair value and grant date fair value and excess in repurchase date fair value over the payments made is transferred to retained earnings. Amounts paid to the extent of the repurchase date fair value are presented as cash flow from financing activities in the restated statement of cash flows.

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(W) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(X) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Restated Consolidated Statement of Assets and Liabilities. The liabilities classified as held for sale are presented separately from other liabilities in the Restated Consolidated Statement of Assets and Liabilities.

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

(Y) Put liability

The Group enters into business combination arrangements which may include terms where the Group has written put options or a purchased call option along with the written put, over the equity of a subsidiary which permit the holder to put their shares in the subsidiary back to the Group at the exercise price specified in the arrangement. The Group analyses the terms of such arrangements to assess whether they provide the Group or the non-controlling interest with access to the risks and rewards associated with the actual ownership of the shares.

The non-controlling interest is recognised only if risks and rewards associated with ownership have been retained by the non-controlling interest. In such case, the amount that may become payable under the option on its exercise is initially recognised at the present value of the redemption amount within other



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financial liabilities (presented as “Put Liability”) with a corresponding charge directly to equity. Subsequent changes in put liability are recognised within equity.

If the risks and rewards associated with ownership are transferred to the Group, a non-controlling interest is not recognised. In such case, the put liability is recognised as part of the purchase consideration for the business combination with a corresponding effect on goodwill. The put liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable. In the event that the option lapses unexercised, a non-controlling interest is then recognised at an amount equal to its share of the carrying values of the subsidiary’s net assets at the date of lapse. Any difference between the put liability and the non-controlling interest is recognised within equity.

**(Z) Contributed equity**

Equity shares are classified as equity. Compulsory convertible instruments such as preference shares and/or debentures that will be or are expected to be settled in the Company’s own equity instruments are classified as equity if they are expected to be settled into a fixed number of equity shares. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(ZA) Rounding of amounts**

All amounts disclosed in the restated consolidated financial information and notes have been rounded off to the nearest million Rupees as per the requirement of Schedule III, unless otherwise stated.

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(All amounts in Rupees million, unless otherwise stated)

3 Property, plant and equipment

Particulars	Office equipments #	Computer and hardware #	Furniture and fixtures #	Vehicles	Leasehold improvement #	Plant and machinery	Electrical fittings / Installation	Total
<b>Gross Carrying amount</b>								
<b>Balance as at March 31, 2019</b>	-	-	-	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited	42.42	78.36	61.05	2.41	56.07	-	-	241.31
Additions	38.55	65.43	24.51	0.71	19.45	-	-	148.65
Disposals / adjustments	(0.92)	(3.86)	(5.03)	-	(4.15)	-	-	(13.96)
<b>Balance as at March 31, 2020</b>	<b>80.05</b>	<b>139.93</b>	<b>80.53</b>	<b>3.12</b>	<b>71.37</b>	-	-	<b>376.00</b>
<b>Balance as at April 1, 2020</b>	<b>80.05</b>	<b>139.93</b>	<b>80.53</b>	<b>3.12</b>	<b>71.37</b>			<b>376.00</b>
Additions	98.11	56.53	70.40	0.95	55.66	5.71	6.70	294.06
Acquisition through business combination (Refer note 51)	60.38	44.24	35.34	15.05	73.15	31.01	10.46	269.63
Disposals / adjustments	(36.01)	(21.33)	(10.15)	(0.66)	(0.59)	-	-	(68.74)
<b>Balance as at March 31, 2021</b>	<b>202.53</b>	<b>219.37</b>	<b>176.12</b>	<b>18.46</b>	<b>199.59</b>	<b>36.72</b>	<b>17.16</b>	<b>870.95</b>
<b>Balance as at April 1, 2021</b>	<b>202.53</b>	<b>219.37</b>	<b>176.12</b>	<b>18.46</b>	<b>199.59</b>	<b>36.72</b>	<b>17.16</b>	<b>870.95</b>
Additions	46.03	62.71	21.91	0.70	9.70	3.80	0.20	145.04
Acquisition through business combination (Refer note 51)	0.22	0.41	1.07	0.03	-	0.93	-	2.66
Disposals / adjustments	(40.43)	(35.18)	(4.51)	-	(22.19)	-	-	(102.31)
<b>Balance as at June 30, 2021</b>	<b>208.35</b>	<b>247.31</b>	<b>194.58</b>	<b>19.19</b>	<b>187.10</b>	<b>41.45</b>	<b>17.36</b>	<b>916.35</b>
<b>Accumulated depreciation</b>								
<b>Balance as at March 31, 2019</b>	-	-	-	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited	13.39	37.08	11.31	0.64	11.73	-	-	74.15
Depreciation	21.57	39.48	15.26	0.54	21.22	-	-	98.06
Disposals / adjustments	(0.28)	(2.31)	(1.37)	-	(0.89)	-	-	(4.85)
<b>Balance as at March 31, 2020</b>	<b>34.68</b>	<b>74.25</b>	<b>25.20</b>	<b>1.18</b>	<b>32.06</b>	-	-	<b>166.37</b>
<b>Balance as at April 1, 2020</b>	<b>34.68</b>	<b>74.25</b>	<b>25.20</b>	<b>1.18</b>	<b>32.06</b>	-	-	<b>166.37</b>
Depreciation	44.45	47.73	18.43	1.64	17.19	0.37	2.79	132.60
Disposals / adjustments	(21.51)	(17.25)	(2.47)	(0.20)	(0.25)	-	-	(41.68)
<b>Balance as at March 31, 2021</b>	<b>57.62</b>	<b>104.73</b>	<b>41.16</b>	<b>2.62</b>	<b>49.00</b>	<b>0.37</b>	<b>2.79</b>	<b>257.29</b>
<b>Balance as at April 1, 2021</b>	<b>57.62</b>	<b>104.73</b>	<b>41.16</b>	<b>2.62</b>	<b>49.00</b>	<b>0.37</b>	<b>2.79</b>	<b>257.29</b>
Depreciation	19.01	21.43	9.33	0.88	10.80	1.95	1.08	64.49
Disposals / adjustments	(28.81)	(33.54)	(1.58)	-	(19.65)	-	-	(83.59)
<b>Balance as at June 30, 2021</b>	<b>47.82</b>	<b>92.62</b>	<b>48.91</b>	<b>3.50</b>	<b>40.15</b>	<b>2.32</b>	<b>3.87</b>	<b>238.19</b>
<b>Net carrying value as on March 31, 2020</b>	<b>45.38</b>	<b>65.67</b>	<b>54.42</b>	<b>1.04</b>	<b>38.41</b>	-	-	<b>207.94</b>
<b>Net carrying value as on March 31, 2021</b>	<b>144.92</b>	<b>114.64</b>	<b>134.96</b>	<b>15.84</b>	<b>150.59</b>	<b>36.35</b>	<b>14.37</b>	<b>613.68</b>
<b>Net carrying value as on June 30, 2021</b>	<b>160.53</b>	<b>154.69</b>	<b>145.68</b>	<b>15.69</b>	<b>146.95</b>	<b>39.13</b>	<b>13.49</b>	<b>678.16</b>

The Group has provided exclusive charge over its movable fixed assets both present and future as a security against the secured borrowing of Ascent Wellness and Pharma Solutions Private Limited of Rs. 58.89 millions, Shell Pharmaceuticals Private Limited of Rs. 0.64 millions, Rau and Co Pharma Private Limited of Rs. 1.07 millions, Muthu Pharma Private Limited of Rs. 27.58 millions, Pearl Medicals Private Limited of Rs. 0.58 millions and Aryan Wellness Private Limited of Rs. 42.92 millions. (Refer note 29)

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

# Leased Assets

The following amounts included in the carrying amount related to assets under operating lease, where the Group is a lessor;

Particulars	Office equipments #	Computer and hardware #	Furniture and fixtures #	Leasehold improvement #	Total
<b>Gross Carrying amount</b>					
<b>Balance as at March 31, 2019</b>	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited	-	10.39	-	-	10.39
Additions ^	-	27.22	-	-	27.22
Disposals / adjustments \$	-	(3.69)	-	-	(3.69)
<b>Balance as at March 31, 2020</b>	-	<b>33.92</b>	-	-	<b>33.92</b>
Additions due to business acquisition	1.10	0.44	2.31	0.80	4.65
Disposals / adjustments \$	-	(1.32)	-	-	(1.32)
<b>Balance as at March 31, 2021</b>	<b>1.10</b>	<b>33.04</b>	<b>2.31</b>	<b>0.80</b>	<b>37.25</b>
Additions	-	-	-	-	-
Disposals / adjustments \$	-	(0.26)	-	-	(0.26)
<b>Balance as at June 30, 2021</b>	<b>1.10</b>	<b>32.78</b>	<b>2.31</b>	<b>0.80</b>	<b>36.99</b>
<b>Accumulated depreciation</b>					
<b>Balance as at March 31, 2019</b>	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited	-	4.25	-	-	4.25
Depreciation	-	5.53	-	-	5.53
Disposals / adjustments \$	-	(2.30)	-	-	(2.30)
<b>Balance as at March 31, 2020</b>	-	<b>7.48</b>	-	-	<b>7.48</b>
Depreciation	0.31	16.47	0.37	0.16	17.31
Disposals / adjustments \$	-	(0.72)	-	-	(0.72)
<b>Balance as at March 31, 2021</b>	<b>0.31</b>	<b>23.23</b>	<b>0.37</b>	<b>0.16</b>	<b>24.07</b>
Depreciation	0.09	1.85	0.13	0.07	2.14
Disposals / adjustments \$	-	(0.26)	-	-	(0.26)
<b>Balance as at June 30, 2021</b>	<b>0.40</b>	<b>24.82</b>	<b>0.50</b>	<b>0.23</b>	<b>25.95</b>
<b>Net carrying value as on March 31, 2020</b>	-	<b>26.44</b>	-	-	<b>26.44</b>
<b>Net carrying value as on March 31, 2021</b>	<b>0.79</b>	<b>9.81</b>	<b>1.94</b>	<b>0.64</b>	<b>13.18</b>
<b>Net carrying value as on June 30, 2021</b>	<b>0.70</b>	<b>7.96</b>	<b>1.81</b>	<b>0.57</b>	<b>11.04</b>

^ The assets on lease amounting to Nil (31 March 2021: Rs. Nil, 31 March 2020: Rs. 17.1 million) have not been put to use as on the Balance Sheet date.

\$ Includes Rs Nil (31 March 2021: Rs 0.50 millions, 31 March 2020: Rs 1.4 million) of assets (Net of accumulated depreciation) of assets transferred to inventories at their carrying amount when they ceased to be rented.

3(i) Capital work-in-progress \*

Particulars	Amount
<b>Balance as at March 31, 2019</b>	-
Addition during the period	-
<b>Balance as at March 31, 2020</b>	-
Addition during the year	2.50
Capitalised during the year	-
<b>Balance as at March 31, 2021</b>	<b>2.50</b>
Addition during the period	<b>19.59</b>
Capitalised during the period	<b>(2.50)</b>
<b>Balance as at June 30, 2021</b>	<b>19.59</b>

\* Capital work-in-progress consists projects which are for periods less than one year.  
All the projects are in progress as of the respective balance-sheet dates.

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**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**4 Right of use asset (Refer note 47)**

(i) Amount recognised in Restated Consolidated Statement of Assets and Liabilities

The balance sheet shows the following amount relating to leases:

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Right of use assets</b>			
Buildings	965.54	948.48	399.72

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Lease Liabilities</b>			
Current	183.34	191.36	75.19
Non-current	830.07	795.68	331.56

(ii) Note :

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Additions to the right of use assets	129.94	289.28	278.79
Additions through business combination (Refer note 51)	-	684.27	-

(iii) **Extension and termination options:**

Extension and termination options are included in certain leases across the Group. These are used to minimise operational flexibility in terms of managing the assets used in Group's operations. In certain cases, extension and termination options held are exercisable only by the Group.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
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**5 Goodwill**

Particulars	Note	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Opening balance</b>		31,921.56	6.75	-
Reorganisation of 91Streets Media Technologies Private Limited		-	-	4.80
Addition during the year/period on account of business combination of				
- Ascent Health and Wellness Solutions Private Limited	51	-	14,734.01	-
- Medlife International Private Limited (including subsidiaries)	51	-	17,098.80	-
- Others	51	64.80	82.00	1.95
<b>Closing balance</b>		<b>31,986.36</b>	<b>31,921.56</b>	<b>6.75</b>

**Impairment of Goodwill**

Goodwill is tested for impairment at each balance sheet date. No impairment charges were identified as at June 30, 2021, March 31, 2021 and March 31, 2020.

Goodwill is monitored by management at the level of three Cash Generating Units ("CGU") as follows:

Particulars of CGU	Goodwill amount allocated		
	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Distribution to Chemists / institutions	5,722.15	5,657.35	-
Distribution to Retailers	17,105.55	17,105.55	6.75
IT operations	9,158.66	9,158.66	-
<b>Total</b>	<b>31,986.36</b>	<b>31,921.56</b>	<b>6.75</b>

The recoverable amounts of the Distribution to Chemist / institutions business and Distribution to Retailers business CGU's has been assessed using a value-in-use model. Value in use is calculated as the net present value of the projected cash flows plus a terminal value of the cash flows. The cash flow projections are based on financial budgets approved by management.

Following key assumptions were considered while performing impairment testing :-

Particulars	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020	
	Distribution to Chemists / institutions	Distribution to Retailers	Distribution to Chemist / institutions	Distribution to Retailers	Distribution to Chemist / institutions	Distribution to Retailers
Terminal growth rate	3%	5%	3%	5%	NA	4%
Revenue growth rate	17% to 25%	30% to 50%	10% to 20%	6% to 70%	NA	6% to 70%
Weighted Average Cost of Capital % (WACC) (Discount rate)	15.36%	20.93%	18.14%	25.00%	NA	17.00%

The projections cover a period of six years as assumed for the period ended June 30, 2021 and cover a period of five years for the year ended March 31, 2021 and for the period ended March 31, 2020, as management believes this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of goods sold, expenses, etc.) are based on the reasonable estimates considering past performance and future expectations. Terminal growth rate is weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports.

IT operations CGU includes operations related to technology platform and sale of software. In the case of goodwill related to IT operations, recoverable amount has been determined based on fair value less cost to disposal. Management has engaged independent valuer to determine fair value less cost to disposal of the CGU. In order to determine the fair value less cost to disposal, the Group has used average market multiple after applying discount for size of the Company and nature of business. Significant assumptions includes market multiple of 0.30 of Gross Merchandise Value.

Sensitivity analysis performed around the base assumptions do not indicate any reasonable possible change in key assumptions that would cause the recoverable amount of the above CGUs to be less than their respective carrying value.

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(All amounts in Rupees million, unless otherwise stated)

6 Other intangible assets

Particulars	Computer software	Brand Name	Technology platform	Other intangibles	Total intangible assets
<b>Gross Carrying amount</b>					
<b>Balance as at March 31, 2019</b>	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited	28.52	-	-	5.46	33.98
Additions	3.84	-	-	7.25	11.09
Disposals / adjustments	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>32.36</b>	-	-	<b>12.71</b>	<b>45.07</b>
<b>Balance as at April 1, 2020</b>	<b>32.36</b>	-	-	<b>12.71</b>	<b>45.07</b>
Additions	6.54	0.16	7.00	0.78	14.48
Acquisition through business combination (Refer note 51)	20.53	312.98	304.20	50.80	688.51
Disposals / adjustments	(1.07)	-	-	-	(1.07)
<b>Balance as at March 31, 2021</b>	<b>58.36</b>	<b>313.14</b>	<b>311.20</b>	<b>64.29</b>	<b>746.99</b>
<b>Balance as at April 1, 2021</b>	<b>58.36</b>	<b>313.14</b>	<b>311.20</b>	<b>64.29</b>	<b>746.99</b>
Additions	7.42	-	-	-	7.42
Disposals / adjustments	(0.42)	-	-	-	(0.42)
<b>Balance as at June 30, 2021</b>	<b>65.36</b>	<b>313.14</b>	<b>311.20</b>	<b>64.29</b>	<b>753.99</b>
<b>Accumulated amortisation</b>					
<b>Balance as at March 31, 2019</b>	-	-	-	-	-
Reorganisation of 91Streets Media Technologies Private Limited	11.31	-	-	4.03	15.34
Amortisation expenses	6.60	-	-	1.56	8.16
Disposals / adjustments	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>17.91</b>	-	-	<b>5.59</b>	<b>23.50</b>
<b>Balance as at April 1, 2020</b>	<b>17.91</b>	-	-	<b>5.59</b>	<b>23.50</b>
Amortisation expenses	8.84	18.49	14.48	14.19	56.00
Disposals / adjustments	(1.07)	-	-	-	(1.07)
<b>Balance as at March 31, 2021</b>	<b>25.68</b>	<b>18.49</b>	<b>14.48</b>	<b>19.78</b>	<b>78.43</b>
<b>Balance as at April 1, 2021</b>	<b>25.68</b>	<b>18.49</b>	<b>14.48</b>	<b>19.78</b>	<b>78.43</b>
Amortisation expenses	4.08	15.61	16.70	1.75	38.13
Disposals / adjustments	(0.08)	-	-	-	(0.08)
<b>Balance as at June 30, 2021</b>	<b>29.68</b>	<b>34.10</b>	<b>31.18</b>	<b>21.53</b>	<b>116.49</b>
<b>Net carrying value as on March 31, 2020</b>	<b>14.45</b>	-	-	<b>7.12</b>	<b>21.56</b>
<b>Net carrying value as on March 31, 2021</b>	<b>32.68</b>	<b>294.65</b>	<b>296.72</b>	<b>44.51</b>	<b>668.55</b>
<b>Net carrying value as on June 30, 2021</b>	<b>35.68</b>	<b>279.04</b>	<b>280.02</b>	<b>42.76</b>	<b>637.50</b>

The Group has hypothecated its IPR / brand / intangibles of the technology stack/product suite of Rs 3.50 million both present and future as a security against the secured borrowing of its subsidiary Muthu Pharma Private Limited (Refer note 25 and 29).

The remaining amortisation period ranges from the financial year 2022 to 2025.

7 Intangible assets under development

Particulars	Amount
<b>Balance as at March 31, 2019</b>	-
Additions	3.50
Capitalised during the year	-
<b>Balance as at March 31, 2020</b>	<b>3.50</b>
Additions	-
Capitalised during the year	(3.50)
<b>Balance as at March 31, 2021</b>	-
Additions	-
Capitalised during the period	-
<b>Balance as at June 30, 2021</b>	<b>-</b>

Note:

Capitalised development costs related to software are recorded as intangible assets and are amortised from the point at which the asset is available for use.

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8 Investments (Non-current)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Investments in equity instruments (unquoted) - measured at fair value through profit and loss</b>			
Nil (March 31, 2021: Nil, March 31, 2020: 8662) equity shares of Rs 10 each in Instinct Innovation Private Limited (Refer Note 52)	-	-	10.33
10 (31 March 2021: Nil, 31 March 2020: Nil) Equity Shares of Health Arx Technologies Private Limited of Rs 10 each, fully paid-20,040 (March 31, 2021: 20040, March 31, 2020: Nil) equity shares of Thane Janta Sahakari Bank of Rs 50 each, fully paid-up	0.01	-	-
	1.08	1.08	-
<b>Other Investments (unquoted) - measured at fair value through profit and loss</b>			
31990 (31 March 2021: Nil, 31 March 2020: Nil) Compulsory Convertible Preference Shares of Health Arx Technologies Private	39.99	-	-
305 (31 March 2021: Nil, 31 March 2020: Nil) Compulsory Convertible Preference Shares of Prost Technologies Private Limited of Rs 10 each, fully paid-up	4.60	-	-
	<b>45.68</b>	<b>1.08</b>	<b>10.33</b>

\* During the financial year ended 31 March, 2021, the Group has acquired controlling stake in Instinct Innovation Private Limited. Consequently, the investment has been derecognised as the financial statement of the investee has been consolidated within the Group.

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	45.68	1.08	10.33
Aggregate amount of impairment in value of investments	-	-	-

9 Other financial assets (Non-current)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Security deposit	103.72	94.11	59.00
Margin money deposits *	1.06	1.06	-
Bank deposits with more than 12 months maturity **	7.82	14.03	-
Interest accrued on bank deposit	0.60	0.48	-
Receivable on business transfer	4.61	4.34	-
	<b>117.81</b>	<b>114.02</b>	<b>59.00</b>

Details of bank deposits

Bank deposits due to mature after 12 months of the reporting date	8.88	15.09	-
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\* Margin money deposit is subject to first charge to secure the Group's overdraft facilities from bank.

\*\* The Group has created a charge over the deposits of Rs. 7.82 millions (31 March 2021 : Rs.14.03 millions, 31 March 2020 : Rs. Nil) as a security in relation to repayment of borrowings of its subsidiary (Refer note 25 and 29).

10 Deferred tax assets (net)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets arising on:</b>			
Provision for employee benefits	2.05	2.19	16.98
Fair valuation of security deposits	0.05	-	-
Share based payment expenses	-	-	95.86
Provision for doubtful debts and advances	17.63	10.33	16.56
Property, plant and equipment and intangible assets	7.58	7.74	24.45
Disallowances under Section 40(a) of Income Tax Act, 1961	-	-	23.71
Lease liabilities	21.63	22.26	102.38
Unabsorbed depreciation and business losses	18.73	14.87	153.25
Others	-	0.75	0.14
<b>Deferred tax assets</b>	<b>67.67</b>	<b>58.14</b>	<b>433.33</b>
<b>Deferred tax liabilities arising on:</b>			
Property, plant and equipment and intangible assets	142.75	227.25	-
Right-of-use Asset	21.18	21.34	100.61
Fair value gain/loss on financial instruments	-	-	148.82
Others	0.26	0.50	0.63
<b>Deferred tax liabilities</b>	<b>164.19</b>	<b>249.09</b>	<b>250.06</b>
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(96.52)</b>	<b>(190.95)</b>	<b>183.27</b>

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Deferred tax assets	51.61	16.75	183.33
Deferred tax liabilities	(148.12)	(207.69)	(0.06)
<b>Net deferred tax assets / (liabilities)</b>	<b>(96.51)</b>	<b>(190.94)</b>	<b>183.27</b>

11 Current tax assets (net) - Non Current

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Advance income-tax (net of provision for taxes)	231.30	186.14	66.17
	<b>231.30</b>	<b>186.14</b>	<b>66.17</b>

12 Other non-current assets

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Balances with government authorities	1,321.79	1,368.88	9.54
Capital advances	19.50	7.16	-
Trade advance	-	23.50	-
	<b>1,341.29</b>	<b>1,399.54</b>	<b>9.54</b>

13 Inventories

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Stock in trade	5,215.03	4,045.76	1,159.49
Stores and spares	23.73	10.40	-
	<b>5,238.76</b>	<b>4,056.16</b>	<b>1,159.49</b>

Note:

- Inventories of traded goods include stock-in-transit of Rs. 126.63 millions (31 March 2021: Rs. 330.33 millions, 31 March 2020: Rs. 8.30 million).
- The Group has provided exclusive charge over its inventories of Rs 1,919.25 millions (31 March 2021: Rs 996.37 million, 31 March 2020: Rs Nil) both present and future as a security against the secured borrowing of certain subsidiaries (Refer note 25 and 29).
- Write-downs of inventory items amounted to Rs. 34.12 millions (31 March 2021 - Rs 30.65 Millions, 31 March 20 : Rs. 13.5 millions).

14 Current investments

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Current investments at fair value through profit or loss (FVTPL)</b>			
<b>Investment in mutual fund</b>			
Aditya Birla Sun Life Short Term Fund-Growth 47,509.19 units (31 March 2021: 47,509.19 units, 31 March 2020: 47,509.19 units)	4.14	4.08	3.72
ICICI Prudential Short Term Growth Option 86,719.49 units (31 March 2021: 86,719.49 units, 31 March 2020: 86,719.49 units)	4.03	3.98	3.66
	<b>8.17</b>	<b>8.06</b>	<b>7.38</b>

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Aggregate amount of quoted investments	-	-	-
Aggregate market value of quoted investments	-	-	-
Aggregate amount of unquoted investments	8.17	8.06	7.38
Aggregate amount of impairment in value of investments	-	-	-

15 Trade receivables

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>			
Trade receivables - Considered Good	4,291.04	3,632.99	507.58
Trade receivables - Considered doubtful	-	-	-
Less: Loss allowance	(104.97)	(50.13)	(35.03)
Receivables from related parties	-	-	-
	<b>4,186.07</b>	<b>3,582.86</b>	<b>472.55</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**Break-up of security details**

(a) Trade receivables considered good - secured	-	-	-
(b) Trade receivables considered good - unsecured	4,291.04	3,632.99	507.58
(c) Trade receivables which have significant increase in credit risk	-	-	-
(d) Trade receivables -credit impaired	-	-	-
	<u>4,291.04</u>	<u>3,632.99</u>	<u>507.58</u>
Less: Loss allowance	(104.97)	(50.13)	(35.03)
	<u><b>4,186.07</b></u>	<u><b>3,582.86</b></u>	<u><b>472.55</b></u>

**Note:**

Trade receivables amounting to Rs 2,393.82 (March 31, 2021: Rs 1,486.64 millions, 31 March 2020 : Rs. 298.5 millions) have been pledged as security for borrowings by certain subsidiaries of the Group (Refer note 25 and 29).

**Trade receivables ageing schedule as at June 30, 2021**

Particulars	Unbilled Revenue	Not due	Outstanding for the following period					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivable - considered good	-	2,642.32	1,392.04	173.96	68.95	13.77	-	4,291.04
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Unbilled Revenue	2.24	-	-	-	-	-	-	2.24

**Trade receivables ageing schedule as at March 31, 2021**

Particulars	Unbilled Revenue	Not due	Outstanding for the following period					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivable - considered good	-	2,554.60	842.65	168.03	60.96	6.74	-	3,632.99
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Unbilled Revenue	0.76	-	-	-	-	-	-	0.76

**Trade receivables ageing schedule as at March 31, 2020**

Particulars	Unbilled Revenue	Not due	Outstanding for the following period					Total
			Less than 6 Months	6 Months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed trade receivable - considered good	-	286.67	197.88	23.04	-	-	-	507.58
Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivable - considered good	-	-	-	-	-	-	-	-
Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-	-

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

16 Cash and cash equivalents

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Cash and cash equivalents</b>			
Cash on hand	28.51	18.05	2.19
Cheques in hand	8.90	83.04	7.01
Balances with banks			
in current accounts	3,119.78	694.36	80.54
in deposit accounts	-	1,500.00	151.91
	<b>3,157.19</b>	<b>2,295.45</b>	<b>241.65</b>

**Details of bank balances / deposits**

Bank deposits with original maturity of 3 months or less included under 'Cash and cash equivalents' *		1,500.00	151.91
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\* There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

17 Other bank balances

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Balances with banks			
in deposit accounts with remaining maturity of less than 12 months	3,931.97	928.06	343.64
Earmarked funds with banks #	2,543.35	8.30	-
	<b>6,475.32</b>	<b>936.36</b>	<b>343.64</b>

**Details of bank balances / deposits**

Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' **	3,931.97	928.06	343.64
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\*\* Includes deposits marked as security for the facilities mentioned below:

- Amounts pledged as security against overdraft limit is Rs. Nil (31 March 2021: Rs. Nil, 31 March 2020: Rs. 10 million)

- Fixed deposits are lien marked with a bank for cash credit facility of Rs. Nil (31 March 2021: Rs. Nil, 31 March 2020: Rs. 173.5 million) and Rs. Nil (31 March 2021: Rs. Nil, 31 March 2020: Rs. 0.9 million) with tax authorities.

- The Group has created a charge over the deposits of Rs. 183.09 millions (31 March 21: Rs.176.78 million, 31 March 2020: Rs. Nil) as a security in relation to repayment of borrowings of its subsidiary Ascent Wellness and Pharma Solutions Private Limited (Refer note: 25 and 29)

# Earmarked funds with banks represent Escrow account for the purpose of investment in Thyrocare Technologies Limited and Bank Account which is held by the Group for the purpose of pooling the monies collected on behalf of Retailers for its subsequent payments to the Retailers.

18 Loans (Current)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good</i>			
Loan to entity having significant influence	-	-	1,493.20
Loan to others	9.00	9.00	14.00
	<b>9.00</b>	<b>9.00</b>	<b>1,507.20</b>

**Break-up of security details**

(a) Loan receivables considered good - secured		-	-
(b) Loans receivables considered good - unsecured	9.00	9.00	1,507.20
(c) Loans receivables which have significant increase in credit risk	-	-	-
(d) Loans receivable - credit impaired	-	-	-
Less: Allowance for doubtful deposits	-	-	-
	<b>9.00</b>	<b>9.00</b>	<b>1,507.20</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

19 Other financial assets (Current)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good</i>			
Security deposits	49.91	47.71	9.30
Interest accrued but not due	18.05	6.23	1.12
User receivables	-	8.04	-
Wallet balance	6.34	2.96	-
Other receivables	54.86	97.95	-
Unbilled receivable	2.24	0.76	-
-	-	-	-
<i>Unsecured, considered doubtful</i>			
Security Deposit	4.09	4.09	3.25
Less: Allowance for doubtful deposits	(4.09)	(4.09)	(3.25)
Receivable from related party	-	-	63.15
Less - Allowance for doubtful receivables	-	-	(25.15)
	<b>131.40</b>	<b>163.65</b>	<b>48.42</b>

\*Other receivables mainly comprises reimbursement of expenses recoverable from certain shareholders and amount collected by delivery persons on behalf of Retailers for its subsequent payments to the Retailers. Corresponding liability is included in other current financial liabilities (refer note 31).

20 Current tax assets (net) - Current

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Advance income-tax (net of provision for taxes)	-	2.35	-
	-	<b>2.35</b>	-

21 Other current assets

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<i>Unsecured, considered good</i>			
Balances with government authorities	1,354.30	926.66	771.64
Less: Provision for balance with government authorities	(26.68)	(26.68)	-
Advances to suppliers	907.66	394.75	132.12
Less: Loss allowance	(35.08)	(35.45)	-
Advances to employees	24.87	21.13	3.29
Other advances	10.61	30.28	11.71
Right to recover returned goods	537.41	440.19	39.76
Claims receivable from supplier	240.62	257.69	-
Less: Provision for doubtful receivables	(3.00)	-	-
Prepaid expenses	144.14	118.68	18.06
	<b>3,154.86</b>	<b>2,127.25</b>	<b>976.58</b>

Note:

Exclusive charge over current assets of Rs 161.95 millions (31 March 21: Rs 153.14 millions, 31 March 20: Rs Nil) both present and future has been created as a security against the secured borrowing by certain subsidiaries of the Group (Refer note 25 and 29).

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI – Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

22 Share capital

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>			
<b>Equity shares (refer note ii (f) below)</b>			
47,000,000 (March 31, 2021: 47,000,000, March 31, 2020: 10,000) equity shares of Rs 10 each	470.00	470.00	0.10
	<b>470.00</b>	<b>470.00</b>	<b>0.10</b>
<b>Issued, subscribed and fully paid up</b>			
<b>Equity shares</b>			
2,95,27,171 equity shares (March 31, 2021: 25,620,120, March 31, 2020: 10,000) of Rs 10 each	295.27	256.20	0.10
<b>Issued, subscribed and partly paid up Equity Shares</b>			
159,018 equity shares (March 31, 2021: Nil, March 31, 2021: Nil) of Rs 0.5 each (refer note 22 (ii) (g) below)	0.08	-	-
	<b>295.35</b>	<b>256.20</b>	<b>0.10</b>

(i) Reconciliation of the number of shares outstanding at the beginning and end of the reporting year / period:

Particulars	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Equity shares</b>						
Shares outstanding at the beginning of the year	2,56,20,120	256.20	10,000	0.10	10,000	0.10
Share capital reduced pursuant to scheme of amalgamation (Refer note (ii) (a) below)	-	-	(10,000)	(0.10)	-	-
Issued during the year pursuant to Scheme of Amalgamation (Refer note (ii) (b) below)	-	-	8,68,337	8.68	-	-
Conversion of Compulsorily Convertible Debentures (CCD IV, V, VI, VII & VIII) into Equity (Refer note (ii) (c) below)	-	-	64,731	0.65	-	-
Conversion of share warrants (Refer note (ii) (d) below)	-	-	1,78,192	1.78	-	-
Bonus issued during the year (refer note (ii) (e) below)	-	-	2,28,14,598	228.15	-	-
New issue during the year/periods (refer note ii (g) below)	40,66,069	39.15	16,94,262	16.94	-	-
<b>Shares outstanding at the end of the year/period</b>	<b>2,96,86,189</b>	<b>295.35</b>	<b>2,56,20,120</b>	<b>256.20</b>	<b>10,000</b>	<b>0.10</b>

(ii) Note:

- (a) Pursuant to the scheme of amalgamation (refer note 51), 10,000 equity shares held by existing shareholders stand cancelled without any payment. Accordingly, the share capital of the Group stood reduced to the extent of the face value of shares held by existing shareholders as on the Appointed date.
- (b) Pursuant to the scheme of amalgamation (refer note 51), 868,337 equity shares have been allotted to the shareholders of 91Streets Media Technologies Private Limited ("91Streets") and Ascent Health and Wellness Solutions Private Limited ("AHPL").
- (c) The Company converted 21,577 fully paid-up CCDs issued to founders into 64,731 equity shares, having face value of Rs. 10/- each, at a premium of Rs. 1471.10/- per equity share.
- (d) The Group has issued and allotted fully paid-up 89,069 CCPS VII and fully paid-up 1,78,192 equity shares for an aggregate consideration of Rs. 162.5 million on account of exercise of fully paid warrants.
- (e) During the previous year, pursuant to its Board Resolution dated February 12, 2021, the Company has issued bonus shares to equity and preference shareholders in the proportion of 2 (Two) new fully paid-up equity shares of Rs. 10/- each for every 1 (One) fully paid-up equity or preference share held. Accordingly, the Company had allotted 2,28,14,598 equity shares having face value of Rs. 10 each as bonus shares by capitalisation of securities premium account.
- (f) Pursuant to the Scheme of Amalgamation, the authorised share capital of Thea Technologies Private Limited ("TTPL") and Swifto Services Private Limited ("SSPL") had merged with 91Streets on amalgamation of TTPL and SSPL with 91Streets. Subsequently, the authorized share capital of 91Streets, AHPL, Aahaan Commercials Private Limited ("ACPL") and Lokprakash Vidhya Private Limited ("LVPL") had merged with API Holdings Private Limited on amalgamation of 91Streets, AHPL, ACPL and LVPL with API. The authorized share capital of API shall stand enhanced to an amount of Rs. 710.60 million only divided into 1,10,60,000 equity shares of Rs. 10 each and 6,00,00,000 preference shares of Rs. 10/- each. Subsequently, pursuant to the Shareholder's resolution passed in extra ordinary general meeting held on January 27, 2021 authorised Share Capital of Rs. 710.60 million- is reclassified into 4,70,00,000 equity shares of Rs. 10/- each and 2,40,60,000 preference shares of Rs. 10/- each.
- (g) Pursuant to Board resolution dated March 1, 2021, the Company had issued 12,87,072 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 1,867 per Equity Share (including premium of Rupees 1,857 per Equity Share).  
Pursuant to Board resolution dated March 10, 2021, the Company had issued 4,07,190 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 1,867 per Equity Share (including premium of Rupees 1,857 per Equity Share).  
Pursuant to Board resolution dated April 5, 2021, the Company had issued 37,34,878 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,000.33 per Equity Share (including premium of Rupees 1,990.33 per Equity Share).  
Pursuant to Board resolution dated May 20, 2021, the Company had issued 1,72,173 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,000.33 per Equity Share (including premium of Rupees 1,990.33 per Equity Share).  
Pursuant to Board resolution dated June 2, 2021, the Company had issued 1,59,018 equity shares of face value of Rupees 10 each on preferential allotment basis at an issue price of Rupees 2,515.77 per Equity Share (including premium of Rupees 2,505.77 per Equity Share).

(iii) Rights, preferences and restrictions attached to the shares:

Equity shares have a par value of Rupees 10 each. The shareholders of the Company are entitled to vote on poll for the fully paid-up shares held by them in proportion to the shareholders' share in the paid-up share capital of the Company. In the event of liquidation of the Company, the assets and available proceeds shall be discharged in accordance with the provisions of the Articles of Association of the Company. The partly paid up equity share holders shall be entitled to rights in relation to the partly paid up equity shares only to the extent the partly paid up equity shares are paid up.

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

(d) Details of shareholders holding more than 5% of a class of equity shares in the Company:

Particulars	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares:</b>						
Naspers Venture B. V.	45,62,532	15.37%	-	-	-	-
Evermed Holdings Pte. Ltd.	36,47,877	12.29%	37,52,800	14.65%	-	-
MacRitchie Investments Pte. Ltd.	37,85,689	12.75%	35,21,038	13.74%	-	-
Prasid Uno Family Trust	26,20,954	8.83%	33,77,210	13.18%	-	-
TPG Growth V SF Markets Pte. Ltd	22,35,986	7.53%	22,35,986	8.73%	-	-
Lightrock Growth Fund I SA, SICAV-RAIF, for and on behalf of Lightrock Global Fund	15,93,245	5.37%	15,93,245	6.22%	-	-
Bessemer India Capital Holdings II Ltd.	15,27,400	5.15%	15,27,400	5.96%	-	-
CDPQ Private Equity Asia Pte. Ltd	14,55,398	4.90%	14,55,398	5.68%	-	-
Harsh Parekh	1,00,158	0.34%	1,07,227	0.42%	5,000	50.00%
Dhaval Shah	2,172	0.01%	14,553	0.06%	5,000	50.00%

(iv) Shares reserved for issue:

The Group has reserved equity shares for issuance as follows:

- ESOPs issued to employees pursuant to various ESOP Schemes of the Group (Refer Note 52)
- Compulsory convertible preference shares of the Group (Refer Note 23)
- Optionally convertible redeemable debentures convertible into equity shares of the Group (Refer Note 25)
- Compulsory convertible debentures convertible into equity shares of the Group including bonus thereon.

(v) The Group has not bought back any shares during the preceding 5 years.

23 Instrument entirely in the nature of equity

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
<b>Authorised</b>			
<b>Preference shares (refer note 22 (ii) (f) )</b>			
24,060,000 (March 31, 2020: 24,060,000, March 31, 2020: Nil) Compulsory convertible preference shares of Rs. 10 each	240.60	240.60	-
	<b>240.60</b>	<b>240.60</b>	-
<b>Issued, subscribed and fully paid up</b>			
<b>Preference shares</b>			
1,34,28,716 (March 31, 2021: 11,475,189, March 31, 2020 : Nil) compulsorily convertible preference shares (CCPS) of Rs. 10 each fully paid up (refer note (ii))	134.29	114.75	-
<b>Debentures</b>			
0.0001% 722,444 (March 31, 2021: 722,444, March 31, 2020: Nil) Compulsorily Convertible Debentures of face value Rs. 4443.31 each and Rs. 1 each paid up (refer note (v))	0.72	0.71	-
Call money on 141,701 Compulsorily Convertible Debentures of partly paid up Rs. 4,442.31 each (refer note (v))	629.48	-	-
0.0001% 399,935 Compulsorily Convertible Debentures of face value Rs. 2000.33 each and Rs. 1/- each paid up	0.40	-	-
	<b>764.89</b>	<b>115.46</b>	-

(i) Reconciliation of the number of shares outstanding at the beginning and at end of the reporting year:

Particulars	As at June 30, 2021		As at 31 March 2021		As at 31 March 2020	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Preference shares:</b>						
Shares outstanding at the beginning of the year	1,14,75,189	114.75	-	-	-	-
Issued during the year pursuant to Scheme of Amalgamation (refer note (iv)(b) below)	-	-	68,42,983	68.43	-	-
Issued during the year on Conversion of Compulsorily Convertible Debentures ("CCDs") into preference shares	-	-	13,58,952	13.59	-	-
New issue during the year/period	19,53,527	19.54	13,40,099	13.40	-	-
Issued pursuant to acquisition of Medlife International Private Limited (refer note (iv)(c) below)	-	-	19,33,155	19.33	-	-
<b>Shares outstanding at the end of the year/period</b>	<b>1,34,28,716</b>	<b>134.29</b>	<b>1,14,75,189</b>	<b>114.75</b>	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**(ii) Terms and rights attached to preference shares:**

Compulsorily Convertible Preference shares issued by the Group have a par value of Rupees 10 each. The Preference shareholders of the Company are entitled to vote on every resolution placed before the Company on a poll for the fully paid-up Preference shares held by them in proportion to the shareholders' share in the paid-up share capital of the Company. In the event of liquidation of the Company, the assets and available proceeds shall be discharged in accordance with the provisions of the Articles of Association of the Company.

The Group has issued Twenty One series of Compulsorily Convertible Preference shares having a face value of Rs. 10/- per share. These shares are compulsorily convertible into equity shares of equal numbers (subject to the provisions of the Articles of Association of the company) on or before the maturity date ("Maturity Date") ranging between September 30, 2029 (earliest) and November 30, 2040 (farthest). Further, the Preference shareholder has the right to convert the compulsorily convertible preference shares into equity shares at any time before maturity by providing a written notice to the holding company. The compulsorily convertible preference shares shall be automatically converted into equity shares on earlier of (i) Maturity Date or (ii) later of (a) the date immediately prior to the filing of the draft red herring prospectus with the Securities and Exchange Board of India or (ii) immediately upon expiry of the maximum period permitted under the law after filing of the draft red herring prospectus for holding such compulsorily convertible preference shares on the company proposing to undertake an IPO for the issue of Equity Shares to the public.

The compulsorily convertible preference shares shall be entitled to receive a cumulative dividend at the rate of 0.0001% (zero point zero zero zero one per cent) per annum on the face value of each Preference share and the dividend shall accrue from year to year when not paid, and accrued dividends shall be paid in full.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend declared by the board. The Preference shares carry a dividend rate of 0.0001% per annum.

**(iii) Details of shareholders holding more than 5% of a class of preference shares in the Company:**

Particulars	As at June 30, 2021		As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
<b>Preference shares:</b>						
Naspers Venture B. V.	24,32,813	18.12%				
Prasid Uno Family Trust	13,08,794	9.75%	16,88,605	14.72%	-	-
MacRitchie Investments Pte. Ltd.	25,26,072	18.81%	16,73,408	14.58%	-	-
Evermed Holdings Pte. Ltd.	1,24,191	0.92%	12,83,609	11.19%	-	-
CDPQ Private Equity Asia Pte. Ltd	10,90,900	8.12%	10,90,900	9.51%	-	-
TPG Growth V SF Markets Pte. Ltd	11,10,157	8.27%	11,10,157	9.67%	-	-
Lightstone Fund S.A., for and on behalf of Lightstone Global Fund	7,81,567	5.82%	7,81,567	6.81%	-	-
Bessemer India Capital Holdings II	7,03,640	5.24%	7,03,640	6.13%	-	-

**(iv) The Group during the preceding 5 years:**

- has not bought back any shares
- has issued 68,42,983 number of preference shares pursuant to Scheme of Amalgamation without consideration being received in cash.
- has issued 1,933,155 number of compulsorily convertible preference shares pursuant to acquisition of Equity shares of Medlife International Private Limited on swap basis, without consideration being received in cash.

**(v) During the period ended June 30, 2021, the Group has issued Compulsory Convertible Debentures ("CCD") ranging from Series CCD X to Series CCD XIV of having face value of Rs 2,000.30 each and are paid up to the extent of Rs 1 each.**

During the year ended March 31, 2021, the Group has issued Five series of Compulsory Convertible Debentures ("CCDs") having a face value Rs. 4,443.31 each. These CCDs are paid-up to the extent of Re. 1/- each and the holders of the CCDs shall be entitled to the rights in relation to the CCDs only to the extent the CCDs paid-up. Further during the period ended June 30, 2021, the Group has received call money on 141,701 CCDs to the extent of Rs 4,442.31 for each CCDs.

The holder of CCDs shall be entitled to remit/make payment towards the amount remaining unpaid on any CCDs before conversion of CCDs into equity shares. The holders of CCDs shall be required to pay the monies unpaid on CCDs immediately prior to the filing of red herring prospectus with the Securities Exchange Board of India for an initial public offering by the company on a recognized stock exchange in India, failing which CCDs will be forfeited.

These CCDs are compulsorily convertible into equity shares at the ratio of 1:1 (subject to the provisions of the Articles of Association of the Company) on or before the maturity date ("Maturity Date") being 31st October, 2030 for CCDs ranging from CCD I - CCD IX and 15th March 2031 for CCDs ranging from CCD X - CCD XIV. Further, the holders of CCDs have a right to convert the CCDs into equity shares at any time before Maturity Date by providing a written notice to the Company. The CCDs shall be automatically converted into equity shares on earlier of (i) Maturity Date or (ii) later of (a) the date immediately prior to the filing of the draft red herring prospectus with the Securities and Exchange Board of India or (b) immediately upon expiry of the maximum period permitted under the law after filing of the draft red herring prospectus for holding such compulsorily convertible preference shares on the Company proposing to undertake an IPO (iii) immediately prior to a Conversion Liquidation Event as specified in the shareholder's agreement.

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

24 Other equity

Particulars	Notes	As at	As at	As at
		June 30, 2021	March 31, 2021	March 31, 2020
Securities premium reserve	(i)	58,813.55	47,157.69	9,367.50
Capital reserve	(ii)	1.30	1.30	1.30
Employee stock option outstanding	(iii)	1,129.19	1,086.59	386.00
Equity component of compound financial instruments	(iv)	828.90	828.90	78.90
Retained earnings / (Accumulated deficit)	(v)	(18,501.88)	(15,025.06)	(7,394.59)
Amalgamation (deficit) / reserve balance	(vi)	(27.28)	(27.28)	6.96
Money received against share warrants	(vii)	-	-	16.25
Share application money received pending allotment	(viii)	1,876.24	-	-
<b>Balance at the end of the year / periods</b>		<b>44,120.02</b>	<b>34,022.14</b>	<b>2,462.32</b>

(i) Securities premium reserve

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Balance at the beginning of the year / period	47,157.69	9,367.50	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	4,896.10
Issue of equity instruments	11,684.41	13,134.18	4,485.20
Issue of equity instruments as consideration for business combination	-	24,906.07	-
Bonus shares issued	-	(228.15)	-
Transaction cost on issue of equity instruments	(28.55)	(21.91)	(13.80)
<b>Balance at the end of the year / periods</b>	<b>58,813.55</b>	<b>47,157.69</b>	<b>9,367.50</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Act. Stamp duty is written off from Securities premium.

(ii) Capital reserve

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Balance at the beginning of the year / period	1.30	1.30	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	1.30
<b>Balance at the end of the year / periods</b>	<b>1.30</b>	<b>1.30</b>	<b>1.30</b>

Capital Reserves represents bargain purchase in previous acquisitions.

(iii) Employee stock option outstanding

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Balance at the beginning of the year / period	1,086.59	386.00	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	146.80
On account of business combination (Refer note 52)	-	268.70	-
Compensation for the year/period	97.73	568.08	239.20
Options repurchased during the year/period	(55.13)	(136.19)	-
<b>Balance at the end of the year / periods</b>	<b>1,129.19</b>	<b>1,086.59</b>	<b>386.00</b>

The employee stock option reserve is used to recognize the grant date fair value of options issued to employees under stock option schemes.

(iv) Equity component of compound financial instruments

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Balance at the beginning of the year / period	828.90	78.90	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	78.70
15.50% Compulsory Convertible Debentures, fully paid (refer to Note 25 (iii) below)	-	750.00	0.20
<b>Balance at the end of the year / periods</b>	<b>828.90</b>	<b>828.90</b>	<b>78.90</b>

The 91Streets Media Technologies Private Limited had issued share warrants to the supplier and availed facility to utilise the advertising services from the supplier. The transaction was accounted in accordance with the share based transaction wherein the present value of goods and services received was accounted as deferred payment liabilities and residual value is accounted as equity component of compound financial instrument within Other equity.

(v) Retained earnings/ (Accumulated deficit)

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Balance at the beginning of the year / period	(15,025.06)	(7,394.59)	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	(4,032.59)
Restated loss for the year / period	(3,317.78)	(6,361.89)	(3,352.23)
Items of Other Comprehensive Income recognised directly in retained earnings	78.87	(34.27)	2.09
Employee stock options repurchased during the year/period	(200.95)	(86.18)	-
Adjustment on conversion of share warrant	-	(35.20)	-
Recognition / changes in the value of put liability	(36.96)	(1,112.93)	-
Transaction with Non-controlling interest	-	-	(11.86)
<b>Balance at the end of the year / periods</b>	<b>(18,501.88)</b>	<b>(15,025.06)</b>	<b>(7,394.59)</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

(vi) Amalgamation (deficit) / reserve balance

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year / period	(27.28)	6.96	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	4.90
Instrument entirely in the nature of equity issued during the period	-	-	2.06
On account of amalgamation of Acquirer	-	(34.24)	-
<b>Balance at the end of the year / periods</b>	<b>(27.28)</b>	<b>(27.28)</b>	<b>6.96</b>

Amalgamation deficit balance has arisen as a result of accounting for amalgamation between Swifto Services Private Limited and Thea Technologies Private Limited and 91Streets Media Technologies Private Limited with API Holdings Private Limited and the respective shareholders.

(vii) Money received against share warrants

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year / period	-	16.25	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	16.25
Less: Shares issued against warrants	-	(16.25)	-
	-	-	<b>16.25</b>

During the year ended March 31, 2019, the Acquirer has issued 5 warrants at a subscription price of Rs. 3.25 million per warrant (exercise price Rs. 32.5 million per warrant) convertible into Compulsory Convertible Preference Shares (CCPS) of the Company at the option of the holder which have been settled by issue of shares during the year ended March 31, 2021.

(viii) Share application money received pending allotment

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year / period	-	-	-
Add: Amount received during the year/period	1,876.24	-	-
<b>Balance at the end of the year / periods</b>	<b>1,876.24</b>	-	-

25 Non-current borrowings

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Unsecured</b>			
30 (March 31, 2021: 30, March 31, 2020: 30) 0.0001% Optionally convertible redeemable debentures of Rs.100,000 each (refer note (i) below)	2.68	2.60	2.31
Nil (March 31, 2021: Nil, March 31, 2020: 8,493) 0.0001% Compulsorily convertible debentures of Rs.100 each (refer note (ii) below)	-	-	1,523.28
15.50% 1,33,904 (March 31, 2021: 1,33,904, March 31, 2020: Nil) Compulsorily Convertible Debenture of face value Rs 5601 each, fully paid up (refer note (iii) below)	134.10	157.01	-
Less: Current maturity of compound financial instruments	(108.73)	(108.74)	-
0.001% 2000 (March 31, 2021: 2000, March 31, 2020: Nil) Compulsorily convertible cumulative participating debentures (CCD's) (refer note (vii) below)	152.86	153.86	-
<b>Secured</b>			
Nil (March 31, 2020: 140) 14.75% Non convertible debentures of Rs. 10,000 each (refer note (iv) below)	-	-	3.81
Less: Current maturity of long term debt	-	-	(3.81)
14% p.a. Loan from Innoven Capital India Private Limited (refer note (v) below)	-	-	32.96
Less: Current maturity of long term debt	-	-	(32.96)
12.00% to 16.52% Non convertible debentures (refer note (vi) below)	1,428.78	1,436.88	1.00
Less: Current maturity of long term debt	(23.03)	(22.83)	-
Term loan from bank (refer note (viii) below)	139.00	139.01	-
Less: Current maturity of long term debt	(24.15)	(13.11)	-
Term loan from others (refer note (ix) and (x) below)	662.49	1,947.83	-
Less: Current maturity of long term debt	(133.65)	(1,370.98)	-
	<b>2,230.35</b>	<b>2,321.53</b>	<b>1,526.59</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**Notes:**

- (i) 0.0001% Optionally convertible redeemable debentures of Rs.100,000 each (OCRD) had been issued in consideration for business acquisition of Beetle Ventures Private Limited. As per the terms of the agreement with debenture holders, the Group may, at its option, at any time convert debentures or any portion thereof into Equity Shares at the Conversion Price as determined as per the terms of agreement. The conversion price as per terms of the agreement is the price of first equity shares issued after the issue of OCRD. Further, unless debentures are converted into equity shares, the Group may at its option, at any time after expiry of 5 years from the date of issue of debentures but before maturity date (i.e. 10 years from date of issue), redeem debentures or part thereof at the prevailing fair market value of the Equity Shares that the holder would have been entitled on the redemption date if the debentures were converted into equity share at the conversion price. The change in fair value is accounted through restated statement of profit and loss.
- (ii) 8493, 0.0001% Compulsory Convertible Debentures has been issued to Lightstone Global Fund at a premium of Rs. 2,24,497. The Series D4 CCDs shall compulsorily convert into Series D4 Preference Shares and then immediately convert into Equity Shares at the Conversion Price as determined in Series D4 CCD transaction document. Upon the occurrence of the Optional Conversion Trigger, the holders of Series D4 CCDs shall have the right to require the Group to convert all or some of the Series D4 CCDs into Series D4 Preference Shares based on the Series D4 Conversion Price. During the financial year ended March 31, 2021, the same has been converted into compulsorily convertible preference shares. The change in fair value is accounted through restated statement of profit and loss (Refer notes 37 and 43).
- (iii) 15.50% 1,33,904 Compulsory Convertible Debenture of face value Rs 5601 each, fully paid up ("CCD") has been issued to Ivy Icon Solutions LLP at a face value Rs 5601 each, fully paid up and at a coupon rate of 15.5% (Fifteen Decimal Point Five percent) per annum compounded monthly. The CCD holder have right to convert its CCD into equity shares of the Company, by providing a written notice to the Company. The CCD shall automatically convert into equity shares at the conversion ratio of 1:1 equity shares of the Company on October 31, 2022. The instrument was accounted as compound financial instruments where the present value of coupon interest has been accounted as liability and residual portion as equity.
- (iv) 14.75% Non Convertible Debentures (NCD) were secured by way of first charge on entire fixed assets and current assets, both present and future including IP, Brands etc. These debentures were redeemable on monthly instalment basis starting from the 9th month of the date of issue of Rs. 0.04 million each up to 36 months. During the financial year ended March 31, 2020, Rs 3.81 million was shown as current maturity of long term debt under other current borrowings and during the financial year ended March 31, 2021 NCD have been fully repaid.
- (v) 14% p.a. loan from Innoven Capital India Private Limited (Innoven) was secured by floating charge and the loan was to be repaid in 24 equal monthly instalments commencing from 01 March 2019 to 31 January 2021. As per the terms of loan agreement, a right to subscribe up to Rs.33 million to compulsorily convertible preference shares of the Company at a subscription price of Rs. 1,20,125 for a period of 7 years from date of extending the loan. Further, a Right to Invest for an amount which is INR equivalent of USD 1 million on the same financial terms, rights, conditions and pricing as offered to the other Persons participating in the Subsequent Financing Round for a period of 7 years from the date of extending the loan and has an option to prepay the amount of loan at a prepayment premium of 3% at any time after 18 months of availing the loan. During the financial year ended March 31, 2020, Rs 32.96 million was shown as current maturity of long term debt under other current borrowings. During the financial year ended March 31,2021 the loan has been fully repaid.
- (vi) (a) 12% Non-Convertible Debentures were secured by way of first charge on entire fixed assets and current assets, both present and future including IP, Brands etc. with the existing and the future shareholders. Further, debentures issued of Rs 150 million to Kaivalyam Solutions LLP. The debentures were to be redeemed in 4 equal quarterly instalments with first instalment due on expiry of 9th quarter from date of allotment. As per the terms of debenture agreement, holder has a right to subscribe to compulsory convertible preference shares for an amount upto Rs. 40 million at a subscription price of Rs. 1,20,125 per share on a partly paid up basis to the extent of Rs 1. The right can be exercised within 7 years from the date of issuance. Further, a Right to Invest for an amount equivalent of Rs 40 million on the same financial terms, rights, conditions and pricing as offered to the other persons participating in the subsequent financing round within a period of 7 years from the date of extending the loan and also has an option to prepay the amount of loan at a prepayment premium of 2% at any time after 18 months of availing the loan. During the financial year ended March 31, 2021, there has been modification in the terms of the agreement and consequently, the Company prepaid the principal balance of Rs. 149 million and terminated right to invest and right to subscribe granted to the lender. Consequently, the Company has paid Rs. 64.45 million for the said modification and recognised the same within other expenses.
- (b) During the financial year ended March 31, 2020, Medlife International Private Limited (Subsidiary) had issued non convertible debenture to Wilson Investment Managers of Rs. 1063.95 millions at interest rate of 14% p.a, with a term of 4 years from 17 December 2019. The debenture is secured against the assets of the Subsidiary, personal guarantee given by erstwhile promoters namely Mr.Prasanth Singh and Mr.Tushar Kumar ('Promoters') and corporate guarantee from Medlife Wellness and Pharma Solutions Private Limited. Interest is payable on quarterly basis and the loan is repayable on quarterly equated instalments during the last year of term, i.e. beginning from March 2023.
- During the financial year ended 31 March 2021, Medlife International Private Limited has issued compulsorily convertible debenture to Prasad Uno Family trust of Rs. 250 millions at interest rate of 15.5% p.a, with a term of 36 months. The CCD was convertible at the end of the tenure to equity shares based on the fair market value of equity shares on the date of conversion. On 8 December 2020, CCDs were converted to non convertible debentures (NCDs) with similar terms and interest rate.
- (c) Redeemable non-convertible fixed rate debentures are secured by pledge shares of Ascent Wellness and Pharma Solutions Private Limited (Subsidiary) and first ranking exclusive fixed charge over all its present and future rights, title to and interest in the company's assets, second ranking fixed charge over all its present and future rights, title and interest over all movable fixed assets and second ranking floating charge over all its present and future rights, title and interest over all current assets, stock in trade, accounts and receivable of the company in favor of the common security trustee and in terms of the deed of Hypothecation and carries effective interest at 16.52% and is repayable in 18 equal quarterly installment commencing from 01 October 2020.
- (vii) 2,000, 0.001% Compulsorily convertible cumulative participating debentures (CCD's) are convertible into Equity Shares of the subsidiary of a face value of Rs. 10 each upon earlier of (i) one day prior to the expiry of 10 (Ten) years from the date of allotment of the CCDs or (ii) before IPO or (iii) at any time at the option of the holder. The number of equity shares to be issued upon conversion of CCDs shall be determined at the time of conversion based upon the fair value of the Equity Shares of the subsidiary as per discounted free cash flow method, subject however to a minimum of 1 Equity Share per CCDs. The changes in fair value is accounted through restated statement of profit and loss.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

- (viii) The Working Capital Term loan is sanctioned under Government of India "Emergency Credit line Guaranteed Scheme (ECLGS) covered by 100% guarantee from NCGTC (National Credit Guarantee Trustee Company Ltd (Ministry of Finance, Government of India), which is repayable in 36 EMI post 12 Months Moratorium period to enable business unit to meet operating liabilities and restart / increase operations. The loan carries interest at the rate of 8.25% per annum. The Loan is secured by extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank for cash credit facilities.
- (ix) Term loan from others is secured by pledge shares of AHWSPL India Private Limited, a subsidiary, and first ranking exclusive fixed charge over all its present and future rights, title and interest in and to the company account assets, second ranking fixed charge over all its present and future rights, title and interest over all movable fixed assets and second ranking floating charge over all its present and future rights, title and interest over all current assets, stock in trade, accounts and receivable of the company in favor of the common security trustee and in terms of the deed of Hypothecation and carries effective interest at 15.50% to 16.70% and is repayable in 17 to 18 equal quarterly installment commencing from 01 October 2020 and 01 January 2021.
- (x) Medlife International Private Limited (subsidiary) has taken term loan of Rs.1250 million from Hero Fin Corporation which carries interest rate from 12.75% to 14.25% p.a for a period of three years. The gross term loan (without giving effect of transaction cost) is bifurcated between Facility 1 (Rs. 1100 million), Facility 2 (Rs.150 million) aggregating to Rs 1250 million. The loan is secured against hypothecation of assets of the subsidiary, personal guarantee given by erstwhile Promoters of the subsidiary and corporate guarantee given by 'Prasid Uno Family Trust'. Interest is payable on quarterly basis and 30% of the loan is repayable on completion of 1.5 years and remaining 70% of the loan is repayable at the end of the term.
- (xi) The Group has utilised the borrowings for the purposes for which it has been obtained. Further, the Group has complied filing of the requisite statements to the bank or financial institutions and there are no discrepancies with underlying books of accounts. There are no charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

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API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

**26 Other financial liabilities (Non-current)**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Deferred payment liabilities (refer note below)	-	-	108.09
Security deposit	0.01	7.80	-
	<b>0.01</b>	<b>7.80</b>	<b>108.09</b>

Note - The 91Streets had issued share warrants to the supplier and availed facility to utilise the advertising services from the supplier. The transaction was accounted in accordance with the share based transaction wherein the present value of goods and services received was accounted as deferred payment liabilities and residual value is accounted as equity component of compound financial instrument within Other equity.

**27 Provisions (Non-current)**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits Gratuity (refer note 48)	83.42	146.80	20.25
	<b>83.42</b>	<b>146.80</b>	<b>20.25</b>

**28 Contract liabilities (non current)**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Contract liabilities (refer note 36 (ii))	2.74	0.08	0.39
	<b>2.74</b>	<b>0.08</b>	<b>0.39</b>

**29 Current borrowings**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<i>Secured, considered good</i>			
From bank (refer note (i) below)	484.57	1,752.94	168.89
Current maturities of long term debt (refer note 25)	180.83	1,406.92	36.77
<i>Unsecured, considered good</i>			
Current maturities of long term debt (refer note 25)	108.73	108.74	-
Loan from others (refer note (ii) below)	297.28	263.75	-
Loan from entity having significant influence (refer note (ii) below)	-	-	103.20
Loan from Prasad Uno Family Trust (refer note (iii) below)	1,250.00	-	-
	<b>2,321.41</b>	<b>3,532.35</b>	<b>308.86</b>

**Notes:**

- (i) During the financial year ended March 31, 2020, the Group had taken a Cash Credit facility from a bank which carries interest rate of 1 year MCLR plus 0.6% i.e. 10.5%, repayable on demand. The same was secured by fixed assets and current assets, both present and future, of a subsidiary in the Group including IP, Brands etc. which was guaranteed jointly by InnoVen Capital India Private Limited and 91Streets Media Technologies Private Limited (amalgamated with the API Holdings Private Limited) to the extent of Rs 1500 million and Rs. 700 million respectively. During the financial year ended March 31, 2020, additional security by way of lien over fixed deposit of the Company was provided in place of guarantee issued by InnoVen Capital India Private limited. Refer note 17 for lien on fixed deposits.
- (b) The Cash credit facility from bank carry floating interest in the range of 10.50% - 11.50 % per annum, computed on a monthly basis on the actual amount utilised, and are repayable on demand. Cash credit from bank is secured by way of exclusive charge on stock, receivables, moveable fixed assets, exclusive charge by way of hypothecation of IPR / brand / intangibles of subsidiaries and guarantee given by Key Managerial Personnel of parent company.
- (c) Cash credit facility from bank carries floating interest in the range of 7.80% to 8.00% per annum (7.85% to 8.50% per annum for FY 20-21, 7.85% to 9.2% for FY 19-20) computed on a monthly basis on the actual amount utilised, and is repayable on demand. Cash credit from bank is secured by way of charge on stock and receivables, ranking pari passu among participating banks and personal guarantee given by directors of a subsidiary company.
- (d) Cash credit facilities from banks carry floating interest in the range of 11.00% - 12.00% per annum, computed on a monthly basis on the actual amount utilised, and are repayable on demand. Working capital loans are secured against pledge of 1,167 shares of Ascent Wellness and Pharma Solutions Private Limited and hypothecation of Group current assets, movable fixed assets and Corporate guarantee of AHWSPL India Private Limited and API Holdings Private Limited and lien on fixed deposit of Rs. 150 million.
- (ii) Loan from others includes loan of Rs. 197.28 millions (March 31, 2021: Rs. 163.75 millions, March 31, 2020: Rs. Nil) carried at interest rate ranging from 8% to 12% per annum for which principal and interest amounts are repayable on demand. Further, the loan of Rs. 100 millions (March 31, 2021: Rs. 100 millions, March 31, 2020: Rs. Nil) carried at interest @ 8.5% p.a. and is repayable on 31 December 2021. Loan from entity having significant influence alongwith an interest @ 8% p.a thereon is repayable on demand.
- (iii) API Holdings Private Limited has taken loan of Rs.1250 million from Prasad Uno Family Trust (PUFT) ("Lender") which carries interest rate of 10% per annum with a final maturity date of September 30, 2021.

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Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

30 Trade payables

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprises and small enterprises	63.08	115.77	28.79
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,053.07	3,539.76	680.92
	<b>3,116.15</b>	<b>3,655.53</b>	<b>709.71</b>

Trade payable ageing schedule as at June 30, 2021

Particulars	Accrued expenses	Not due	Outstanding for the following period from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
MSME	15.34	26.81	19.51	1.32	0.10	-	63.08
Others	1,903.39	677.29	411.22	36.46	11.32	0.05	3,039.74
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	13.33	-	-	-	13.33

Trade payable ageing schedule as at March 31, 2021

Particulars	Accrued expenses	Not due	Outstanding for the following period from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
MSME	26.81	42.81	16.29	24.43	5.43	-	115.77
Others	942.87	1,810.93	727.62	55.96	2.36	0.03	3,539.76
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-

Trade payable ageing schedule as at March 31, 2020

Particulars	Accrued expenses	Not due	Outstanding for the following period from due date of payment				Total
			Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
MSME	-	0.69	27.95	0.15	-	-	28.79
Others	198.19	258.98	217.96	5.79	-	-	680.92
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-

31 Other financial liabilities (Current)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Interest accrued but not due	25.16	24.56	-
Creditors for capital goods	14.57	5.69	-
Temporary book overdraft	20.98	2.92	39.18
Employee benefits payable	359.79	195.69	2.50
Business acquisition payable (refer note 51)	56.50	2.00	5.00
Security deposit	7.23	-	-
Other payables**	126.64	7.26	0.06
Put liability *	1,149.89	1,112.93	-
	<b>1,760.76</b>	<b>1,351.05</b>	<b>46.74</b>

\* The Group has obligation to purchase and the Non controlling interest holders have a right to sell their shares in certain subsidiaries of the Group as per the respective shareholder agreement, at a price based on future earnings multiples. The Non controlling interest holders continue to have present access to the economic benefits associated therewith. Accordingly, the Group has recognised the put liability and subsequent changes on re-measurement of such liability within equity.

\*\* Includes payable for repurchase of Employee Stock Options Rs.30.84 million (March 31, 2021: Rs. Nil, March 31, 2020 : Rs. Nil). It also includes cash collected by delivery persons on behalf of Retailers for its subsequent payments to the Retailers. Corresponding asset is included in other Bank balance (refer note 17) and other receivables (refer note 19).

32 Provisions (Current)

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits			
Gratuity (refer note 48)	11.88	8.65	1.97
Compensated absences (refer note 48)	172.35	236.74	36.97
	<b>184.23</b>	<b>245.39</b>	<b>38.94</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

**33 Current tax liabilities (net)**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Provision for tax (net of advance tax)	4.47	2.89	-
	<b>4.47</b>	<b>2.89</b>	<b>-</b>

**34 Other current liabilities**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Statutory liabilities	511.79	231.88	50.74
Refund liabilities**	578.13	474.52	39.79
Other payables	-	0.70	0.72
	<b>1,089.92</b>	<b>707.10</b>	<b>91.25</b>

Statutory liabilities include Tax Deducted at Source, Profession Tax, Provident Fund, ESIC, Service Tax, Sales Tax / Goods and Services Tax.

\*\* Where a customer has a right to return a product within a given period, the Group recognises a refund liability for the amount of consideration received for which the entity does not expect to be entitled amounts to Rs 578.13 millions (31 March 2021: Rs. 474.52 millions, 31 March 2020: Rs. 39.79 million). The Group also recognises a right to recover the returned goods measured by reference to the former carrying amount of the goods Rs. 537.41 millions (31 March 2021: Rs. 440.19 millions, 31 March 2020: Rs. 39.76 million). The costs to recover the products are not expected to be material.

**35 Contract liabilities (current)**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Contract liabilities (refer note 36 (ii))	76.64	76.44	4.70
	<b>76.64</b>	<b>76.44</b>	<b>4.70</b>

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**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**Net Debt Reconciliation**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Cash and Cash equivalents *	5,679.55	2,300.83	202.47
Current borrowings	(2,031.85)	(2,016.69)	(272.09)
Non - Current borrowings**	(2,545.07)	(3,861.76)	(1,563.36)
Put Liability	(1,149.89)	(1,112.93)	-
Other financial liabilities	(56.50)	(2.00)	(113.09)
Lease Liability	(1,013.41)	(987.04)	(406.75)
	<b>(1,117.18)</b>	<b>(5,679.59)</b>	<b>(2,152.82)</b>

\* Cash and Cash equivalents includes Bank Cash credit facility and Temporary book overdraft which is integral part of cash management function of the Company.

\*\* Non - Current borrowings includes current maturities of related borrowing included under other current borrowings and interest accrued but not due.

Particulars	Other Assets		Liabilities from financing activities				Total
	Cash and cash equivalent	Lease liabilities	Non-Current borrowings	Current Borrowings	Put Liability	Other Financial Liabilities	
<b>Balance as at March 31, 2019</b>	-	-	-	-	-	-	-
<b>Reorganisation of 91Streets Media Technologies Private Limited</b>	<b>301.78</b>	<b>(204.40)</b>	<b>(141.10)</b>	<b>(259.06)</b>	-	<b>(92.50)</b>	<b>(395.28)</b>
Cash flows (net)	(99.31)	56.80	-	(12.99)	-	-	(55.50)
Proceed from long term borrowings	-	-	(2,171.73)	-	-	-	(2,171.73)
Repayment of borrowings	-	-	177.00	-	-	-	177.00
Deferred consideration for acquisition of Non Controlling Interest	-	-	-	-	-	(5.00)	(5.00)
Interest expense	-	(42.97)	(32.50)	(25.37)	-	(15.59)	(116.43)
Interest paid	-	42.97	32.50	25.33	-	-	100.80
<b>Other non-cash movements</b>							
Acquisitions- Leases	-	(267.55)	-	-	-	-	(267.55)
Disposals-Leases	-	8.40	-	-	-	-	8.40
Fair value adjustments	-	-	572.47	-	-	-	572.47
<b>Net debt as at 31 March, 2020</b>	<b>202.47</b>	<b>(406.75)</b>	<b>(1,563.36)</b>	<b>(272.09)</b>	-	<b>(113.09)</b>	<b>(2,152.82)</b>
<b>Net debt as at 31 March, 2020</b>	<b>202.47</b>	<b>(406.75)</b>	<b>(1,563.36)</b>	<b>(272.09)</b>	-	<b>(113.09)</b>	<b>(2,152.82)</b>
Cash flows (net)	2,098.36	154.21	-	(1,584.05)	-	151.25	819.77
Proceed from long term borrowings	-	-	(4,331.52)	-	-	-	(4,331.52)
Repayment of borrowings	-	-	1,772.41	-	-	-	1,772.41
Interest expense	-	(85.62)	(160.01)	(170.96)	-	(16.16)	(432.75)
Interest paid	-	85.62	152.76	170.96	-	-	409.34
<b>Other non-cash movements</b>							
Acquisition through business acquisition (net)	-	(749.02)	(5,223.74)	(263.75)	-	(2.00)	(6,238.51)
Put liability recognised	-	-	-	-	(1,112.93)	-	(1,112.93)
Adjusted with security deposit given	-	-	-	-	-	13.20	13.20
Adjustment on conversion of share warrants	-	-	-	-	-	(35.20)	(35.20)
Settled through business acquisition	-	-	-	103.20	-	-	103.20
Conversion of Compulsorily convertible debentures in equity	-	-	6,088.19	-	-	-	6,088.19
Fair value adjustments	-	-	(596.49)	-	-	-	(596.49)
Disposals-Leases	-	303.81	-	-	-	-	303.81
Acquisition - Leases	-	(289.28)	-	-	-	-	(289.28)
<b>Net debt as at 31 March, 2021</b>	<b>2,300.83</b>	<b>(987.04)</b>	<b>(3,861.76)</b>	<b>(2,016.69)</b>	<b>(1,112.93)</b>	<b>(2.00)</b>	<b>(5,679.59)</b>
Cash flows (net)	3,378.72	52.30	1,317.28	(15.16)	-	1.00	4,734.13
Interest expense	-	(32.02)	(121.23)	(51.77)	-	-	(205.02)
Loan procession fees paid	-	-	11.60	-	-	-	11.60
Interest paid	-	32.02	109.04	51.77	-	-	192.83
<b>Other non-cash movements</b>							
Deferred consideration for acquisitions of business (refer note 51)	-	-	-	-	-	(55.49)	(55.49)
Disposals-Leases	-	51.27	-	-	-	-	51.27
Acquisition - Leases	-	(129.94)	-	-	-	-	(129.94)
Fair value adjustments	-	-	-	-	(36.96)	-	(36.96)
<b>Net debt as at 30 June, 2021</b>	<b>5,679.55</b>	<b>(1,013.41)</b>	<b>(2,545.07)</b>	<b>(2,031.85)</b>	<b>(1,149.89)</b>	<b>(56.50)</b>	<b>(1,117.18)</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

36 Revenue from operations

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>Revenue from contracts with customers</b>			
Sale of goods	11,578.86	22,816.32	6,332.85
Sale of services	239.71	259.43	56.83
<b>Other operating revenue</b>			
Other operating revenue *	149.51	276.94	285.74
	<b>11,968.08</b>	<b>23,352.69</b>	<b>6,675.42</b>

\* Other operating revenue pertains to rendering services of delivery persons and lease of software and hardware. The entire revenue of the Group is restricted to one geographical region i.e. India, where risks do not vary. The majority of contracts with customer are short term in nature. Revenue from sale of services includes revenue from licensing of technology platforms.

**Disaggregate of revenue information**

The table below presents disaggregated revenues from contracts with customers for the below period/ years ended by offerings. The Group believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cashflows are affected by industry, market and other economic factors:

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>Sale of goods</b>			
Distribution to retailers	4,701.49	9,661.10	6,332.85
Distribution to chemists/institutions	6,877.37	13,155.22	-
	<b>11,578.86</b>	<b>22,816.32</b>	<b>6,332.85</b>

For the period ended June 30, 2021, revenue from 5 customers is Rs. 3,840.77 million, for the year ended March 31, 2021, revenue from 2 customers is Rs. 5,591.35 millions and for the year ended March 31, 2020, revenue from 4 customers is Rs. 4,708.82 millions which is more than 10% of the total revenue from operations.

**Reconciliation of revenue recognised with contract price:**

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>Contract price</b>	12,536.07	24,017.99	6,720.30
Adjustments for:			
Refund liabilities	(282.23)	(474.52)	(39.79)
Discounts	(271.28)	(187.44)	-
Contract liabilities - customer loyalty programme / deferred revenue	(14.48)	(3.34)	(5.09)
<b>Revenue from operations</b>	<b>11,968.08</b>	<b>23,352.69</b>	<b>6,675.42</b>

**(i) Recognition of revenue over the period of time and at a point in time.**

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Over a period of time	389.22	536.37	342.57
At a point in time	11,578.86	22,816.32	6,332.85
	<b>11,968.08</b>	<b>23,352.69</b>	<b>6,675.42</b>

**(ii) Movement in contract balances**

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>Contract Liabilities</b>			
Opening Balance	76.52	5.09	2.37
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(54.17)	(4.70)	(2.37)
Add: Deferred revenue and advance from customers	57.03	76.13	5.09
<b>Closing Balance</b>	<b>79.38</b>	<b>76.52</b>	<b>5.09</b>
Non Current	2.74	0.08	0.39
Current	76.64	76.44	4.70

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(All amounts in Rupees million, unless otherwise stated)

(iii) The aggregate amount of transaction price allocated to remaining performance obligations is as follows:

Expected to be recognised revenue during	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Year ended March 2021	-	-	4.70
Year ended March 2022	76.64	76.44	0.39
Year ended March 2023	1.90	0.07	-
Year ended March 2024	0.84	0.01	-
<b>Total</b>	<b>79.38</b>	<b>76.52</b>	<b>5.09</b>

**37 Other income**

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Interest income from financial assets measured at amortised cost			
On fixed deposits	76.99	54.78	41.21
On loan to entity having significant influence	-	48.44	52.38
Interest on income tax refund	1.67	1.75	-
Unwinding of interest on security deposits	5.60	14.66	5.32
Gain on fair valuation of financial instruments measured at fair value through profit and loss (Refer note below)	0.12	0.29	573.02
Rental income	-	12.00	-
Gain on termination of lease	6.20	19.43	0.43
Miscellaneous income	13.63	75.89	26.70
Liabilities no longer required written back	0.31	26.69	-
	<b>104.52</b>	<b>253.93</b>	<b>699.06</b>

Note: These include changes in fair value of Series D4 Compulsory Convertible Debentures, Refer note 25(ii) for details.

**38 Purchase of stock-in-trade**

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Purchase of stock-in-trade*	12,346.05	22,668.17	6,991.24
	<b>12,346.05</b>	<b>22,668.17</b>	<b>6,991.24</b>

\* Includes write-downs of inventories due to provision/write off of inventory items amounted to Rs. 23.20 millions (31 March 2021: Rs. 37.60 millions, 31 March 2020: Rs 25.60 million).

**39 Changes in inventories of stock-in-trade**

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
<b>Opening stock</b>			
Traded goods	4,045.76	1,159.49	636.87
Right to recover returned goods	440.19	39.76	-
<b>Acquired in business combination:</b>			
Right to recover returned goods	-	381.35	-
Traded goods	-	1,772.29	-
	<b>4,485.95</b>	<b>3,352.89</b>	<b>636.87</b>
<b>Closing stock</b>			
Traded goods	(5,215.03)	(4,045.76)	(1,159.49)
Right to recover returned goods	(537.41)	(440.19)	(39.76)
Less: Inventory converted into Property, plant and equipment *	-	(10.89)	(20.00)
	<b>(5,752.44)</b>	<b>(4,496.84)</b>	<b>(1,219.25)</b>
	<b>(1,266.49)</b>	<b>(1,143.95)</b>	<b>(582.38)</b>

\* Includes Rs 0.46 millions (31 March 2021: Rs 0.50 millions, 31 March 2020: Rs Nil) of assets (Net of accumulated depreciation) transferred to inventories at their carrying amount when they ceased to be rented.



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40 Employee benefits expense

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Salaries, wages and allowances	1,502.98	1,863.00	1,045.42
Contribution to provident and other funds	32.62	67.59	18.38
Gratuity expense (refer note 48)	20.69	42.32	11.91
Compensated absences	(22.82)	114.99	22.26
Employee share based payment expense (refer note 52)	97.73	568.08	239.20
Staff welfare expenses	27.19	46.96	34.73
	<b>1,658.39</b>	<b>2,702.94</b>	<b>1,371.90</b>

41 Finance costs

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Interest and finance charges on financial liabilities at amortised cost	161.41	347.13	73.46
Interest on delayed payment of direct tax and statutory dues	0.77	1.56	2.43
Interest and finance charges on lease liability	32.02	85.62	42.97
Loan processing fees	11.60	-	-
	<b>205.80</b>	<b>434.31</b>	<b>118.86</b>

42 Depreciation and amortisation expense

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Depreciation of property, plant and equipment (refer note 3)	64.49	132.60	98.06
Depreciation of right of use asset (refer note 4)	67.81	140.41	81.49
Amortization of intangible assets (refer note 6)	38.13	56.00	8.16
	<b>170.43</b>	<b>329.01</b>	<b>187.71</b>

43 Other expenses

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Bank and Payment Gateway Charges	10.01	14.41	4.75
Office and administration expenses	3.14	16.10	-
Bad debts written off	1.91	16.26	21.80
Manpower charges	285.11	360.03	203.40
Commission & Brokerage	41.89	97.29	7.10
Concierge Fees	-	33.35	-
Sales promotion and marketing expense	948.27	1,347.26	1,379.81
Loss on fair value changes to financial instruments (refer note below)	-	660.94	25.78
Expected credit loss provision on financial assets	54.84	54.22	23.96
Contractual payment for delivery associates	194.73	342.14	284.86
Consumption of packing materials and consumables	126.88	109.10	51.70
Information Technology expenses	181.28	265.90	164.02
Insurance Expenses	4.09	8.86	1.45
Lease Expenses*	4.56	43.10	27.26
E-Consultancy Fees	35.70	-	-
Legal and Professional Fees	74.07	865.94	294.39
Net loss on disposal of property, plant and equipment	0.01	1.32	6.61
Printing and Stationery	10.80	21.97	3.30
Rates and taxes	34.51	68.84	12.83
Repairs and Maintenance	24.54	78.48	13.08
Provision for doubtful advances and statutory dues	3.00	93.22	-
Security services	13.79	24.39	12.46
Telephone and Communication Charges	5.57	62.69	13.34
Travelling Expenses	29.36	69.14	38.71
Water, Electricity and Fuel Expenses	28.33	58.78	34.26
Corporate social responsibility	1.40	2.52	-
Miscellaneous expenses	38.20	102.55	131.84
	<b>2,155.99</b>	<b>4,818.80</b>	<b>2,756.71</b>

Note: This includes changes in fair value of Series D4 Compulsory Convertible Debentures for the year ended March 31, 2021. Refer note 25(ii) for details.

\* Lease payments not recognised as a lease liability and corresponding ROU asset

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Short Term Lease	4.56	43.10	27.26
	<b>4.56</b>	<b>43.10</b>	<b>27.26</b>

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44 Tax expenses

Income tax expense in the restated consolidated statement of profit and loss consists of

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
<b>Current income tax:</b>			
In respect of the current period	35.77	46.68	-
In respect of the earlier period		-	(0.10)
<b>Deferred tax:</b>			
In respect of the current period	(94.43)	164.02	(116.67)
<b>Income tax expense / (credit) recognised in restated consolidated statement of profit or loss</b>	<b>(58.66)</b>	<b>210.70</b>	<b>(116.77)</b>
<b>Income tax recognised in restated other comprehensive income</b>			
- Deferred tax arising on income and expense recognised in OCI			
Net loss / (gain) on remeasurement of defined benefit plan	-	(0.41)	(0.65)
<b>Total</b>	<b>(58.66)</b>	<b>210.29</b>	<b>(117.42)</b>

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian statutory income tax rate to restated profit before taxes is as follows:

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Restated loss before tax	(3,197.57)	(6,202.66)	(3,469.56)
Statutory tax rate of the parent	25.17%	25.17%	26.00%
<b>Tax expense / (credit) at applicable rate</b>	<b>(804.83)</b>	<b>(1,561.21)</b>	<b>(902.09)</b>
<b>Tax impact on account of :</b>			
Deferred tax asset on carry forward loss not recognised	785.25	1,538.70	731.84
Items for which deferred tax was not recognised	(32.43)	98.82	9.12
Deferred tax assets reversed on account of amalgamation	-	181.46	-
Tax effects of amounts non-deductible in calculating taxable income	0.88	-	6.49
Other items	(7.53)	(47.48)	37.22
<b>Tax expenses pertaining to current year</b>	<b>(58.66)</b>	<b>210.29</b>	<b>(117.42)</b>

Deferred taxes

Deferred tax assets/(liabilities) as at June 30, 2021 in relation to:

Particulars	As at April 1, 2021	Recognised in restated consolidated statement of profit and loss	Recognised in restated Other Comprehensive Income	As at June 30, 2021
<b>Deferred tax assets</b>				
Provision for employee benefits	2.19	(0.13)	-	2.06
Provision for doubtful debts and advances	10.33	7.30	-	17.63
Property, plant and equipment and intangible assets	7.74	(0.16)	-	7.58
Lease liabilities	238.26	(0.63)	-	237.63
Unabsorbed depreciation and business losses	179.47	169.62	-	349.09
Others	0.75	(0.70)	-	0.05
<b>Deferred tax liabilities</b>				
Property, plant and equipment and intangible assets	(387.31)	(73.80)	-	(461.11)
Right-of-use Asset	(238.73)	(4.69)	-	(243.42)
Others	(3.63)	(2.37)	-	(6.00)
<b>Deferred tax assets/(liabilities) (net)</b>	<b>(190.93)</b>	<b>94.44</b>	<b>-</b>	<b>(96.49)</b>

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Deferred tax assets/(liabilities) as at March 31, 2021 in relation to:

Particulars	As at April 1, 2020	Acquired through business combination	Recognised in restated consolidated statement of profit and loss	Recognised in restated Other Comprehensive Income	As at March 31, 2021
<b>Deferred tax assets</b>					
Provision for employee benefits	16.98	-	(14.38)	(0.41)	2.19
Share based payment expenses	95.86	-	(95.86)	-	-
Provision for doubtful debts and advances	16.56	-	(6.23)	-	10.33
Property, plant and equipment and intangible assets	24.45	-	(16.71)	-	7.74
Disallowances under Section 40(a) of Income Tax Act, 1961	23.71	-	(23.71)	-	-
Lease liabilities	102.38	-	135.88	-	238.26
Unabsorbed depreciation and business losses	153.25	-	26.22	-	179.47
Others	0.14	6.10	(5.49)	-	0.75
<b>Deferred tax liabilities</b>					
Property, plant and equipment and intangible assets	-	(163.96)	(223.34)	-	(387.31)
Right-of-use Asset	(100.61)	-	(138.12)	-	(238.73)
Fair value gain/loss on financial instruments	(148.82)	(29.17)	177.99	-	-
Others	(0.63)	(22.76)	19.76	-	(3.63)
<b>Deferred tax assets/(liabilities) (net)</b>	<b>183.27</b>	<b>(209.79)</b>	<b>(164.00)</b>	<b>(0.41)</b>	<b>(190.93)</b>

Deferred tax assets/(liabilities) as at March 31, 2020 in relation to:

Particulars	As at April 1, 2019	Recognised in restated consolidated statement of profit and loss	Recognised in restated Other Comprehensive Income	As at March 31, 2020
<b>Deferred tax assets</b>				
Provision for employee benefits	8.83	8.80	(0.65)	16.98
Share based payment expenses	36.86	59.00	-	95.86
Provision for doubtful debts and advances	10.36	6.20	-	16.56
Property, plant and equipment and intangible assets	11.61	12.84	-	24.45
Disallowances under Section 40(a) of Income Tax Act, 1961	0.11	23.60	-	23.71
Unabsorbed depreciation and business losses	-	153.25	-	153.25
Lease liabilities	51.90	50.48	-	102.38
Others	0.02	0.12	-	0.14
<b>Deferred tax liabilities</b>				
Right-of-use Asset	(51.90)	(48.71)	-	(100.61)
Fair value gain/loss on financial instruments	-	(148.82)	-	(148.82)
Others	(0.54)	(0.09)	-	(0.63)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>67.25</b>	<b>116.67</b>	<b>(0.65)</b>	<b>183.27</b>

Deferred tax assets/(liabilities) not recognised

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax assets arising on:</b>			
Property, plant and equipment and intangible assets	19.29	18.56	-
Unabsorbed depreciation and business losses	2,322.17	1,538.70	1,739.43
Lease liabilities	17.44	10.18	-
Provision for doubtful debt and advances	27.42	22.30	-
Provision for employee benefits	65.20	95.75	-
Fair value gain/loss on financial instruments	-	17.83	6.49
Fair valuation of compound financial instruments	33.75	39.52	-
Others	16.85	8.24	-
<b>Deferred tax assets*</b>	<b>2,502.12</b>	<b>1,751.08</b>	<b>1,745.92</b>

\* Deferred tax assets of Rs. 2,502.12 million as at June 30, 2021, Rs. 1,751.08 million as at March 31, 2021 and Rs. 1,745.92 million as at March 31, 2020 was not recognised by the Group in absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 (All amounts in Rupees million, unless otherwise stated)

**Tax losses carried forward**

Description	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020	Year of expiry
Business Loss for assessment years:				
2016-17	-	-	99.98	2024-25
2017-18	7.17	7.17	446.41	2025-26
2018-19	56.87	56.87	871.27	2026-27
2019-20	165.79	165.79	2,258.79	2027-28
2020-21	323.45	323.45	3,592.00	2028-29
2021-22	5,828.75	5,828.75	-	2029-30
2022-23	3,682.43	-	-	2030-31
Unabsorbed Depreciation	548.42	444.23	351.12	NA

Brought forward business losses pertaining to 91Streets Media Technologies and its subsidiaries and API Holdings Private Limited and its subsidiaries has lapsed, due to change in shareholding of API Holdings Private Limited consequent to scheme of amalgamation becoming effective on August 27, 2020.

The Group had cumulative earnings in respect of certain Group entities of approximately Rs. 76.91 million (March 31, 2021: Rs. 64.71 million, March 31, 2020: Nil) for which the Group has not provided deferred tax liability as the Group believes that the reversal of such temporary difference is not probable in the foreseeable future.

**45 Loss per equity share**

*(Amount in million, except no. of shares)*

Particulars	For the period ended	For the year ended	For the period
	June 30, 2021	31 March 2021	ended 31 March 2020
Restated loss	(3,317.78)	(6,361.89)	(3,352.23)
Weighted average number of shares used in basic/diluted loss per share	4,29,75,499	3,07,68,101	2,59,55,107
Nominal value of equity shares	10	10	10
Basic and Diluted loss per share (in Rupees)	(77.20)	(206.77)	(129.15)

The following options issued by the Group have not been considered in calculation of diluted earnings per share, the same being anti-dilutive in nature

- ESOPs issued to employees pursuant to various ESOP schemes of the Group (Refer note 52);
- Share warrants issued;
- Optionally convertible redeemable debentures convertible into equity shares of the Group;
- Compulsorily Convertible Debentures convertible into variable number of shares.

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API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

46 Financial instruments

The classification of each category of financial instruments and their carrying amounts are as below:

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Financial assets</b>			
<b>At amortised cost</b>			
Loans ^	9.00	9.00	1,507.20
Other financial assets ^	249.21	277.67	107.42
Trade receivable ^	4,186.07	3,582.86	472.55
Cash and cash equivalents ^	3,157.19	2,295.45	241.65
Other bank balances ^	6,475.32	936.36	343.64
<b>At fair value through profit and loss</b>			
Non-current investments	45.68	1.08	10.33
Current investments	8.17	8.06	7.38
<b>Total assets</b>	<b>14,130.64</b>	<b>7,110.48</b>	<b>2,690.17</b>
<b>Financial liabilities</b>			
<b>At fair value through profit and loss</b>			
Borrowings	-	-	1,523.28
<b>At amortised cost</b>			
Borrowings ^*	4,551.76	5,853.88	312.17
Trade payables ^	3,116.15	3,655.53	709.71
Other financial liabilities ^	1,400.98	1,163.16	152.33
<b>Total liabilities</b>	<b>9,068.89</b>	<b>10,672.57</b>	<b>2,697.49</b>

There are no financial instruments that have been classified as Fair Value through Other Comprehensive Income (FVTOCI).

^ Fair values for these financial instruments have not been disclosed because their carrying amount are a reasonable approximation of their fair values.

\* Borrowings includes current maturities of long term debt.

(a) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements

As at June 30, 2021	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Non current investments</b>				
Other investments	-	-	45.68	45.68
<b>Current investments</b>				
Investment in mutual funds	8.17	-	-	8.17
<b>Financial Liabilities</b>				
Non Current borrowings	-	-	-	-
<b>As at March 31, 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
<b>Non current investments</b>				
Other investments	-	-	1.08	1.08
<b>Current investments</b>				
Investment in mutual funds	8.06	-	-	8.06
<b>Financial Liabilities</b>				
Non Current borrowings	-	-	-	-
<b>As at March 31, 2020</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
<b>Non current investments</b>				
Other investments	-	-	10.33	10.33
<b>Current investments</b>				
Investment in mutual funds	7.38	-	-	7.38
<b>Financial Liabilities</b>				
Non Current borrowings	-	-	1,523.28	1,523.28

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
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**Level 1**

This includes the fair value of financial instruments traded in active markets which is based on quoted market prices at the end of the reporting period. The mutual funds are valued using the closing NAV.

**Level 2**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Inputs used in fair valuation of level 3 instruments**

Particulars	Fair value as at June 30, 2021	Fair value as at March 31, 2021	Fair value as at March 31, 2020	Significant unobservable inputs	Inputs	Sensitivity
Non Current Borrowings Compulsorily convertible debentures	-	-	1,523.28	Weighted Average Cost of Capital (WACC)	15.00%	Increased WACC by 1% would decrease liability by Rs 13.13 million Decreased WACC by 1% would increase liability by Rs 13.36 million
Other investments	-	1.08	10.33	Weighted Average Cost of Capital (WACC)	30.04%	Impact of increased / decreased WACC by 1% will not have material impact on fair value.
Other investments	45.68	-	-	Weighted Average Cost of Capital (WACC) Earnings Growth Rate	16.76% 65% - 102%	Increased earning growth factor by 5% and lower discount rate by 1% would increase FV by 7.60 million. Lower earning growth factor by 5% and higher discount rate by 1% would decrease FV by 6.80 million

**Valuation processes**

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). The team takes assistance of external valuation experts, wherever required.

**(b) Financial risk management**

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

**(i) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The maximum credit risk comprises the carrying amounts of the financial assets. The Group's exposure to credit risk arises mainly from cash and cash equivalents, trade receivables, security deposits, investments, loans and other financial assets. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**Credit risk management**

*Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk
- B: Moderate credit risk
- C: High credit risk

Credit rating	Particulars	June 30, 2021	March 31, 2021	March 31, 2020
A: Low credit risk	Cash and cash equivalents, Other bank balances, security deposits, investments and other financial assets	14,130.64	7,110.48	2,690.17

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(All amounts in Rupees million, unless otherwise stated)

**Credit risk exposure**

**Cash and cash equivalent and other bank balances**

Credit risk related to cash and cash equivalents is managed by accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country. Management does not expect any losses from non-performance by these counterparties.

**Other financial assets measured at amortized cost**

Other financial assets measured at amortized cost includes bank deposits, advances and other receivables. Credit risk related to these assets are managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that amounts are within defined limits. The expected credit loss on these financial instruments is expected to be insignificant.

**Trade and other receivables**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days for which the receivables are due and the expected loss rates have been computed based on ageing.

**Reconciliation of loss allowance provision**

Particulars	June 30, 2021	March 31, 2021	March 31, 2020
<b>Opening balance</b>	54.22	63.43	-
Re-organisation of 91Streets Media Technologies Private Limited	-	-	39.47
Opening balance utilised	-	(63.43)	-
Change in loss allowance	54.84	54.22	23.96
<b>Closing balance</b>	<b>109.06</b>	<b>54.22</b>	<b>63.43</b>

(ii) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the Group operates. The Group manages its liquidity risk by ensuring that sufficient funds are available through a combination of equity and debt financing.

**Financial arrangements**

The Group has access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
<b>Floating rate</b>			
Expiring within one year (long term credit facilities)	1647.38	346.49	68.70
<b>Fixed rate</b>			
Expiring beyond one year (long term credit facilities)	-	-	10.00

Further the Group has access to undrawn cash credit facilities to the extent of Rs 1647.38 million (31 March 2021 Rs. Nil, 31 March 2020 Rs. 10 million).

**Maturities of financial liabilities**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	As at June 30, 2021				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	783.49	1,659.59	2,210.17	-	4,653.25
Lease liabilities	-	308.78	930.08	149.07	1,387.93
Trade payables	-	3,116.15	-	-	3,116.15
Other financial liabilities	-	1,760.77	-	-	1,760.77
<b>Total</b>	<b>783.49</b>	<b>6,845.29</b>	<b>3,140.25</b>	<b>149.07</b>	<b>10,918.10</b>
Particulars	As at March 31, 2021				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	1,901.56	1,618.42	2,418.92	61.01	5,999.91
Lease liabilities	-	313.12	758.65	159.12	1,230.89
Trade payables	-	3,655.53	-	-	3,655.53
Other financial liabilities	11.55	2,862.96	-	-	2,874.51
<b>Total</b>	<b>1,913.11</b>	<b>8,450.03</b>	<b>3,177.57</b>	<b>220.13</b>	<b>13,760.84</b>

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Particulars	As at March 31, 2020				
	On demand	Less than 1 year	1-5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	-	136.20	-	2,099.00	2,235.20
Lease liabilities	-	73.67	333.08	-	406.75
Trade payables	-	709.71	-	-	709.71
Other financial liabilities	-	83.51	108.09	-	191.60
<b>Total</b>	-	<b>1,003.09</b>	<b>441.17</b>	<b>2,099.00</b>	<b>3,543.26</b>

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks – foreign currency risk, interest risk and price risk.

**Foreign currency risk**

The transactions of the Group are denominated in Indian Rupees, and accordingly, the Group is not exposed to foreign currency risk.

**Price risk**

The Group's investment in certain equity shares is exposed to price risk, for detail refer note 46(a).

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Below is the overall exposure of the Group to interest rate risk:

Particulars	June 30, 2021	March 31, 2021	March 31, 2020
Variable rate borrowing	623.57	3,839.78	168.89
	<b>623.57</b>	<b>3,839.78</b>	<b>168.89</b>

**Sensitivity analysis**

Below is the sensitivity of profit or loss and equity changes in interest rates:

Particulars	June 30, 2021	March 31, 2021	March 31, 2020
<b>Interest Sensitivity*</b>			
Interest rates – increase by 100 basis points	6.24	38.40	1.69
Interest rates – decrease by 100 basis points	(6.24)	(38.40)	(1.69)

\* Holding all other variables constant

(c) Capital management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt (total borrowings and lease liabilities net of cash and cash equivalents) divided by total equity (including non-controlling interest).

The capital structure is as follows:

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Borrowings	4,576.92	5,878.45	1,835.45
Lease Liability	1,013.41	987.04	406.75
Less: Cash and cash equivalents	3,136.21	2,292.53	202.47
<b>Net debt</b>	<b>2,454.12</b>	<b>4,572.96</b>	<b>2,039.73</b>
Equity	46,403.98	35,811.75	2,462.42
<b>Total Equity</b>	<b>46,403.98</b>	<b>35,811.75</b>	<b>2,462.42</b>
<b>Net debt equity ratio</b>	<b>5.29%</b>	<b>12.77%</b>	<b>82.83%</b>



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**47 The Group as a lessee**

This note provides information for leases where the Group is a lessee. The Group leases various premises. Rental contracts are typically made for the fixed periods between 1-5 years.

**a. The following is the break-up of current and non-current lease liabilities**

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Current	183.34	191.36	75.19
Non-Current	830.07	795.68	331.56
<b>Total</b>	<b>1,013.41</b>	<b>987.04</b>	<b>406.75</b>

**b. The amounts recognised in the restated consolidated statement of profit or loss are as follows:**

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	31 March 2021	31 March 2020
Interest on lease liabilities	32.02	85.62	42.97
Depreciation of Right-of-use assets	67.81	140.41	81.49
Expense relating to short-term leases	4.56	43.10	27.26
(Gain) / loss on lease termination	(6.20)	(19.43)	(0.43)
<b>Total amount recognised in profit or loss</b>	<b>98.19</b>	<b>249.70</b>	<b>151.29</b>

**c. Total cash outflow (including short term and low value assets)** 88.88 282.93 127.03

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Annexure VI - Notes to the Restated Consolidated financial information (continued)  
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48 Employee benefit obligation

a. Defined contribution plans

The Group contributes towards provident fund managed by the Central Government and towards employees state Insurance contribution scheme in pursuance of ESI Act, 1948 (as amended) which is debited to statement of Profit and Loss as incurred. The Group has no obligation other than making contribution to the fund.

During the year/period, the Group has recognised the following amounts in the restated statement of profit and loss, which are included in contribution to provident and other funds.

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Contribution to provident and other funds	32.62	67.59	18.38

b. Leave obligation

The leave obligation cover Group's liability for compensates absences which are classified as other long term benefits.

The entire amount of the provision of Rs. 172.35 million (March 2021: Rs. 236.74 million, 31 March 2020: Rs 36.97 million) is presented as current, since the Group, does not have an unconditional right to defer settlement for any of these obligations. However, the Group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within next 12 month. Leave obligation not expected to be settled within next 12 month is Rs 25.77 million (March 2021: Rs 10.07 million, 31 March 2020: Rs 32.10 million).

c. Post-employment obligations

Gratuity

The Group provides for gratuity to employees as per Payment of Gratuity Act, 1972. Every employee who has completed five years or more of continuous service gets a gratuity on death or resignation or retirement at 15 days basic salary (last drawn salary) for each completed years of services as per Group policy.

The provision for gratuity is actuarially determined using the 'Projected Unit Credit Method' as at the period end. Gains/ losses on changes in actuarial assumptions are accounted for in the Other Comprehensive Income.

The following table sets out the status of the gratuity plan as required under Ind AS 19 'Employee benefits'.

A. Movement in present value of defined benefit obligation:

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Obligations as at the beginning of the year</b>	188.06	22.22	13.13
Acquired in business combination	-	88.98	-
Current service cost	18.31	40.05	10.88
Past service cost	-	1.54	-
Interest expense	2.83	1.40	1.03
Benefit payments	(1.55)	(0.63)	(0.10)
Remeasurements- Actuarial (gains) / losses	(79.29)	34.50	(2.72)
<b>Obligations as at the end of the year</b>	<b>128.36</b>	<b>188.06</b>	<b>22.22</b>

B. Movement in fair value of plan assets

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>Plan assets at the beginning of the year</b>	32.61	-	-
Acquired in business combination	-	23.15	-
Interest income	0.45	0.67	-
Contributions during the year/period	-	8.79	-
<b>Plan assets at the end of the year, at fair value</b>	<b>33.06</b>	<b>32.61</b>	<b>-</b>

The plan assets comprise of insurance policies purchased by the Group.

C. Reconciliation of present value of defined benefit obligation and the fair value of plan assets

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation at the end of the year	128.36	188.06	22.22
Fair value of plan assets at the end of the year/period	33.06	32.61	-
<b>Liability recognised in the balance sheet</b>	<b>95.30</b>	<b>155.45</b>	<b>22.22</b>
<b>Current</b>	11.88	8.65	1.97
<b>Non Current</b>	83.42	146.80	20.25

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**D. Expenses recognized in the Restated statement of profit and loss**

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Current service cost	18.31	40.05	10.88
Past service cost	-	1.54	-
Interest expense	2.83	1.40	1.03
Interest income	(0.45)	(0.67)	-
<b>Total expense recognised in the Restated statement of profit and loss</b>	<b>20.69</b>	<b>42.32</b>	<b>11.91</b>

**E. Expense recognised in the Restated other comprehensive income**

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Loss from change in financial assumptions	13.78	1.04	5.56
Loss/(gain) from change in demographic assumptions	(60.65)	2.67	(6.26)
Experience losses / (gain)	(31.97)	31.20	(2.02)
Return on plan asset excluding amounts included in interest income	(0.45)	(0.41)	-
<b>Total expenses / (gain) recognized in the restated other comprehensive income</b>	<b>(79.29)</b>	<b>34.50</b>	<b>(2.72)</b>

**F. Expense recognised in the restated Comprehensive income**

Particulars	For the period ended June 30, 2021	For the year ended March 31, 2021	For the period ended March 31, 2020
Expense recognised in the Restated statement of profit and loss	20.69	42.32	11.91
Expense recognised in the Restated other comprehensive income	(79.29)	34.50	(2.72)
	<b>(58.60)</b>	<b>76.82</b>	<b>9.19</b>

The actuarial valuation in respect of commitments and expenses relating to unfunded Gratuity are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

**G. Economic Assumptions**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Discount rate	4.50% to 6.55%	4.50% to 6.55%	5.20% - 6.55%
Expected rate of salary increase	10% to 20%	10% to 20%	10% to 20%

**H. Demographic Assumptions**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Retirement Age	58 to 60 years	58 to 60 years	60 years
Mortality Table	100% of Indian Assured Lives Mortality 2012-14	100% of Indian Assured Lives Mortality 2012-14	100% of Indian Assured Lives Mortality 2012-14
Attrition / Withdrawal Rates: (per annum)	10% to 45%	10% to 45%	10% to 59.50%

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<b>Sensitivity Analysis</b>			
<b>Particulars</b>	<b>As at June 30, 2021</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>a) Impact of the change in discount rate on defined benefit obligation</b>			
i) Impact due to increase of 1%	(8.48)	(3.87)	(1.64)
ii) Impact due to decrease of 1%	9.62	4.47	0.42
<b>b) Impact of the change in salary increase on defined benefit obligation</b>			
i) Impact due to increase of 1%	8.30	(4.99)	0.39
ii) Impact due to decrease of 1%	(7.72)	3.39	(1.48)
<b>c) Impact of the change in attrition rate on defined benefit obligation</b>			
i) Impact due to increase of 50%	(16.70)	10.45	(1.11)
ii) Impact due to decrease of 50%	38.48	(33.24)	-
<b>d) Impact of change in Mortality Rate on defined benefit obligation</b>			
i) Impact due to increase of 10.00%	(0.02)	(2.65)	(2.08)
ii) Impact due to decrease of 10.00%	0.04	2.60	2.08

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Restated Consolidated Statement of Assets and Liabilities.

**Risk Exposure**

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

The Gratuity scheme is a Defined Benefit Plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The Plan design means the risks commonly affecting the liabilities and the financial results are expected to be:

*Interest rate risk:*

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

*Demographic risk:*

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

*Salary Risk:*

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Defined Benefit Liability and Employer Contributions:**

Certain entities within the Group has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

Expected contributions to gratuity plans for the year ending 31 March 2022 : Rs.27.12 million (31 March 2021 : Rs.13.84 million)

The weighted average duration of the defined benefit obligation is 3 to 16 years (March 31, 2021 : 3 to 16 years, March 31, 2020 : 3 to 16 years)

**Maturity profile of defined benefit obligation**

<b>Particulars</b>	<b>As at June 30, 2021</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Less than a year	16.39	5.85	1.97
Between 1 to 2 years	5.9	3.03	3.80
Between 2 to 5 years	102.78	43.94	11.51
More than 5 years	231.35	438.78	11.89
<b>Total expected cash flow</b>	<b>356.42</b>	<b>491.60</b>	<b>29.17</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**49 Related parties transactions**

**(i) Names of related parties and description of relationship**

<b>Name of the Entity</b>	<b>Relationship with the entity</b>
Ascent Wellness and Pharma Solutions Private Limited Aycon Graph Connect Private Limited AKP Healthcare Private Limited Aushad Pharma Distributors Private Limited Rau and Co Pharma Private Limited Reenav Pharma Private Limited Dial Health drug Supplies Private Limited Aarush Tirupati Enterprise Private limited Aryan Wellness Private Limited D. C. Agencies Private Limited Desai Pharma Distributors Private Limited Eastern Agencies Healthcare Private Limited Mahaveer Medi-Sales Private Limited Muthu Pharma Private Limited Pearl Medicals Private Limited VPI Medisales Private Limited Avighna Medicare Private Limited Shell Pharmaceuticals Private Limited Docon Technologies Private Limited Arzt and Health Private Limited Threpsi Solutions Private Limited Instinct Innovations Private Limited Medlife International Private Limited Medlife Wellness Retail Private Limited Metarain Distributors Private Limited Evriksh Healthcare Private Limited AHWSPL India Private Limited Venkatesh Medico Private Limited Ayro Retail Solutions Private Limited	Subsidiaries of the API Holdings Private Limited
Ascent Health and Wellness Solutions Private Limited	Entity having significant influence over the 91Streets Media Technologies Private Limited upto August 26, 2020.
AKP Healthcare Private Limited Aushad Pharma Distributors Private Limited Rau and Co Pharma Private Limited Reenav Pharma Private Limited Dial Health drug Supplies Private Limited Aarush Tirupati Enterprise Private limited Aryan Wellness Private Limited D. C. Agencies Private Limited Desai Pharma Distributors Private Limited Eastern Agencies Healthcare Private Limited Mahaveer Medi-Sales Private Limited Muthu Pharma Private Limited Pearl Medicals Private Limited VPI Medisales Private Limited Shell Pharmaceuticals Private Limited Ayro Retail Solutions Private Limited	Subsidiaries of Ascent Health and Wellness Solutions Private Limited (upto August 26, 2020).
Siddharth Bhaskar Shah (w.e.f. 27 August 2020) Harsh Shailesh Parekh (w.e.f. 01 July 2019) Dharmil Sheth Dhaval Rajesh Shah Hardik Dedhia Vishal Vijay Gupta (w.e.f. 27 August 2020) Kartik Srivatsa (w.e.f. 27 August 2020) Ankur Nand Thadani (w.e.f. 02 March 2021) Sandeep Kumar Singh (w.e.f. 27 August 2020) Dovaldas Buzinskas (w.e.f. 09 November 2020) Aditya Puri (w.e.f. 20 April 2021) Deepak Calian Vaidya (w.e.f. 20 April 2021) Chaitanya Vaidya  Ashutosh Sharma (w.e.f. 05 April 2021) Ved Prakash Kalanoria (w.e.f. 27 May 2021) Chebolu V Ram	Director & Key Management Personnel Director & Key Management Personnel Key Management Personnel Key Management Personnel Key Management Personnel Director Director Director Director Director Director Director Relative of Key Management Personnel  Director Director Chief Financial Officer & Key Management Personnel
Shree Simba Chemist LLP Puri Advisors LLP	Entity in which Director / Key Managerial Personnel is a Partner

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**(ii) Summary of transactions with related parties**

<b>Particulars</b>	<b>For the period ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
<b>Sale of Goods (net of return)</b>			
Ascent Health and Wellness Solutions Private Limited	-	1.88	11.88
D. C. Agencies Private Limited	-	0.19	-
Aarush Tirupati Enterprise Private limited	-	1.11	-
<b>Purchase (net of return)</b>			
Ascent Health & Wellness Solutions Private Limited	-	90.57	340.02
Desai Pharma Distributors Private Limited	-	18.51	117.85
Eastern Agencies Healthcare Private Limited	-	90.30	309.92
Muthu Pharma Private Limited	-	4.80	15.90
D. C. Agencies Private Limited	-	61.21	194.11
VPI Medisales Private Limited	-	16.89	33.87
Mahaveer Medi-Sales Private Limited	-	8.28	22.28
Aryan Wellness Private Limited	-	44.28	63.19
Pearl Medicals Private Limited	-	0.40	0.18
Shell Pharmaceuticals Private Limited	-	8.82	2.56
Aarush Tirupati Enterprise Private limited	-	7.26	-
Ayro Retail Solutions Private Limited	-	-	6.00
<b>Sale of services</b>			
Ascent Health and Wellness Solutions Private Limited	-	2.65	9.51
Desai Pharma Distributors Private Limited	-	1.91	5.90
Eastern Agencies Healthcare Private Limited	-	4.19	13.17
D. C. Agencies Private Limited	-	4.84	9.98
Aryan Wellness Private Limited	-	2.63	4.99
Muthu Pharma Private Limited	-	0.65	1.83
Ayro Retail Solutions Private Limited	-	0.96	-
Mahaveer Medi-Sales Private Limited	-	-	0.10
<b>Interest Income</b>			
Ascent Health & Wellness Solutions Private Limited	-	48.44	52.38
Eastern Agencies Healthcare Private Limited	-	-	18.56
<b>Interest expense</b>			
Ascent Health and Wellness Solutions Private Limited	-	3.75	-
<b>Loan given to</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	1,493.20
Desai Pharma Distributors Private Limited	-	-	26.00
<b>Loan repaid by</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	3.31
Desai Pharma Distributors Private Limited	-	-	3.16
<b>Loan taken from</b>			
Ascent Health and Wellness Solutions Private Limited	-	146.36	112.57
<b>Loan repaid to</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	9.37
<b>Interest on loan repaid</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	1.25
<b>Reimbursement of Expenses</b>			
Dhaval Shah	0.25	0.32	1.69
Dharmil Sheth	0.14	0.07	3.29
Siddharth Shah	0.23	0.25	-
Hardik Dedhia	0.09	-	-
Drashti Shriram Shah	-	0.10	-
Ascent Health and Wellness Solutions Private Limited	-	-	0.14
<b>Payment of outstanding compensation to Directors</b>			
Payment of outstanding Compensation	0.62	-	-
<b>Advance to supplier written off</b>			
Shree Simba Chemist LLP	15.10	15.10	-
<b>Consultancy fees paid</b>			
Puri Advisors LLP	3.00	-	-
<b>Compulsory Convertible Debentures issued</b>			
Siddharth Shah	0.08	-	-
Hardik Dedhia	0.08	-	-
Harsh Parekh	0.08	-	-
Dharmil Sheth	0.08	-	-
Dhaval Shah	0.08	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<b>Call money received on Compulsory Convertible Debentures:</b>			
Siddharth Shah	120.07	0.13	-
Harsh Parekh	117.29	0.12	-
Dhaval Shah	136.61	0.17	-
Dharmil Sheth	138.21	0.17	-
Hardik Kishore Dedhia	117.29	-	-
<b>Share application money received</b>			
Aditya Puri	15.00	-	-
Deepak Calian Vaidya	250.00	-	-

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**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**(iii) Related party closing balances as at the Balance Sheet date**

<b>Particulars</b>	<b>As at June 30, 2021</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Loans given</b>			
Ascent Health & Wellness Solutions Private Limited	-	-	1,493.20
<b>Loans taken</b>			
Siddharth Bhaskar Shah (Liability acquired in business combination)	2.25	2.25	-
<b>Trade Receivables</b>			
Ascent Health & Wellness Solutions Private Limited	-	-	12.82
Desai Pharma Distributors Private Limited	-	-	0.25
Eastern Agencies Healthcare Private Limited	-	-	0.63
D. C. Agencies Private Limited	-	-	1.35
Aryan Wellness Private Limited	-	-	0.74
Muthu Pharma Private Limited	-	-	0.22
<b>Advances to suppliers</b>			
Ascent Health and Wellness Solutions Private Limited	-	-	26.00
<b>Trade Payable</b>			
Ascent Health & Wellness Solutions Private Limited	-	-	1.14
Desai Pharma Distributors Private Limited	-	-	0.64
Eastern Agencies Healthcare Private Limited	-	-	7.90
D. C. Agencies Private Limited	-	-	1.05
VPI Medisales Private Limited	-	-	1.28
Mahaveer Medi-Sales Private Limited	-	-	0.02
Aryan Wellness Private Limited	-	-	7.49
Pearl Medicals Private Limited	-	-	0.00
Shell Pharmaceuticals Private Limited	-	-	0.59
<b>Other current liabilities</b>			
Ascent Health & Wellness Solutions Private Limited	-	-	0.14
<b>Short-term borrowings</b>			
Ascent Health & Wellness Solutions Private Limited	-	-	103.20
<b>Call money received on Compulsory Convertible Debentures:</b>			
Siddharth Shah	120.07	0.13	-
Harsh Parekh	117.29	0.12	-
Dhaval Shah	136.61	0.17	-
Dharmil Sheth	138.21	0.17	-
Hardik Dedhia	117.29	-	-
<b>Share application money received pending allotment</b>			
Aditya Puri	15.00	-	-
Deepak Calian Vaidya	250.00	-	-
<b>Compensation payable to Directors</b>			
Compensation Payable to Directors	-	0.62	-
<b>Compensation Paid to Key Managerial Personnel (KMP)</b>			
Short term employee benefits*	379.30	47.13	11.98

\* Excludes amortisation of fair value of employee share based payments under IND AS 102 and provision for gratuity and leave encashment recognised on the basis of actuarial valuation as separate figures are not available.



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**49 Related parties transactions (Continued)**

**(iv) Related party transactions eliminated during the year/period while preparing the restated consolidated financial information**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>i) 91 Streets Media Technologies Private Limited</b>			
<b><u>Sale of services</u></b>			
Thea Technologies Private Limited	-	-	63.59
ARZT And Health Pvt Ltd	-	-	0.21
Swifto Services Private Limited	-	-	200.58
<b><u>Interest Income on Loan Advanced</u></b>			
Thea Technologies Private Limited	-	-	214.51
Swifto Services Private Limited	-	-	0.70
Docon Technologies Private Limited	-	-	57.38
<b><u>Financial guarantee income</u></b>			
Thea Technologies Private Limited	-	-	3.92
<b>Swifto Services Private Limited</b>			
<b><u>Sale of services</u></b>			
ARZT And Health Pvt Ltd	-	-	0.17
Thea Technologies Private Limited	-	-	42.96
<b>Thea Technologies Private Limited</b>			
<b><u>Sale of Goods(net of return)</u></b>			
Arzt And Health Private Limited	-	-	3.81
<b>Thea Technologies Private Limited</b>			
<b><u>Rental Income</u></b>			
Arzt And Health Private Limited	-	-	1.00
<b>Arzt And Health Private Limited</b>			
<b><u>Sale of Goods(net of return)</u></b>			
Thea Technologies Private Limited	-	-	0.39
<b>ii) API Holdings Private Limited</b>			
<b><u>Sale of Services:</u></b>			
Threpsi Solutions Private Limited	11.79	17.53	-
Medlife Wellness Retail Private Limited	0.11	34.28	-
Arzt And Health Private Limited	0.51	3.46	-
Ayro Retail Solutions Private Limited	4.54	0.04	-
Eastern Agencies Healthcare Private Limited	3.81	9.45	-
Ascent Wellness and Pharma Solutions Private Limited	1.67	5.61	-
Desai Pharma Distributor Private Limited	1.40	4.35	-
D. C. Agencies Private Limited	5.81	10.29	-
Muthu Pharma Private Limited	1.19	1.59	-
Aryan Wellness Private Limited	3.71	6.63	-
Aarush Tirupati Enterprise Private Limited	4.59	3.58	-
Docon Technologies Private Limited	-	3.76	-
<b><u>Reimbursement of expenses from</u></b>			
Medlife International Private Limited	-	61.02	-
<b><u>Interest Income:</u></b>			
Arzt And Health Private Limited	4.53	2.10	-
AHWSPL India Private Limited	0.06	0.04	-
Docon Technologies Private Limited	18.87	73.96	-
Threpsi Solutions Private Limited	117.89	113.70	-
Ascent Wellness and Pharma Solutions Private Limited	82.07	16.53	-
Aycon Graph Connect Private Limited	9.03	15.57	-
Metarain Distributors Private Limited	5.63	0.36	-
Medlife International Private Limited	23.97	5.71	-
Medlife Wellness Retail Private Limited	64.77	8.22	-
<b><u>Other Expenses</u></b>			
Threpsi Solutions Private Limited	3.07	3.89	-
Arzt And Health Private Limited	-	0.70	-
<b><u>Other Income</u></b>			
Arzt And Health Private Limited	-	5.00	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Purchase (net of returns)</u>			
Desai Pharma Distributors Private Limited	-	(0.65)	-
Eastern Agencies Healthcare Private Limited	-	6.81	-
D. C. Agencies Private Limited	-	(5.52)	-
VPI Medisales Private Limited	-	8.52	-
Arzt And Health Private Limited	-	25.30	-
Pearl Medicals Private Limited	-	(0.31)	-
Shell Pharmaceuticals Private Limited	-	(0.01)	-
Docon Technologies Private Limited	-	3.66	-
Medlife International Private Limited	0.03	-	-
<u>Sale of Goods(net of return)</u>			
Arzt And Health Private Limited	-	19.30	-
Threpsi Solutions Private Limited	-	2.60	-
Muthu Pharma Private Limited	-	2.24	-
<b>iii) Threpsi Solutions Private Limited</b>			
<u>Other Expenses</u>			
Docon Technologies Private Limited	-	0.49	-
Aycon Graph Connect Private Limited	2.00	4.80	-
Medlife Wellness Retail Private Limited	-	2.73	-
Aarush Tirupati Enterprise Private Limited	-	0.74	-
Arzt And Health Private Limited	0.03	-	-
<u>Purchase (net of returns)</u>			
Desai Pharma Distributors Private Limited	44.02	55.79	-
Eastern Agencies Healthcare Private Limited	68.82	124.96	-
Muthu Pharma Private Limited	24.76	41.73	-
D. C. Agencies Private Limited	103.02	111.66	-
VPI Medisales Private Limited	27.64	53.86	-
Mahaveer Medi-Sales Private Limited	10.05	17.52	-
Aryan Wellness Private Limited	48.93	69.28	-
Arzt And Health Private Limited	58.03	51.15	-
Pearl Medicals Private Limited	2.53	4.19	-
Shell Pharmaceuticals Private Limited	(0.02)	0.49	-
Docon Technologies Private Limited	-	0.01	-
Ascent Wellness and Pharma Solutions Private Limited	199.45	220.16	-
Medlife International Private Limited	28.00	15.39	-
Medlife Wellness Retail Private Limited	68.77	274.59	-
Metarain Distributors Private Limited	6.38	1.78	-
Aarush Tirupati Enterprise Private Limited	258.14	218.23	-
<u>Sale of Goods(net of return)</u>			
Arzt And Health Private Limited	-	47.01	-
D. C. Agencies Private Limited	-	0.21	-
Desai Pharma Distributors Private Limited	-	0.17	-
Ascent Wellness and Pharma Solutions Private Limited	-	0.06	-
Eastern Agencies Healthcare Private Limited	-	0.06	-
VPI Medisales Private Limited	-	0.15	-
Aarush Tirupati Enterprise Private Limited	-	135.00	-
Medlife International Private Limited	-	1.73	-
Medlife Wellness Retail Private Limited	-	4.60	-
<u>Sale of Services</u>			
Medlife Wellness Retail Private Limited	-	8.24	-
Arzt And Health Private Limited	-	8.94	-
Docon Technologies Private Limited	2.25	5.25	-
<b>iv) ARZT and Health Private Limited</b>			
<u>Purchase (net of returns)</u>			
Muthu Pharma Private Limited	-	0.01	-
D. C. Agencies Private Limited	0.06	26.73	-
Aryan Wellness Private Limited	0.04	0.23	-
Ascent Wellness and Pharma Solutions Private Limited	0.35	1.04	-
Threpsi Solutions Private Limited	22.53	-	-
Medlife International Private Limited	1.59	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Sale of Goods(net of return)</u>			
Aarush Tirupati Enterprise Private Limited	-	0.15	-
<u>Other Expense</u>			
Threpsi Solutions Private Limited	4.48	-	-
<b>v) Aycon Graph Connect Private Limited</b>			
<u>Sale of Services</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	4.80	-
<u>Interest Income</u>			
Docon Technologies Private Limited	-	0.33	-
Ayro Retail Solutions Private Limited	4.14	3.53	-
Instinct Innovation Private Limited	1.44	2.24	-
<b>vi) Ayro Retail Solutions Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
D. C. Agencies Private Limited	-	0.10	-
<u>Interest expense</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	20.35	-
<b>vii) Medlife International Private Limited</b>			
<u>Purchase (net of returns)</u>			
Desai Pharma Distributors Private Limited	-	1.57	-
Eastern Agencies Healthcare Private Limited	-	1.80	-
D. C. Agencies Private Limited	-	5.11	-
Mahaveer Medi-Sales Private Limited	-	17.54	-
Aryan Wellness Private Limited	-	1.40	-
Ascent Wellness and Pharma Solutions Private Limited	(0.02)	2.61	-
Venkatesh Medico Private Limited	1.89	0.15	-
Arzt And Health Private Limited	8.25	-	-
Threpsi Solutions Private Limited	147.47	-	-
<u>Other Income</u>			
Threpsi Solutions Private Limited	0.01	-	-
<b>viii) AHWSPL India Private Limited</b>			
<u>Sale of Services</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	3.00	-
<b>ix) Ascent Wellness and Pharma Solutions Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
D. C. Agencies Private Limited	7.04	7.25	-
Desai Pharma Distributors Private Limited	22.51	32.11	-
Eastern Agencies Healthcare Private Limited	37.55	62.10	-
Aryan Wellness Private Limited	1.43	3.04	-
AKP Healthcare Private Limited	1.65	1.91	-
VPI Medisales Private Limited	3.68	2.69	-
Muthu Pharma Private Limited	2.85	2.96	-
Mahaveer Medi-Sales Private Limited	-	0.07	-
Aushad Pharma Distributor Private Limited	0.45	0.34	-
Aarush Tirupati Enterprise Private Limited	0.85	0.24	-
Venkatesh Medico Private Limited	0.02	-	-
Avighna Medicare Private Limited	0.63	-	-
<u>Purchase (net of returns)</u>			
Desai Pharma Distributors Private Limited	5.61	9.84	-
Eastern Agencies Healthcare Private Limited	51.79	92.42	-
D. C. Agencies Private Limited	18.65	1.47	-
VPI Medisales Private Limited	0.42	0.23	-
Aryan Wellness Private Limited	13.97	0.06	-
Aushad Pharma Distributor Private Limited	-	0.23	-
AKP Healthcare Private Limited	1.29	0.27	-
Muthu Pharma Private Limited - ( Muthu )	17.52	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Interest Income</u>			
VPI Medisales Private Limited	5.99	6.40	-
Muthu Pharma Private Limited	12.14	15.79	-
Desai Pharma Distributors Private Limited	3.03	3.43	-
Eastern Agencies Healthcare Private Limited	11.20	18.84	-
D. C. Agencies Private Limited	17.63	26.56	-
Pearl Medicals Private Limited	-	0.01	-
Rau & Co Pharma Private Limited	-	0.81	-
Shell Pharmaceuticals Private Limited	-	0.55	-
Aryan Wellness Private Limited	11.20	9.60	-
Mahaveer Medi-Sales Private Limited.	-	0.12	-
Venkatesh Medico Private Limited	7.07	9.44	-
Reenav Pharma Private Limited	0.68	0.61	-
Aarush Tirupati Enterprises Private Limited	0.92	1.24	-
Avighna Medicare Private Limited	0.03	0.01	-
Ayro Retail Solutions Private Limited	8.55	-	-
<u>Interest Income on Compulsory Convertible Debentures</u>			
Reenav Pharma Private Limited	-	0.86	-
<u>Other Income</u>			
AKP Healthcare Private Limited	-	25.00	-
Aycon Graph Connect Private Limited	2.00	-	-
AHWSPL India Private Limited	4.50	-	-
<b>x) D C Agencies Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Desai Pharma Distributors Private Limited	-	0.24	-
Eastern Agencies Healthcare Private Limited	-	3.48	-
Aryan Wellness Private Limited	1.80	13.10	-
AKP Healthcare Private Limited	1.18	0.46	-
VPI Medisales Private Limited	3.49	0.76	-
Muthu Pharma Private Limited	2.07	0.47	-
Aushad Pharma Distributor Private Limited	0.96	0.10	-
Aarush Tirupati Enterprise Private Limited	0.81	0.04	-
Mahaveer Medisales Private Limited	0.54	-	-
Venkatesh Medico Private Limited	0.07	-	-
Avighna Medicare Private Limited - ( Avighna )	0.29	-	-
<u>Purchase (net of returns)</u>			
Desai Pharma Distributors Private Limited	-	0.10	-
Eastern Agencies Healthcare Private Limited	-	0.35	-
Muthu Pharma Private Limited	0.03	0.03	-
VPI Medisales Private Limited	0.16	0.90	-
Aryan Wellness Private Limited	4.91	27.75	-
Aushad Pharma Distributor Private Limited	-	0.02	-
AKP Healthcare Private Limited	0.03	-	-
Threpsi Solutions Private Limited	1.43	-	-
<b>xi) Desai Pharma Distributors Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Eastern Agencies Healthcare Private Limited	17.90	35.73	-
Aryan Wellness Private Limited	0.10	0.05	-
Muthu Pharma Private Limited	0.01	0.05	-
D. C. Agencies Private Limited	0.42	-	-
VPI Medisales Private Limited	0.01	-	-
Aarush Tirupati Enterprise Private Limited	0.08	-	-
Avighna Medicare Private Limited	0.08	-	-
<u>Purchase (net of returns)</u>			
Eastern Agencies Healthcare Private Limited	25.09	51.84	-
VPI Medisales Private Limited	0.01	0.04	-
D. C. Agencies Private Limited	0.59	-	-
Threpsi Solutions Private Limited	0.74	-	-
<b>xii) Eastern Agencies Healthcare Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Aryan Wellness Private Limited	0.21	2.52	-
AKP Healthcare Private Limited	0.07	0.03	-
VPI Medisales Private Limited	0.10	0.03	-
Muthu Pharma Private Limited	0.15	0.13	-
D. C. Agencies Private Limited	0.86	-	-
Aushad Pharma Distributors Private Limited	0.07	-	-
Aarush Tirupati Enterprise Private Limited	0.07	-	-
Avighna Medicare Private Limited	0.17	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Purchase (net of returns)</u>			
VPI Medisales Private Limited	0.03	0.28	-
Aryan Wellness Private Limited	0.04	0.95	-
Pearl Medicals Private Limited	-	0.06	-
AKP Healthcare Private Limited	-	0.01	-
Venkatesh Medico Private Limited	-	0.08	-
D. C. Agencies Private Limited	3.35	-	-
<b>xiii) Muthu Pharma Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Aryan Wellness Private Limited	-	0.02	-
AKP Healthcare Private Limited	0.48	1.23	-
VPI Medisales Private Limited	-	8.07	-
Rau And Co Pharma Private Limited	123.88	271.62	-
Shell Pharmaceuticals Private Limited	35.99	73.05	-
Pearl Medicals Private Limited	78.97	108.18	-
Venkatesh Medico Private Limited	0.97	-	-
Aushad Pharma Distributors Private Limited	0.02	-	-
Aarush Tirupati Enterprise Private Limited	0.01	-	-
<u>Purchase (net of returns)</u>			
VPI Medisales Private Limited	-	0.56	-
Aryan Wellness Private Limited	-	0.05	-
Pearl Medicals Private Limited	-	18.40	-
Shell Pharmaceuticals Private Limited	-	1.98	-
Aushad Pharma Distributor Private Limited	-	0.01	-
AKP Healthcare Private Limited	0.05	0.05	-
Venkatesh Medico Private Limited	-	0.04	-
Rau And Co Pharma Private Limited	-	12.94	-
<b>xiv) VPI Medisales Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Aryan Wellness Private Limited	0.49	0.18	-
AKP Healthcare Private Limited	2.37	0.42	-
Aushad Pharma Distributor Private Limited	1.01	1.09	-
Muthu Pharma Private Limited	0.62	-	-
Venkatesh Medico Private Limited	0.24	-	-
Aarush Tirupati Enterprise Private Limited	1.43	-	-
Avighna Medicare Private Limited	0.16	-	-
<u>Purchase (net of returns)</u>			
Aryan Wellness Private Limited	0.47	3.16	-
Aushad Pharma Distributor Private Limited	2.86	4.87	-
AKP Healthcare Private Limited	1.97	2.85	-
Venkatesh Medico Private Limited	0.75	1.36	-
Muthu Pharma Private Limited - ( Muthu )	5.16	-	-
Threpsi Solutions Private Limited	0.01	-	-
<u>Interest expense</u>			
AKP Healthcare Private Limited	0.38	4.69	-
Aushad Pharma Distributor Private Limited	1.50	6.00	-
<b>xv) Aarush Tirupati Enterprise Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
AKP Healthcare Private Limited	0.82	0.01	-
Threpsi Solutions Private Limited	139.67	-	-
<u>Purchase (net of returns)</u>			
VPI Medisales Private Limited	-	0.01	-
Threpsi Solutions Private Limited	0.16	-	-
<b>xvi) AKP Healthcare Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Aushad Pharma Distributor Private Limited	0.42	0.21	-
Venkatesh Medico Private Limited	-	83.95	-
Mahaveer Medisales Private Limited	4.03	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Purchase (net of returns)</u>			
Venkatesh Medico Private Limited	-	15.80	-
Rau And Co Pharma Private Limited	-	0.04	-
<u>Interest Income</u>			
Venkatesh Medico Private Limited	-	5.33	-
<b>xvii) Aryan Wellness Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Desai Pharma Distributors Private Limited	-	0.02	-
Aushad Pharma Distributor Private Limited	0.01	0.01	-
Venkatesh Medico Private Limited	-	0.17	-
Muthu Pharma Private Limited	0.01	-	-
<u>Purchase (net of returns)</u>			
Venkatesh Medico Private Limited	-	0.06	-
Muthu Pharma Private Limited	0.12	-	-
<b>xviii) Aushad Pharma Distributor Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Venkatesh Medico Private Limited	-	0.09	-
<b>xix) Venkatesh Medico Private Limited</b>			
<u>Sale of Goods(net of return)</u>			
Aushad Pharma Distributor Private Limited	0.04	0.04	-
AKP Healthcare Private Limited	7.96	-	-
<u>Purchase (net of returns)</u>			
VPI Medisales Private Limited	-	0.11	-
AKP Healthcare Private Limited	24.86	-	-
Aushad Pharma Distributors Private Limited	0.27	-	-
<u>Interest Expense</u>			
AKP Healthcare Private Limited	0.50	-	-
<b>xxi) Metarian Distributors Private Limited</b>			
<u>Purchase (net of returns)</u>			
Mahaveer Medisales Private Limited	16.91	-	-
Threpsi Solutions Private Limited	0.22	-	-
<b>xxii) Medlife Wellness Retail Private Limited</b>			
<u>Other Income</u>			
Threpsi Solutions Private Limited	1.61	-	-
<u>Purchase (net of returns)</u>			
Ascent Wellness and Pharma Solutions Private Limited	(0.01)	-	-
Desai Pharma Distributors Private Limited	(0.00)	-	-
Eastern Agencies Healthcare Private Limited	(0.03)	-	-
D. C. Agencies Private Limited	(0.05)	-	-
VPI Medisales Private Limited	(0.01)	-	-
Mahaveer Medisales Private Limited	6.66	-	-
Aryan Wellness Private Limited	(0.04)	-	-
Threpsi Solutions Private Limited	(0.09)	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**49 Related parties transactions (Continued)**

**(v) Related party balances eliminated during the year/period while preparing the restated consolidated financial information**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>i) API Holdings Private Limited</b>			
<u>Current Loans receivable from :</u>			
AHWSPL India Private Limited	4.90	2.00	-
Aycon Graph Connect Private Limited	499.87	403.54	-
Threpsi Solutions Private Limited	8,514.47	3,659.69	-
Docon Technologies Private Limited	3,422.31	820.94	-
Arzt And Health Private Limited	260.20	211.12	-
Medlife International Private Limited	2,357.60	1,234.89	-
Medlife Wellness Retail Private Limited	3,306.70	3,240.00	-
Metarain Distributors Private Limited	285.83	275.33	-
Ascent Wellness and Pharma Solutions Private Limited	6,650.35	994.14	-
<u>Other Payable :</u>			
Docon Technologies Private Limited	11.93	11.93	-
Threpsi Solutions Private Limited	82.20	86.10	-
AHWSPL India Private Limited	127.62	124.34	-
Aycon Graph Connect Private Limited	34.62	-	-
<u>Receivable towards Business Transfer :</u>			
Threpsi Solutions Private Limited	-	1,449.18	-
Ascent Wellness and Pharma Solutions Private Limited	-	3,803.90	-
AHWSPL India Private Limited	-	0.10	-
<u>Interest receivable on loan given</u>			
Aycon Graph Connect Private Limited	8.12	-	-
Medlife International Private Limited	21.57	-	-
Medlife Wellness Retails Private Limited	58.29	-	-
Metarain Distributors Private Limited	5.07	-	-
Ascent Wellness and Pharma Solutions Private Limited	0.06	-	-
<u>Trade receivables</u>			
Medlife International Private Limited	-	0.02	-
Medlife Wellness Retail Private Limited	-	0.83	-
Aarush Tirupati Enterprise Private Limited	5.67	1.23	-
Aryan Wellness Private Limited	1.88	1.62	-
Ascent Wellness and Pharma Solutions Private Limited	0.75	0.49	-
Ayro Retail Solutions Private Limited	1.91	1.15	-
D. C. Agencies Private Limited	2.07	1.97	-
Desai Pharma Distributors Private Limited	0.53	0.55	-
Eastern Agencies Healthcare Private Limited	1.48	1.47	-
Muthu Pharma Private Limited	0.53	0.70	-
<u>Trade Payables</u>			
Medlife International Private Limited	0.01	-	-
Aycon Graph Connect Private Limited	0.10	-	-
<b>ii) Threpsi Solutions Private Limited</b>			
<u>Other Payable :</u>			
Aycon Graph Connect Private Limited	-	5.00	-
<u>Trade payables</u>			
Muthu Pharma Private Limited	6.18	1.72	-
Pearl Medicals Private Limited	1.82	0.92	-
D. C. Agencies Private Limited	28.01	19.20	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

VPI Medisales Private Limited	4.89	9.07	-
Mahaveer Medi-Sales Private Limited	0.29	4.38	-
Aryan Wellness Private Limited	3.99	16.35	-
Medlife Wellness Retails Private Limited	284.05	194.02	-
Ascent Wellness and Pharma Solutions Private Limited	17.18	7.02	-
Medlife International Private Limited	5.15	14.85	-
Metarain Distributors Private Limited	8.98	2.00	-
Aycon Graph Connect Private Limited	12.91	5.59	-
Aarush Tirupati Enterprise Private Limited	22.59	3.03	-
Eastern Agencies Healthcare Private Limited	1.70	-	-
Desai Pharma Distributors Private Limited	3.20	-	-
API Holdings Private Limited	5.85	-	-
Arzt And Health Private Limited	13.02	-	-
Docon Technologies Private Limited	0.34	-	-
Eastern Agencies Healthcare Private Limited	-	4.61	-
<u>Trade receivables</u>			
Docon Technologies Private Limited	-	0.86	-
Arzt And Health Private Limited	-	5.82	-
Desai Pharma Distributors Private Limited	0.83	-	-
<u>Other Receivables</u>			
D. C. Agencies Private Limited	20.00	-	-
<b>iii) ARZT and Health Private Limited</b>			
<u>Trade payables</u>			
Aryan Wellness Private Limited	-	0.05	-
Medlife Wellness Retails Private Limited	0.49	0.04	-
Ascent Wellness and Pharma Solutions Private Limited	0.10	0.21	-
Medlife International Private Limited	0.22	0.06	-
D. C. Agencies Private Limited	0.28	1.83	-
API Holdings Private Limited	0.21	-	-
<b>iv) Aycon Graph Connect Private Limited</b>			
<u>Trade receivables</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	5.59	-
<u>Current Loans receivable from :</u>			
Ayro Retail Solutions Private Limited	236.90	176.70	-
Instinct Innovation Private Limited	83.21	64.20	-
<u>Interest receivable on loan given</u>			
Instinct Innovation Private Limited	1.30	-	-
Ayro Retail Solutions Private Limited	3.73	-	-
<b>v) Instinct Innovation Private Limited</b>			
<u>Trade payables</u>			
Ayro Retail Solutions Private Limited	-	0.09	-
Medlife International Private Limited	0.12	-	-
<b>vi) Ayro Retail Solutions Private Limited</b>			
<u>Trade payables</u>			
Muthu Pharma Private Limited	-	2.00	-
<u>Borrowings Payable to :</u>			
Ascent Wellness and Pharma Solutions Private Limited	428.74	428.74	-
<b>vii) Medlife Group</b>			
<u>Trade receivables</u>			
Instinct Innovation Private Limited	-	0.12	-
Desai Pharma Distributors Private Limited	0.04	-	-
Aryan Wellness Private Limited	0.05	-	-
Ascent Wellness and Pharma Solutions Private Limited	0.01	-	-



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

D. C. Agencies Private Limited	0.12	-	-
Desai Pharma Distributors Private Limited	0.00	-	-
Eastern Agencies Healthcare Private Limited	0.03	-	-
<u>Trade payables</u>			
Eastern Agencies Healthcare Private Limited	0.29	0.35	-
Mahaveer Medi-Sales Private Limited	6.56	4.78	-
Ascent Wellness and Pharma Solutions Private Limited	0.07	0.15	-
Venkatesh Medico Private Limited	0.29	0.16	-
API Holdings Private Limited	0.96	-	-
<u>Receivable towards Business Transfer :</u>			
Threpsi Solutions Private Limited	110.06	-	-
<b>viii) AHWSPL India Private Limited</b>			
<u>Other receivables</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	2.15	-
<b>ix) Ascent Wellness and Pharma Solutions Private Limited</b>			
<u>Other receivables</u>			
VPI Medisales Private Limited	0.08	0.08	-
AKP Healthcare Private Limited	0.70	0.70	-
Aryan Wellness Private Limited	1.05	1.05	-
Desai Pharma Distributors Private Limited	0.85	0.85	-
Eastern Agencies Healthcare Private Limited	1.90	1.90	-
API Holdings Private Limited	44.65	-	-
<u>Current Loans receivable from :</u>			
VPI Medisales Private Limited	337.65	204.95	-
Venkatesh Medico Private Limited	260.30	181.80	-
Desai Pharma Distributors Private Limited	182.24	77.24	-
Eastern Agencies Healthcare Private Limited	623.64	409.44	-
D. C. Agencies Private Limited	941.48	736.48	-
Dial Health Drug Supplies Private Limited	-	90.37	-
Muthu Pharma Private Limited	706.13	365.33	-
Aryan Wellness Private Limited	440.00	210.00	-
Aarush Tirupati Enterprises Private Limited	48.97	45.97	-
Reenav Pharma Private Limited	2.50	4.00	-
Avighna Medicare Private Limited	3.59	0.67	-
<u>Other Payable Outstanding</u>			
Ascent Wellness and Pharma Solutions Private Limited	2.02	-	-
<u>Interest Receivable</u>			
Desai Pharma Distributors Private Limited	2.73	-	-
Eastern Agencies Healthcare Private Limited	10.08	-	-
D. C. Agencies Private Limited	15.87	-	-
Muthu Pharma Private Limited	10.93	-	-
VPI Medisales Private Limited	5.39	-	-
Aryan Wellness Private Limited	3.91	-	-
Reenav Pharma Private Limited	0.61	-	-
Venkatesh Medico Private Limited	6.36	-	-
Aarush Tirupati Enterprise Private Limited	0.83	-	-
Avighna Medicare Private Limited	0.03	-	-
Ayro Retail Solutions Private Limited	7.70	-	-
<u>Interest payable on loan received</u>			
API Holdings Private Limited	73.86	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Trade Payable</u>			
Ascent Wellness and Pharma Solutions Private Limited	1.62	-	-
Desai Pharma Distributors Private Limited	0.05	-	-
Eastern Agencies Healthcare Private Limited	0.35	-	-
D. C. Agencies Private Limited	7.48	-	-
Muthu Pharma Private Limited	1.26	-	-
VPI Medisales Private Limited	0.39	-	-
Aryan Wellness Private Limited	3.65	-	-
AKP Healthcare Private Limited	1.41	-	-
Aycon Graph Connect Private Limited	2.32	-	-
<u>Trade Receivable</u>			
Desai Pharma Distributors Private Limited	0.19	-	-
Eastern Agencies Healthcare Private Limited	0.44	-	-
D. C. Agencies Private Limited	1.55	-	-
Muthu Pharma Private Limited	0.49	-	-
VPI Medisales Private Limited	0.95	-	-
Aryan Wellness Private Limited	1.56	-	-
AKP Healthcare Private Limited	1.79	-	-
Venkatesh Medico Private Limited	0.02	-	-
Aushad Pharma Distributors Private Limited	0.25	-	-
Aarush Tirupati Enterprise Private Limited	0.46	-	-
Avighna Medicare Private Limited	0.30	-	-
<b>x) Avighna Medicare Private Limited</b>			
<u>Advances to suppliers</u>			
VPI Medisales Private Limited	-	0.16	-
<b>xi) Muthu Pharma Private Limited</b>			
<u>Trade receivables</u>			
Rau And Co Pharma Private Limited	141.53	148.23	-
Shell Pharmaceuticals Private Limited	90.76	84.56	-
Pearl Medicals Private Limited	62.22	62.10	-
AKP Healthcare Private Limited	0.04	-	-
Venkatesh Medico Private Limited	1.09	-	-
Aushad Pharma Distributors Private Limited	0.01	-	-
Aarush Tirupati Enterprise Private Limited	0.01	-	-
<u>Trade Payable</u>			
AKP Healthcare Private Limited	0.06	-	-
Aushad Pharma Distributors Private Limited	0.00	-	-
<b>xii) VPI Medisales Private Limited</b>			
<u>Other Payable :</u>			
Venkatesh Medico Private Limited	-	3.22	-
AKP Healthcare Private Limited	0.90	0.87	-
<u>Borrowings Payable to :</u>			
AKP Healthcare Private Limited	-	47.70	-
Aushad Pharma Distributor Private Limited	50.00	50.00	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

<u>Trade Receivable</u>			
Muthu Pharma Private Limited	0.14	-	-
Aryan Wellness Private Limited	0.57	-	-
AKP Healthcare Private Limited	1.59	-	-
Venkatesh Medico Private Limited	0.27	-	-
Aushad Pharma Distributors Private Limited	0.73	-	-
Aarush Tirupati Enterprise Private Limited	0.28	-	-
Avighna Medicare Private Limited	0.15	-	-
<u>Trade Payable</u>			
Muthu Pharma Private Limited	0.81	-	-
Aryan Wellness Private Limited	0.04	-	-
AKP Healthcare Private Limited	0.04	-	-
Venkatesh Medico Private Limited	0.48	-	-
Aushad Pharma Distributors Private Limited	0.52	-	-
<u>Interest Payable</u>			
Aushad Pharma Distributors Private Limited	1.35	-	-
<b>xiii) Aarush Tirupati Enterprise Private Limited</b>			
<u>Trade receivables</u>			
Thea Technologies Private Limited (Now API)	-	0.05	-
<u>Trade Payable</u>			
AKP Healthcare Private Limited	0.90	-	-
Threpsi Solutions Private Limited	35.63	-	-
<b>xiv) AKP Healthcare Private Limited</b>			
<u>Current Loans receivable from :</u>			
Venkatesh Medico Private Limited	-	58.50	-
<u>Trade Receivable</u>			
Aushad Pharma Distributors Private Limited	0.37	-	-
<b>xv) Thea Technologies Private Limited</b>			
<u>Trade Receivables</u>			
Arzt And Health Private Limited	-	-	4.88
<b>xvi) 91 Streets Media Technologies Private Limited</b>			
<u>Trade Receivables</u>			
Swifto Services Private Limited	-	-	83.99
<u>Current Loans</u>			
Thea Technologies Private Limited	-	-	3,499.04
ARZT And Health Pvt Ltd	-	-	10.04
Swifto Services Private Limited	-	-	5.06
Docon Technologies Private Limited	-	-	545.04
<u>Non Current Loans</u>			
Swifto Services Private Limited	-	-	56.40
<u>Fair Value of Financial Guarantees ^</u>			
Thea Technologies Private Limited	-	-	0.13

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**xvii) Desai Pharma Distributors Private Limited**

Trade Receivable

Eastern Agencies Healthcare Private Limited	0.45	-	-
D. C. Agencies Private Limited	0.48	-	-
Aryan Wellness Private Limited	0.11	-	-
AKP Healthcare Private Limited	0.00	-	-
Aushad Pharma Distributors Private Limited	0.00	-	-
Aarush Tirupati Enterprise Private Limited	0.09	-	-
Avighna Medicare Private Limited	0.06	-	-

Trade Payable

Eastern Agencies Healthcare Private Limited	0.15	-	-
D. C. Agencies Private Limited	0.04	-	-
VPI Medisales Private Limited	0.01	-	-
Aryan Wellness Private Limited	0.00	-	-
Threpsi Solutions Private Limited	0.83	-	-

**xviii) Eastern Agencies Healthcare Private Limited**

Trade Receivable

Muthu Pharma Private Limited	0.02	-	-
Aryan Wellness Private Limited	0.20	-	-
AKP Healthcare Private Limited	0.07	-	-
Aarush Tirupati Enterprise Private Limited	0.00	-	-
Avighna Medicare Private Limited	0.11	-	-

Trade Payable

D. C. Agencies Private Limited	0.45	-	-
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**xix) D. C. Agencies Private Limited**

Trade Receivable

Muthu Pharma Private Limited	0.57	-	-
VPI Medisales Private Limited	1.60	-	-
Aryan Wellness Private Limited	1.06	-	-
AKP Healthcare Private Limited	0.76	-	-
Aushad Pharma Distributors Private Limited	0.41	-	-
Aarush Tirupati Enterprise Private Limited	0.65	-	-
Avighna Medicare Private Limited	0.10	-	-

Trade Payable

Muthu Pharma Private Limited	0.01	-	-
VPI Medisales Private Limited	0.06	-	-
Aryan Wellness Private Limited	2.78	-	-
AKP Healthcare Private Limited	0.03	-	-

**xx) Aryan Wellness Private Limited**

Trade Receivable

Aushad Pharma Distributors Private Limited	0.01	-	-
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Trade Payable

Muthu Pharma Private Limited	0.14	-	-
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**xx) Venkatesh Medico Private Limited**

Trade Receivable

AKP Healthcare Private Limited	4.88	-	-
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Trade Payable

AKP Healthcare Private Limited	5.58	-	-
Aushad Pharma Distributors Private Limited	0.11	-	-

**xxi) Docon Technologies Private Limited**

Trade Payables

Threpsi Solutions Private Limited	2.01	-	-
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**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**49 Related parties transactions (Continued)**

**(vi) Related party balances eliminated during the year/period while preparing the restated consolidated financial information**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
<b>i) API Holdings Private Limited</b>			
<u>Investment in Equity</u>			
Ascent Health and Wellness Solutions Private Limited	-	2,554.31	-
Medlife International Private Limited	-	11,001.91	-
Instinct Innovation Private Limited	-	33.22	-
Aycon Graph Connect Private Limited	-	8,829.98	-
Threpsi Solutions Private Limited	-	12.50	-
<u>Investment in Financial Guarantee</u>			
Ascent Health and Wellness Solutions Private Limited	-	40.13	-
<u>Investment in Compulsory Convertible Debentures instruments</u>			
Ascent Health and Wellness Solutions Private Limited	-	750.00	-
<u>Investment in ESOP</u>			
Threpsi Solutions Private Limited	-	278.92	-
Aycon Graph Connect Private Limited	-	37.17	-
Ascent Health and Wellness Solutions Private Limited	-	48.86	-
Instinct Innovation Private Limited	-	1.63	-
Ayro Retail Solutions Private Limited	-	7.59	-
Docon Technologies Private Limited	-	1.81	-
<b>ii) AHSWPL India Private Limited</b>			
<u>Investment in Equity</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	2,603.18	-
<u>Investment in Financial Guarantee</u>			
Ascent Wellness and Pharma Solutions Private Limited	-	40.13	-
<b>iii) Ascent Wellness and Pharma Solutions Private Limited</b>			
<u>Investment in Equity</u>			
D C Agencies Private Ltd	-	142.91	-
Desai Pharma Distributors Private Limited	-	98.60	-
Eastern Agencies Healthcare Private Limited	-	149.79	-
Muthu Pharma Private Limited	-	124.65	-
Pearl Medicals Private Limited	-	104.97	-
Rau and Co Pharma Private Limited	-	131.16	-
Shell Pharmaceuticals Private Limited	-	56.11	-
VPI Medisales Private Limited	-	87.33	-
AKP Healthcare Private Limited	-	289.89	-
Aryan Wellness Private Limited	-	532.77	-
Aushad Pharma Distributors Private Limited	-	0.37	-
Mahaveer Medi-sales Private Limited	-	1,444.32	-
Reenav Pharma Private Limited	-	72.29	-
Venkatesh Medico Private Limited	-	90.38	-
Aarush Tirupati Enterprise Private Limited	-	0.10	-
Avighna Medicare Private Limited	-	0.10	-
<u>Investment in Compulsory Convertible Debentures instruments</u>			
Aryan Wellness Private Limited	-	615.42	-
Reenav Pharma Private Limited	-	10.20	-
<u>Investment in ESOP</u>			
Muthu Pharma Private Limited	-	0.37	-
AKP Healthcare Private Limited	-	0.04	-
Aryan Wellness Private Limited	-	0.11	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**iv) 91 Streets Media Technologies Private Limited**

Investment in Equity

Thea Technologies Private Limited	-	-	10.00
Swifto Services Private Limited	-	-	13.90
Docon Technologies Private Limited	-	-	0.10
ARZT And Health Pvt Ltd	-	-	0.05

Equity component of loan given to subsidiaries

Swifto Services Private Limited	-	-	7.40
Docon Technologies Private Limited	-	-	75.95

Employee Share Options granted to employees of

Thea Technologies Private Limited	-	-	0.50
Docon Technologies Private Limited	-	-	13.58

Equity portion of financial guarantee given on behalf of subsidiaries

Thea Technologies Private Limited	-	-	9.42
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**50 Segment information**

The Group is engaged in the business of distribution of pharmaceutical and cosmetic products and technology platform for licensing of software and hardware to enable distribution of pharmaceutical goods. The Chief Operating Decision Maker ("CODM") of the Group examines the performance and make decisions for resource allocation. The CODM reviews these activities as one single segment to evaluate the overall performance of Group's operations. Accordingly, the segment revenue, segment results, total carrying amount of segment assets and segment liability, total cost incurred to acquire segment assets and total amount of charge for depreciation during the year / periods, is as reflected in the Restated Consolidated Financial Information.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**51 Summary of business combinations**

**Acquisition made in the financial year ended March 31, 2021**

- (i) On 27th August 2020 (the "Effective Date"), the Scheme of Amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited with API Holdings Private Limited and their respective shareholders the ("Scheme") became effective pursuant to filing of the order of National Company Law Tribunal, Bench (NCLT), Mumbai sanctioning the Scheme with the Registrar of Companies, Mumbai. Pursuant to the Scheme becoming effective, the erstwhile Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited ("91Streets"), Ascent Health and Wellness Solutions Private Limited ("Ascent"), Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited stood dissolved without winding up and the entire business, assets, liabilities, undertaking, etc. of these companies stood transferred to and vested in API Holdings Private Limited ("the Company"). As a result of the Scheme, the erstwhile shareholders (equity and Compulsory Convertible Preference Shares alongwith all the convertible securities) of 91Streets were issued 56 shares in the Company for every 1 share held in 91Streets, whereas the erstwhile shareholders of Ascent were issued 65 shares in the Company for every 1 equity share held in Ascent and 176,085 shares in the Company for every 3,278 CCPS held in Ascent.

The Scheme was accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103, Business Combinations with the Effective Date being the acquisition date. 91Streets has been determined to be the acquirer for accounting purposes based on an analysis of the criteria outlined in Ind AS 103 and the facts and circumstances specific to the Scheme, including the fact that on the Effective Date of the Scheme: (1) erstwhile 91Streets' shareholders owned the majority of the voting rights in the Company; (2) erstwhile 91Streets' shareholders have majority of the members on the board of directors of the Company; and (3) 91Streets' size mainly on account of net asset, operating cash flows, equity valuation is more as compared to Ascent. Ascent has been determined to be the acquiree for accounting purposes. Under Ind AS 103, 91Streets as the accounting acquirer, recorded the assets acquired and liabilities assumed of Ascent at their fair values as of the acquisition date. As a result, upon consummation of the Scheme, the historical financial statements of 91Streets became the historical financial statements of the Company. The Company has been identified as the entity giving effect to the above scheme of amalgamation. The combination of 91Streets and the Company has been accounted for as a capital restructuring - reorganisation whereby the statement of profit and loss, including comparatives, reflect the pre-combination results of 91Streets and the Company. Similarly, the total equity, including comparatives, is the aggregate of equity of 91Streets and the Company. The share capital as appearing in the financial statements is that of the Company (surviving entity).

The above Scheme has been approved by the NCLT vide its order dated 8 June 2020. However, the Company has received the certified true copy of the Order on July 02, 2020 and the same has been filed with the Registrar of Companies on 27 August 2020 which is the "Effective Date" as well as "Appointed Date" as per the Scheme.

The fair value of the purchase consideration on the date of acquisition is based on the number of equity shares of 91Streets that would have been issuable to give the shareholders of Ascent the same percentage of equity interest in the combined entity that results from the amalgamation (i.e. the Company). The share price of 91 Streets shares was determined by an independent valuer based on discounted cashflow method.

91 Streets is operating in any business relating to Internet portals, networking and communication environments, Internet Networks, E-commerce and activity akin to above. Subsidiaries of Ascent are engaged in diversified businesses primarily trading of pharmaceutical and cosmetic goods, licensing of internet portals or mobile applications related to sales and distribution of pharmaceutical and cosmetic goods, teleconsulting etc.

The business combination has been effected to bring synergies and to achieve economies of scale.

**Purchase Consideration:**

The total fair value of the purchase consideration is determined as follows.

Particulars	Amount (Rs in million)
Fair value of the consideration transferred based on equity shares of 91Streets that would have been issuable	14,139.70
Adjustment for pre-existing relationships*	1,384.30
Portion of market based measure of Ascent's share-based payments scheme attributable to pre-combination service	268.70
<b>Total fair value of the consideration transferred for purpose of computing goodwill</b>	<b>15,792.70</b>

\* 91Streets had given certain loans to Ascent and outstanding as at the acquisition date with a carrying amount of Rs 1537.96 million measured at amortised cost, and 91Streets had other payable towards Ascent of Rs. 3.7 million. Further, the Company had taken certain loans from Ascent and outstanding as at the acquisition date with a carrying amount of Rs 149.96 million measured at amortised cost. Pursuant to the amalgamation, these inter-company balances are cancelled. Thus, the business combination is treated as effectively settling these pre-existing relationships with the settlement amounts being the respective carrying amounts since the fair value approximates the carrying value.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

The above consideration is allocated to the assets acquired and liabilities assumed at the date of acquisition as tabulated below:

<b>Particulars</b>	<b>Amount (Rs in million)</b>
<b><u>Fair value of assets acquired:</u></b>	
Property, plant and equipment	178.84
Right-of-use asset	291.64
Other intangible assets	31.65
Investments	1.00
Current tax assets (net)	27.77
Deferred tax assets	6.10
Other non-current assets	17.49
Inventories	1,358.34
Trade receivables	1,955.58
Cash and cash equivalents	545.44
Other bank balances	229.84
Loans	15.50
Other financial assets	126.30
Other current assets	779.38
<b>Total assets acquired (a)</b>	<b>5,564.87</b>
<b><u>Fair value of liabilities assumed:</u></b>	
Borrowings	2,512.23
Lease liabilities	311.71
Deferred tax liabilities	52.11
Trade payables	545.86
Other current financial liabilities	265.46
Other current liabilities	408.86
Provisions	9.75
Current tax liabilities (net)	24.07
<b>Total liabilities assumed (b)</b>	<b>4,130.05</b>
<b>Net identifiable assets acquired (a-b)</b>	<b>1,434.82</b>

The fair value of acquired trade receivables is Rs. 1955.58 million. The gross contractual amount for trade receivables due is Rs. 2011.54 million with a loss allowance of Rs. 55.96 million.

The acquired business contributed revenues and losses to the Group for the period 31 March 2021 as follows:

Revenue of Rs. 14,730.53 million and loss of Rs. 81.80 million.

If the acquisitions had occurred on 1 April 2020, consolidated pro-forma revenue and loss for the year ended 31 March 2021 would have been increased by Rs. 7,135.66 million and Rs. 419.59 million, respectively. These amounts have been calculated using the subsidiary's results.

**Computation of goodwill on acquisition of Ascent Group**

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below. The Group has acquired vendor relationships, customer relationships and trademarks as part of above business combinations, which do not meet the criteria for recognition as an intangible assets under Ind AS 38 and therefore, has not been separately recognised.

<b>Particulars</b>	<b>Amount (Rs in million)</b>
Fair value of the consideration transferred	15,792.70
Add: Non-controlling interest in certain subsidiaries of Ascent Group *	376.12
Less: Net identifiable assets acquired	1,434.82
<b>Goodwill on acquisition</b>	<b>14,734.00</b>

\* With regards to non-controlling interest in certain subsidiaries of Ascent Group, the Group has a choice to recognise these non-controlling interests either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The Group has elected to recognise the non-controlling interests at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs of Rs. 46.54 million that were not directly attributable to the issue of shares are included in the other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**(ii) Acquisition of Medlife International Private Limited including subsidiaries ("Medlife Group"):-**

Pursuant to Securities Purchase Agreement (SPA) dated 15 December 2020 between the Company and shareholders of Medlife International Private Limited (Medlife), the Company has acquired 100% voting rights of Medlife from its erstwhile shareholders for total consideration of Rs 10,828 million and the Company has issued 1,933,155 compulsorily convertible preference shares of the Company of Rs 10 each fully paid for 2,440,057 equity shares of Medlife of Rs 10 each fully paid up. The share exchange ratio has been determined based on the fair value of equity shares of the Company and Medlife. The Company has obtained control over the entity effective from 22 January 2021 with 97.1% voting rights. Subsequently, on 25 January 2021 the Company acquired the remaining voting rights. Fair value of equity shares of API was computed by an independent valuer based on discounted cashflow method.

Medlife Group is primarily engaged in business of creating the next generation healthcare platform that would bring all stake holders on a single platform and will be one common point that links all aspects of a person's health care needs. The Group is engaged in trading of pharma products across India and also provides lab and E-consultation services.

The business combination has been effected to bring synergies and achieve economies of scale.

Consideration transferred:

The total fair value of the consideration transferred is determined as follows.

Particulars	Amount (Rs in million)
Fair value of the consideration transferred based on equity shares* of API Holdings Pvt Ltd	10,827.60
Fair value of CCD instrument exchanged *	924.32
<b>Total fair value of the consideration transferred for purpose of computing goodwill</b>	<b>11,751.92</b>

\* Pursuant to the above Securities Purchase Agreement, the Company executed the CCD agreement dated 16 December 2020, accordingly the Company has also acquired the 75 Compulsory Convertible Debentures of Medlife International Private Limited (having term of 36 months and are convertible into equity shares at the fixed ratio of 1:1943 at the end of the term) from the erstwhile Debenture Holders (Ivy Icon Solutions LLP). In consideration for such CCD acquisition, the Company has issued 133,904 number of 15.50% CCDs having a face value of Rs 5,601 with a fair value of Rs. 924.32 million as at acquisition date

The above consideration is allocated to the assets acquired and liabilities assumed of Ascent at the date of acquisition as tabulated below.

Particulars	Amount (Rs in million)
<b>Fair value of assets acquired:</b>	
Property, plant and equipment	90.33
Right-of-use asset	392.63
Intangible assets	656.86
Loans - Non current	20.33
Other financial assets - Non-current	1.00
Current tax assets (net)	45.78
Other assets	902.01
Inventories	413.95
Trade receivables	234.23
Cash and cash equivalents	18.60
Loans - Current	50.94
Other financial assets	102.99
Other bank balances	46.51
Other current assets	224.27
<b>Total assets acquired (a)</b>	<b>3,200.43</b>
<b>Fair value of liabilities assumed:</b>	
Borrowings	2,800.94
Lease liabilities	437.31
Other financial liabilities	218.39
Provisions	142.08
Trade payables	1,688.01
Other current liabilities	2,002.68
Deferred tax liabilities (net)	163.96
<b>Total liabilities assumed (b)</b>	<b>7,453.37</b>
<b>Net identifiable liabilities assumed (a-b)</b>	<b>(4,252.94)</b>

The Group has identified intangible assets of Brand Name, Technology platform and Non compete fee. The Group has estimated useful life to be 3 years for the intangibles assets acquired in business combinations. Refer note 6 for details.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**Calculation of goodwill:**

The excess of the consideration transferred over the fair value of the net assets acquired is allocated to goodwill as computed below. Goodwill on acquisitions comprise the value of expected synergies arising from acquisitions, customer relationships, supplier relationships and trademarks which does not meet the criteria for recognition as an intangible assets and subsumed to goodwill.

Particulars	Amount (Rs in million)
Total fair value of the consideration transferred for the purpose of computing goodwill	11,751.92
Add: Net identifiable liabilities assumed	4,252.94
Add: Portion of market-based measure of Medlife's share-based payments scheme attributable to pre-combination service considered as non controlling interest	1,093.93
<b>Goodwill on acquisition</b>	<b>17,098.79</b>

The fair value of acquired trade receivables is Rs. 234.23 million. The gross contractual amount for trade receivables due is Rs. 262.28 million with a loss allowance of Rs. 28.05 million.

The acquired business contributed revenues and losses to the Group for the period 31 March 2021 as follows:

Medlife Group: Revenue of Rs. 632.23 million and total comprehensive loss of Rs. 792.43 million.

If the acquisitions had occurred on 1 April 2020, consolidated pro-forma revenue and loss for the year ended 31 March 2021 would have been increased by Rs. 3,106.98 million and Rs. 6,668.04 million, respectively.

Acquisition related costs of Rs. 28.92 million that were not directly attributable to the issue of shares are included in the other expenses in the statement of profit and loss and in operating cash flows in the statement of cash flows.

**(iii) Other acquisitions**

During the period ended March 31, 2020, pursuant to Business Transfer Agreement dated August 26, 2019 between the Group and Sminq India Solutions Private Limited ('Sminq'), the Group has acquired the business related to use of 'Sminq application' for a cash consideration of Rs. 8.30 million, which allowed the Group to gain access to the assembled work force, technology platform for video consultation, Customer database, Brand Name etc. The acquiree was engaged in the business of providing the in clinic que management services and platform for video consultation with doctors.

During the period ended March 31, 2020, the Group has acquired 100% stake in the Arzt and Health Private Limited for a cash consideration of Rs. 0.05 million on January 24, 2020. The acquiree was engaged in the distribution of pharmaceutical goods. The acquisition was made to increase the Group's base in distribution of pharmaceuticals and other consumer goods.

The Group acquired controlling stake in Instinct Innovation Private Limited ('IIPL') on 08 May 2020 for total purchase consideration of Rs. 46.32 million. As at 31 March 2020, the Group was previously holding 17.50% voting rights in the Acquiree, and the remaining stake has been acquired on 08 May 2020. The acquiree is in the business of providing software solutions to the entities engaged in the retail business of pharmaceutical goods. The acquisition was made with an intention to provide services to customers which complements with the Group's business.

During the financial year ended March 31, 2021, pursuant to Asset Transfer Agreement dated February 24, 2021 the Group has completed acquisition of pharmaceuticals trading and distribution business in the territory of Shimoga from M/s DRK Enterprises on a going concern basis at an agreed consideration of Rs.10 million and that from M/S Tirupati Enterprise and its HUF ('Tirupati Enterprise') in the territory of Kolkatta at an agreed consideration of Rs. 25 million. This business combination has been effected to bring synergies and to achieve economies of scale.

During the period ended June 30, 2021, the Group has acquired pharmaceuticals trading and distribution businesses in the territory of Pondicherry and Lucknow from M/s Varma Medicals on April 26, 2021 and M/s Sachdeva Medicals on June 1, 2021, respectively on a going concern basis at an agreed consideration of Rs. 32.50 millions and Rs. 35.00 millions, respectively. This business combination has been effected to bring synergies and to achieve economies of scale.

The Group has acquired vendor relationships, customer relationships and trademarks as part of above business combinations, which do not meet the criteria for recognition as an intangible assets under Ind AS 38 and therefore, has not been separately recognised.

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

Details of Purchase Consideration and Net Asset acquired during the Business Combinations on the date of acquisition are as follows:-

Purchase Consideration	Period ended June 30, 2021	Year ended March 31, 2021	Period ended March 31, 2020
	Amount (Rs. in million)	Amount (Rs. in million)	Amount (Rs. in million)
Cash payments	12.00	71.97	8.35
Consideration payable for business purchase	55.50	1.00	-
Acquisition date fair value of previously held equity interest	-	10.33	-
<b>Less: Fair Value of net identifiable assets Acquired</b>			
Property, plant and equipment	2.66	0.46	-
Brand Name	-	-	0.16
Technology platform	-	-	7.00
Loans	-	0.11	-
Deferred tax assets	-	0.01	-
Trade receivables	-	0.30	-
Cash and cash equivalents	-	2.67	-
Other current assets	0.04	0.40	-
<b>Add: Book Value of Net Liabilities Assumed</b>			
Trade payable	-	0.89	-
Other current liabilities	-	0.22	-
Provisions	-	1.54	-
Others	-	-	0.76
<b>Goodwill</b>	<b>64.80</b>	<b>82.00</b>	<b>1.95</b>

Goodwill on acquisitions comprise the value of expected synergies arising from acquisitions, customer relationships, supplier relationships and trademarks which does not meet the criteria for recognition as an intangible assets and subsumed to goodwill.

The above acquisitions were made with the intention of growth of business as the business of acquirer and acquiree are similar in nature.

The Group has paid an additional consideration to the employees of the acquired entity amounting to Rs 0.70 million as a part of Joining bonus. The transaction being entered is for the benefit of the acquirer rather than for the benefit of the acquiree and accordingly the transaction has been recorded separately and recognised as an expense in the period ended March 31, 2020.

There is no material contribution by the above acquired businesses to the revenue and losses of the Group. Similarly, disclosure pertaining to the amounts of revenue and profit or loss of the above acquirees since the acquisition date and acquisition related cost has not been disclosed as the amounts are immaterial.

**API HOLDINGS PRIVATE LIMITED****Annexure VI - Notes to the Restated Consolidated financial information (continued)**

(All amounts in Rupees million, unless otherwise stated)

**51 Summary of business combination (Continued)****(iv) Acquisition made in the financial year ended March 31, 2020**

i) During the financial year ended March 31, 2020, pursuant to Business Transfer Agreement dated August 26, 2019 between the Group and Sminq India Solutions Private Limited ('Sminq'), the Group has acquired the business related to use of 'Sminq application' for a cash consideration of Rs. 8.3 million which allowed the Group to gain access to Software Program, Customers, Brand Name etc. (Refer note (a) below)

ii) During the financial year ended March 31, 2020, the Group has pursuant to share transfer form dated January 24, 2020 acquired 100% stake in the Arzt and Health Private Limited for a cash consideration of Rs. 0.05 million. The transfer has been approved by the Board of Directors vide their resolutions dated January 24, 2020. The acquisition was made to increase the Group base in distribution of pharmaceuticals and other consumer goods. (Refer note (b) below)

**(a) Details of Purchase Consideration and Net Asset acquired under the Business Combinations on the date of acquisition are as follows:-**

Particulars	Amount (Rs in million)
<b>Purchase consideration</b>	
Cash Payments	8.30
<b>Less: Net Assets recognised on account of acquisition</b>	
Brand Name	(0.16)
Technology platform	(7.00)
<b>Fair Value of net identifiable assets Acquired</b>	<b>(7.16)</b>
<b>Goodwill / (Gain on Bargain Purchase)</b>	<b>1.14</b>

The Goodwill is attributable to synergies from combining operations of the acquiree and the acquirer, Doctor and Customer lists as the same does not qualifies for separate recognition of intangible assets.

The Group has paid an additional consideration to the employees of the target amounting to Rs 0.7 million as a part of Joining bonus. The transaction being entered is for the benefit of the acquirer rather than for the benefit of the acquiree and accordingly the transaction has been recorded separately and recognised as an expense in the financial year ended March 31, 2020.

**(b) Details of Purchase Consideration and Net Asset acquired under the Business acquisition on the date of acquisition are as follows:-**

Particulars	Amount (Rs in million)
Cash Payments	0.05
Add: Book Value of Net Liabilities Assumed	0.76
<b>Goodwill / (Gain on Bargain Purchase)</b>	<b>0.81</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**52 Share Based Payment**

**A Employee Share Option Scheme (ESOP) of the parent Company**

- (i) During the financial year ended March 31, 2021, the Company has modified the earlier Employee Stock Option plans which were issued to employees of 91Streets Media Technologies Private Limited ("91Streets / Acquirer") as per the Scheme of Amalgamation approved by National Company Law Board with effective date of merger of 91 Streets with the Company i.e. 27th August 2020.

The Scheme was accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103, Business Combinations with the Effective Date being the acquisition date. 91Streets has been determined to be the acquirer for accounting purposes and hence the replacement of Employee Stock Option Plans issued by the 91Streets with API Holdings Private Limited, has been considered as at the modification date. There is no incremental fair value on account of replacement of employee stock option plans as at modification date i.e. 27th August, 2020.

	June 30 2021		March 31 2021		31 March 2020	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	2,140	2,99,046	99,055	13,943	-	-
Reorganisation of 91Streets Media Technologies Private Limited (refer note 51)	-	-	-	-	90,141	8,321
Granted during the year/period	-	-	1,12,249	280	1,12,249	5,622
Exercised during the year/period	-	-	-	-	-	-
Forfeited during the year/period	-	-	95,356	(8,412)	-	-
<b>Closing balance before modification</b>	<b>NA</b>	<b>NA</b>	<b>1,05,045</b>	<b>5,811</b>	<b>NA</b>	<b>NA</b>
Number of options after modification	NA	NA	2,060	3,25,428	NA	NA
Number of options repurchased	1,722	(27,519)	1,155	(26,382)	-	-
<b>No of option outstanding as at year end</b>	<b>2,182</b>	<b>2,71,527</b>	<b>2,140</b>	<b>2,99,046</b>	<b>99,055</b>	<b>13,943</b>
Vested	2,040	1,44,852	1,890	1,49,570	81,307	3,998

No options expired during the periods covered in the above tables. There are no options which are exercisable at the end of each of the reporting period.

The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

ESOP Scheme 2020 defines "Liquidity Event" as the date of expiry of options. "Liquidity Event" for ESOP Scheme 2020 means any event or transaction as decided and approved by the Board as liquidity event for the purposes of ESOP plan, from time to time, which more particularly includes the following events:

- Strategic Sale event conferring a right of drag along to the Current Shareholders
- Listing, whereby the Shares of the Company get listed on any recognized Stock Exchange; and
- Any other event, which the Board may designate as a liquidity event for the purpose of the ESOP

The options granted under above scheme can only be exercised in the case of happening of a Liquidity Event. Further, prior to listing, in case none of the Liquidity Events happens, the Board, shall have the right (without any obligation) to settle any or all of the unexercised Vested Options, in one or more tranches, by way of cash payment. However, the management intends to settle the option by issue of equity shares.

However, during the period ended June 30, 2021 and year ended March 31, 2021 the Board decided to settle certain options through cash, to that extent a present obligation has been recognized (refer note 31).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price (Rupees)	Exercise price Revised (Rupees) *	Share options 30 June 2021 (After modification)	Share options 31 March 2021 (After modification)	Share options 31 March 2020
01 October 2015	Upon occurrence of liquidity event	55,938	999	336	896	303
01 April 2016		55,938	999	-	-	1,485.00
01 May 2017		78,060	1,394	36,537	50,527	3,203.00
01 March 2018		1,20,125	2,145	17,834	20,160	1,665.00
25 July 2018		1,20,125	2,145	1,848	1,848	33.00
18 February 2019		1,20,125	2,145	19,642	21,448	383.00
01 October 2018		1,20,125	2,145	29,621	35,035	1,090.00
18 February 2019		1,20,125	2,145	8,904	8,904	159.00
01 October 2019		1,12,249	2,004	43,339	44,286	1,570
01 January 2020		1,12,249	2,004	99,809	1,00,525	4,052
01 April 2020	Upon occurrence of liquidity event	1,12,249	2,004	12,449	13,955.00	-
01 May 2020		1,12,249	2,004	24	24	-
01 June 2020		1,46,763	2,621	1,134	1388	-
01 July 2020		1,52,683	2,726	50	50	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**52 Share Based Payment**

\* On account of scheme of amalgamation, exercise price of options granted to the employees of Acquirer has been revised.

	June 30 2021	March 31 2021	March 31 2020
<b>Weighted average remaining contractual life of options outstanding at end</b>	2.5 years	2.75 years	3.75 years

**The model inputs for options granted:**

Options are granted for no consideration and vest upon completion of vesting period. Vested options are exercisable Upon occurrence of liquidity event.

Grant Date	Share price at grant date	Expected price volatility of the company's shares	Risk-free interest rate	Expected term	Fair value of stock options (Rupees)
01 October 2015	49,695	21.67%	7.56%	4 years	11,293 to 18,800
01 April 2016	49,695	22.21%	7.46%	4 years	11,383 to 18,832
01 May 2017	77,488	21.12%	6.96%	4 years	20,866 to 31,591
01 March 2018	1,19,324	22.49%	7.61%	4 years	47,453
25 July 2018	1,20,125	23.61%	7.97%	4 years	47,687
01 October 2018	1,19,808	23.73%	8.00%	4 years	46,530
18 February 2019	2,24,105	24.73%	7.12%	4 years	1,39,211
18 February 2019	2,24,105	24.73%	7.12%	4 years	1,39,211
01 October 2019	2,24,131	24.16%	6.66%	4 years	1,38,267
01 January 2020	2,08,764	24.20%	6.50%	4 years	1,21,408
01 April 2020	2,08,764	24.20%	6.50%	4 years	1,21,408
01 May 2020	2,08,764	24.20%	6.50%	4 years	1,21,408
01 June 2020	2,47,272	40.23%	4.48%	4 years	1,46,763
01 July 2020	2,47,272	40.23%	4.48%	4 years	1,46,763

Note: The dividend yield considered for valuation of above stock option is Nil.

- (ii) During the financial year ended March 31, 2021, the Company has modified the earlier Employee Stock Option plans which were issued by Ascent Health and Wellness Solutions Private Limited (Acquiree) as per the Scheme of Amalgamation approved by National Company Law Board with effective date of amalgamation of 27th August 2020. The Scheme was accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103, Business Combinations with the Effective Date being the acquisition date.

**The Group has below share based payment arrangement under ESOP 2020 which are issued during the period ended June 30, 2021 and financial year ended March 31, 2021 to the employees of Acquiree :**

	30 June 2021		31 March 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	1,727	1,02,569		
Number of replacement options issued as part of business acquisition			1,636	1,31,650
Number of options repurchased	1,359	(7,774)	1,319	(29,081)
Exercised during the year/period	-	-	-	-
Forfeited during the year/period	1,727	(250)	-	-
<b>Closing balance</b>	<b>1,794</b>	<b>94,545</b>	<b>1,727</b>	<b>1,02,569</b>
Vested	1,515	49,419	1,502	56,822

No options expired during the periods covered in the above tables. There are no options which are exercisable at the end of each of the reporting period.

The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**52 Share Based Payment**

₹ ESOP Scheme 2020 defines "Liquidity Event" as the date of expiry of options. "Liquidity Event" for ESOP Scheme 2020 means any event or transaction as decided and approved by the Board as liquidity event for the purposes of ESOP plan, from time to time, which more particularly includes the following events:

- Strategic Sale event conferring a right of drag along to the Current Shareholders
- Listing, whereby the Shares of the Company get listed on any recognized Stock Exchange; and
- Any other event, which the Board may designate as a liquidity event for the purpose of the ESOP

The options granted under above scheme can only be exercised in the case of happening of a Liquidity Event. Further, prior to listing, in case none of the Liquidity Events happens, the Board, shall have the right (without any obligation) to settle any or all of the unexercised Vested Options, in one or more tranches, by way of cash payment. The management intends to settle the option by issue of equity shares.

However, during the period ended June 30, 2021 and year ended March 31, 2021 the Board decided to settle certain options through cash, to that extent a present obligation has been recognized (refer note 31).

**Outstanding share options have the following expiry date and exercise prices:**

Replacement date	Expiry date	Exercise price (INR)	No of share options 30 June 2021	No of share options 31 March 2021
27 August 2020	Upon occurrence of liquidity event	1,319	35,258	41,639
27 August 2020		2,005	56,377	56,882
27 August 2020		2,005	2,910	4,048

	June 30 2021	March 31 2021
<b>Weighted average remaining contractual life of options outstanding at end</b>	2.5 years	2.75 years

**The model inputs for options modified during the year ended March 31, 2021 included:**

Options are granted for no consideration and vest upon completion of vesting period. Vested options are exercisable upon occurrence of liquidity event.

Replacement date	Share price (Replacement date)	Expected price volatility of the company's shares	Risk-free interest rate	Expected term	Fair value of stock options (Rs.)
27 August 2020	4,415.58	40.23%	4.48%	2 Year	3,195
27 August 2020	4,415.58	41.61%	5.06%	3 Year	2,728

Note: The dividend yield considered for valuation of above stock option is Nil.

- (iii) The Group has established Employee Stock Option Scheme 2020 (ESOP 2020) with effect from 27th August 2020 to enable the employees of the Group to participate in the future growth and success of the Company. ESOP 2020 is operated at the discretion of the Board.

These options which confer a right but not an obligation on the employee to apply for equity shares of the Company once the terms and conditions set forth in the ESOP 2020 and the option agreement have been met. Vesting conditions would be subject to continued employment with the Company.

The fair value at grant date is independently determined using the Black-Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

₹ ESOP Scheme 2020 defines "Liquidity Event" as the date of expiry of options. "Liquidity Event" for ESOP Scheme 2020 means any event or transaction as decided and approved by the Board as liquidity event for the purposes of ESOP plan, from time to time, which more particularly includes the following events:

- Strategic Sale event conferring a right of drag along to the Current Shareholders
- Listing, whereby the Shares of the Company get listed on any recognized Stock Exchange; and
- Any other event, which the Board may designate as a liquidity event for the purpose of the ESOP

The options granted under above scheme can only be exercised in the case of happening of a Liquidity Event. Further, prior to listing, in case none of the Liquidity Events happens, the Board, shall have the right (without any obligation) to settle any or all of the unexercised Vested Options, in one or more tranches, by way of cash payment. The management intends to settle the option by issue of equity shares.

However, during the period ended June 30, 2021 and year ended March 31, 2021 the Board decided to settle certain options through cash, to that extent a present obligation has been recognized (refer note 31).

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

52 Share Based Payment

The Group has below share based payment arrangement under ESOP 2020 which are issued during the period ended June 30, 2021 and financial year ended March 31, 2021:

	30 June 2021		31 March 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	2,699	1,15,464	-	-
Granted during the year/period	2,005	1,289	2,699	1,15,464
Exercised during the year/period	-	-	-	-
Forfeited during the year/period	(2,004)	(188)	-	-
<b>Closing balance</b>	<b>2,693</b>	<b>1,16,565</b>	<b>2,699</b>	<b>1,15,464</b>
Vested	-	-	-	-

No options expired during the periods covered in the above tables. There are no options which are exercisable at the end of each of the reporting period.

Outstanding share options have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price (INR)	No of share options 30 June 2021	No of share options 31 March 2021	No of share options 31 March 2020
01 September 2020	Upon occurrence of liquidity event	2,005	3,551	3,551	-
01 September 2020		100	2,494	2,494	-
01 September 2020		4,009	42,382	42,382	-
01 October 2020		2,005	32,505	32,505	-
01 November 2020		2,005	711	749	-
01 January 2021		2,005	31,762	31,912	-
02 March 2021		2,005	1,871	1,871	-
01 April 2021		2,005	989	-	-
01 May 2021		2,005	300	-	-

	June 30 2021	March 31 2021
Weighted average remaining contractual life of options outstanding at end of period	2.5 years	2.75 years

The model inputs for options granted during the period ended June 30, 2021 and year ended March 31, 2021 included:

Options are granted for no consideration and vest upon completion of vesting period. Vested options are exercisable upon occurrence of liquidity event.

Grant Date	Share price at grant date	Expected price volatility of the company's shares	Risk-free interest rate	Expected term	Weighted average of fair value of stock option (Rupees)
01 September 2020	4,416	37.64%	4.79%	4 years	1,776
01 October 2020	4,416	37.95%	4.91%	4 years	2,775
01 November 2020	5,601	38.19%	4.63%	4 years	3,881
01 January 2021	5,601	38.72%	4.40%	4 years	3,866
02 March 2021	5,601	37.62%	5.02%	4 years	3,887
01 April 2021	5,601	37.62%	5.02%	4 years	3,887
01 May 2021	5,601	37.62%	5.02%	4 years	3,887



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**52 Share Based Payment**

**B Employee Share Option Scheme (ESOP) of Medlife International Private Limited including its subsidiaries ("Medlife Group")**

**(i) Accounting of Employee Stock Option of Medlife International Private Limited at acquisition date**

During the financial year ended March 31, 2021, the Group acquired Medlife Group w.e.f. 22nd January 2021. The Group measured employee stock options of Medlife International Private Limited which were vested, at their market based measure. For the unvested options, the Group allocated the market based measure to Non Controlling Interest in the ratio of portion of the vesting period completed to the total vesting period and the remaining portion is allocated to post combinations services. Accordingly, the Group recognized Rs 1093.93 million as part of non-controlling interest in the acquiree as per Ind AS 103 - "Business Combination". Further, in the case of un-vested stock options, these are measured at market-based measure as if the acquisition date were the grant date. Further, the Group has not replaced employee stock options of Medlife International at acquisition date.

**(ii) Brief about Medlife Employee Stock Option Plan 2017:**

On 14 January 2017, the shareholders of Medlife International Private Limited approved the "Medlife Employee Stock Option Plan 2017" (ESOP 2017) for issue of stock options to its key employees. According to the ESOP 2017, the employee selected will be entitled to eligible options, subject to satisfaction of the prescribed vesting conditions as per ESOP 2017. The other relevant terms of the grant are as below:

For every option granted under ESOP 2017, the holder is entitled thereof with an option to apply for and be issued one equity share of the Medlife International Private Limited. The equity shares covered under these options vest over a period ranging from twelve to sixty months from the date of grant. The exercise can be made only in the event of occurrence of a liquidation event, or at such other time and in such manner as determined by the Board.

**2019 CEO ESOP Scheme:**

On 30 July 2019, the board of directors of Medlife International Private Limited approved the Equity Settled "2019 CEO ESOP SCHEME" for issue of stock options to CEO of the company Mr. Ananth Sankaranarayanan. According to the scheme, the CEO will be entitled to options, subject to satisfaction of the prescribed vesting conditions.

Key features of these plans are provided in the below table:

Key Terms	ESOP 2017	CEO ESOP Scheme
Vesting Pattern	One to five years	One year
Exercise Price	Rs. 100 per option	

**Movement in stock options during the period April 1, 2021 to June 30, 2021**

The following table illustrates the number and weighted average exercise price of share options during the period

	ESOP Plan 2017		2019 CEO ESOP Scheme	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding as at the date of acquisition	80,817	100	2,21,442	100
Granted during the period	225	100	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	(4,174)	100	-	-
Repurchased during the period	-	-	(95,550)	4,545
Outstanding options as at the end of the year	76,868	100	1,25,892	100
Weighted Average Remaining Contractual Life	2.75 years			

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

52 Share Based Payment

Movement in stock options during the period January 22, 2021 to March 31, 2021

The following table illustrates the number and weighted average exercise price of share options during the period

	ESOP Plan 2017		2019 CEO ESOP Scheme	
	No. of options	WAEP*	No. of options	WAEP*
Outstanding as at the date of acquisition	76,986	100	2,21,442	100
Granted during the period	3,831	100	-	-
Exercised during the period	-	-	-	-
Forfeited during the period	-	100	-	-
Outstanding options as at the end of the year	80,817	100	2,21,442	100
Weighted Average Remaining Contractual Life	3.08 years			

\*Weighted Average Exercise Price

The weighted average fair value of the options granted during the period ended June 30, 2021 is Rs 3,909.70

The weighted average share price of options during the period ended June 30, 2021 is Rs 3,993.70

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

	June 30, 2021	31-Mar-21
Expected dividend yield	0.00%	0.00%
Expected Annual Volatility of Shares	34.14%	34.14%
Risk-free interest rate (%)	5.66%	5.66%
Exercise price (INR)	100.00	100.00
Expected life of the options granted (in years)	2.75 years	3.08 years

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

	For the period ended 30 June, 2021	For the year ended 31 March, 2021	For the period ended 31 March, 2020
(i) Share-based payment expenses			
Total expense recognised in 'employee benefit expense	97.73	568.08	239.20
(ii) Disclosures related to repurchase of options			
Amounts paid for repurchase of options	646.05	222.37	-
Additional share based payments expenses recognised on repurchase and included above.	16.45	-	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**53 Interest in other entities**

**(a) Subsidiaries**

Sr. No.	Name of the Entity	Principal Place of business / place of incorporation	Ownership interest held by the Group			Ownership interest held by non-controlling interests		
			As at 30 June 2021	As at 31 March 2021	As at 31 March 2020	As at 30 June 2021	As at 31 March 2021	As at 31 March 2020
1	Thea Technologies Private Limited *	India	-	-	100	-	-	-
2	Docon Technologies Private Limited	India	100	100	100	-	-	-
3	Swifto Services Private Limited *	India	-	-	100	-	-	-
4	Arzt and Health Private Limited	India	100	100	100	-	-	-
5	Threpsi Solutions Private Limited	India	100	100	100	-	-	-
6	Aycon Graph Connect Private Limited	India	100	100	100	-	-	-
7	Instinct Innovations Private Limited	India	100	100	-	-	-	-
8	Ayro Retail Solutions Private Limited	India	100	100	-	-	-	-
9	Medlife International Private Limited	India	100	100	-	-	-	-
10	Medlife Wellness Retail Private Limited	India	100	100	-	-	-	-
11	Metarain Distributors Private Limited	India	100	100	-	-	-	-
12	Evriksh Healthcare Private Limited	India	100	100	-	-	-	-
13	AHWSPL India Private Limited	India	100	100	100	-	-	-
14	Ascent Wellness and Pharma Solutions Private Limited	India	100	100	100	-	-	-
15	AKP Healthcare Private Limited	India	51	51	-	49.00	49.00	-
16	Aushad Pharma Distributors Private Limited	India	51	51	-	49.00	49.00	-
17	Rau and Co Pharma Private Limited	India	100	100	-	-	-	-
18	Reenav Pharma Private Limited	India	51	51	-	49.00	49.00	-
19	Dial Health Drug Supplies Private Limited	India	100	100	-	-	-	-
20	Aarush Tirupati Enterprise Private limited	India	100	100	-	-	-	-
21	Aryan Wellness Private Limited	India	80	80	-	20.00	20.00	-
22	D. C. Agencies Private Limited	India	100	100	-	-	-	-
23	Desai Pharma Distributors Private Limited	India	100	100	-	-	-	-
24	Eastern Agencies Healthcare Private Limited	India	100	100	-	-	-	-
25	Mahaveer Medi-Sales Private Limited	India	51	51	-	49.00	49.00	-
26	Muthu Pharma Private Limited	India	100	100	-	-	-	-
27	Pearl Medicals Private Limited	India	100	100	-	-	-	-
28	VPI Medisales Private Limited	India	100	100	-	-	-	-
29	Shell Pharmaceuticals Private Limited	India	100	100	-	-	-	-
30	Avighna Medicare Private Limited	India	100	100	-	-	-	-
31	Venkatesh Medico Private Limited	India	51	51	-	49.00	49.00	-

\* Pursuant to the scheme of Amalgamation, Thea Technologies Private Limited and Swifto services Private Limited have been amalgamated with API Holdings Private Limited as on 27th August 2020.( Refer note 51 for details).

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**(b) Non - controlling Interests (NCI)**

Set out below is summarised financial information for each subsidiary's non-controlling interests that are material to the Group. The amounts disclosed for the subsidiary are before inter-company eliminations.

Summarised Balance Sheet	As at June 30, 2021						
	AKP Healthcare Private Limited	Aushad Pharma Distributors Private Limited	Reenav Pharma Private Limited	Aryan Wellness Private Limited	Mahaveer Medi-Sales Private Limited	Venkatesh Medico Private Limited	Total
Current assets	471.76	318.50	26.89	838.98	974.39	259.99	2,890.51
Current liabilities	262.28	77.57	11.03	871.45	478.81	336.20	2,037.34
<b>Net Current assets / (liabilities)</b>	<b>209.48</b>	<b>240.93</b>	<b>15.86</b>	<b>(32.47)</b>	<b>495.58</b>	<b>(76.21)</b>	<b>853.17</b>
Non-current assets	15.64	3.46	3.11	414.58	30.41	71.79	538.99
Non-current liabilities	17.74	0.36	11.32	865.94	(3.97)	14.56	905.95
<b>Net non-current assets / (liabilities)</b>	<b>(2.10)</b>	<b>3.10</b>	<b>(8.21)</b>	<b>(451.36)</b>	<b>34.38</b>	<b>57.23</b>	<b>(366.96)</b>
<b>Net assets / (liabilities)</b>	<b>207.38</b>	<b>244.03</b>	<b>7.65</b>	<b>(483.83)</b>	<b>529.96</b>	<b>(18.98)</b>	<b>486.21</b>
<b>Accumulated NCI</b>	<b>58.85</b>	<b>91.40</b>	<b>16.23</b>	<b>(10.30)</b>	<b>283.47</b>	<b>63.66</b>	<b>503.31</b>
Portion of market-based measure of Medlife International Private Limited's share-based payments scheme attributable to pre-combination service considered as non controlling interest							720.42
<b>Total Non controlling interest recognised in the Restated Statement of Assets and Liabilities</b>							<b>1,223.73</b>

Summarised statement of profit and loss	For the period ended June 30, 2021						
	AKP Healthcare Private Limited	Aushad Pharma Distributors Private Limited	Reenav Pharma Private Limited	Aryan Wellness Private Limited	Mahaveer Medi-Sales Private Limited	Venkatesh Medico Private Limited	Total
Revenue	573.02	257.77	465.32	890.83	1,761.19	200.64	4,148.77
Profit / (Loss) for the period	18.65	11.75	1.13	-5.83	75.19	-0.80	100.09
Other comprehensive income / (loss)	0.17	0.02	0.00	0.20	0.56	0.03	0.98
<b>Total comprehensive income / (loss)</b>	<b>18.82</b>	<b>11.77</b>	<b>1.13</b>	<b>(5.63)</b>	<b>75.75</b>	<b>(0.77)</b>	<b>101.07</b>
<b>Profit / (loss) allocated to NCI</b>	<b>21.04</b>	<b>99.78</b>	<b>1.17</b>	<b>16.86</b>	<b>37.12</b>	<b>3.32</b>	<b>179.29</b>

Summarised cash flows	For the period ended June 30, 2021						
	AKP Healthcare Private Limited	Aushad Pharma Distributors Private Limited	Reenav Pharma Private Limited	Aryan Wellness Private Limited	Mahaveer Medi-Sales Private Limited	Venkatesh Medico Private Limited	Total
Cash flow from operating activities	(48.35)	1.86	(12.41)	0.57	38.60	(6.70)	(6.70)
Cash flow from investing activities	104.66	1.14	(0.08)	(1.76)	(10.84)	(0.03)	(0.03)
Cash flow from financing activities	(54.70)	(0.19)	(2.38)	0.09	(104.82)	11.00	11.00
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>1.61</b>	<b>2.81</b>	<b>(14.87)</b>	<b>(1.10)</b>	<b>(77.06)</b>	<b>4.27</b>	

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
(All amounts in Rupees million, unless otherwise stated)

Summarised Balance Sheet	As at March 31, 2021						
	AKP Healthcare Private Limited	Aushad Pharma Distributors Private Limited	Reenav Pharma Private Limited	Aryan Wellness Private Limited	Mahaveer Medi-Sales Private Limited	Venkatesh Medico Private Limited	Total
Current assets	488.73	298.01	40.49	833.20	1,051.86	212.85	2,925.14
Current liabilities	294.79	68.66	25.69	843.70	622.86	290.13	2,145.83
<b>Net Current assets / (liabilities)</b>	<b>193.94</b>	<b>229.35</b>	<b>14.80</b>	<b>(10.50)</b>	<b>429.00</b>	<b>(77.28)</b>	<b>779.31</b>
Non-current assets	14.27	3.43	3.19	415.61	25.18	73.37	535.05
Non-current liabilities	19.94	0.53	11.46	883.27	-	14.81	930.01
<b>Net non-current assets / (liabilities)</b>	<b>(5.67)</b>	<b>2.90</b>	<b>(8.27)</b>	<b>(467.66)</b>	<b>25.18</b>	<b>58.56</b>	<b>(394.96)</b>
<b>Net assets / (liabilities)</b>	<b>188.27</b>	<b>232.25</b>	<b>6.53</b>	<b>(478.16)</b>	<b>454.18</b>	<b>(18.72)</b>	<b>384.35</b>
<b>Accumulated NCI</b>	<b>37.81</b>	<b>(8.38)</b>	<b>15.06</b>	<b>(27.16)</b>	<b>246.35</b>	<b>60.34</b>	<b>324.02</b>
Portion of market-based measure of Medlife International Private Limited's share-based payments scheme attributable to pre-combination service considered as non controlling interest							1,093.93
<b>Total Non controlling interest recognised in the Restated Statement of Assets and Liabilities</b>							<b>1,417.95</b>

Summarised statement of profit and loss	For the year ended March 31, 2021						
	AKP Healthcare Private Limited	Aushad Pharma Distributors Private Limited	Reenav Pharma Private Limited	Aryan Wellness Private Limited	Mahaveer Medi-Sales Private Limited	Venkatesh Medico Private Limited	Total
Revenue	1,171.56	486.79	1,078.73	1,600.65	3,143.89	377.78	7,859.40
Profit / (Loss) for the year	(7.65)	(166.85)	2.76	(72.92)	106.50	(14.65)	(152.81)
Other comprehensive income	0.03	-	-	(0.52)	(0.94)	(0.19)	(1.62)
<b>Total comprehensive income / (loss)</b>	<b>(7.62)</b>	<b>(166.85)</b>	<b>2.76</b>	<b>(73.44)</b>	<b>105.56</b>	<b>(14.84)</b>	<b>(154.43)</b>
<b>Profit / (loss) allocated to NCI</b>	<b>(8.71)</b>	<b>(84.70)</b>	<b>1.96</b>	<b>(12.56)</b>	<b>51.74</b>	<b>0.15</b>	<b>(52.12)</b>

Summarised cash flows	For the year ended March 31, 2021						
	AKP Healthcare Private Limited	Aushad Pharma Distributors Private Limited	Reenav Pharma Private Limited	Aryan Wellness Private Limited	Mahaveer Medi-Sales Private Limited	Venkatesh Medico Private Limited	Total
Cash flow from operating activities	(12.05)	33.49	0.27	(22.98)	261.51	(74.56)	205.78
Cash flow from investing activities	(16.05)	4.45	(0.18)	(29.91)	(5.74)	(13.63)	(50.06)
Cash flow from financing activities	(2.81)	(0.76)	11.58	39.39	(195.73)	96.07	(53.86)
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>(30.91)</b>	<b>37.18</b>	<b>11.67</b>	<b>(13.50)</b>	<b>60.04</b>	<b>7.88</b>	<b>72.36</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**c) Non - controlling Interests (NCI)- Swifto Services Private Limited**

<b>Summarised statement of profit and loss</b>	<b>For the period ended March 31, 2020</b>
Revenue	284.50
Loss for the period	(9.40)
Other comprehensive loss	(0.40)
<b>Total comprehensive loss</b>	<b>(9.80)</b>
<b>Loss allocated to NCI</b>	<b>(0.59)</b>

<b>Summarised cash flows</b>	<b>For the period ended March, 31 2020</b>
Cash flow from operating activities	(52.90)
Cash flow from investing activities	(0.70)
Cash flow from financing activities	61.70
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>8.10</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Annexure VI - Notes to the Restated Consolidated financial information (continued)  
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53 d) Additional information required under Schedule III of the Companies Act, 2013

(i) Information regarding subsidiaries included in the consolidated financial statements for the year/period ended June 30, 2021, March 31, 2021 and March 31, 2020:

Name of entity in the group	As at 30 June 2021							
	Net Assets/ (Net liabilities) i.e. total assets minus total liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive income/(Loss)	
	As % of consolidated net assets	Amounts	As % of Consolidated Profit/ (Loss)	Amounts	As % of Other Comprehensive Income	Amounts	As % of consolidated total comprehensive income	Amounts
<b>Parent</b>								
API Holdings Private Limited	116.78%	54,190.35	10.73%	(336.90)	1.79%	1.42	10.96%	(335.48)
<b>Subsidiary</b>								
<b>Indian</b>								
Threpsi Solutions Private Limited	-9.12%	(4,231.57)	64.16%	(2,013.78)	32.76%	25.98	64.97%	(1,987.80)
Arzt Health and Private Limited	-0.19%	(89.69)	1.00%	(31.38)	-0.05%	(0.04)	1.03%	(31.42)
Aycon Graph Connect Private Limited	-0.20%	(90.62)	-0.41%	12.98	0.00%	-	-0.42%	12.98
Instinct Innovations Private Limited	-0.17%	(80.01)	0.72%	(22.51)	0.00%	-	0.74%	(22.51)
Docon Technologies Private Limited	-1.89%	(877.53)	3.54%	(111.13)	0.73%	0.58	3.61%	(110.55)
Ayro Retail Solutions Private Limited	-1.41%	(655.52)	2.55%	(79.97)	0.00%	-	2.61%	(79.97)
Medlife International Private Limited including subsidiaries	-14.08%	(6,532.57)	20.15%	(632.48)	67.04%	53.16	18.93%	(579.32)
AHWSPL India Private Limited	5.63%	2,613.17	-0.05%	1.72	0.08%	0.06	-0.06%	1.78
Ascent Wellness and Pharma Solutions Private Limited	6.27%	2,910.06	3.92%	(123.06)	0.52%	0.41	4.01%	(122.65)
AKP Healthcare Private Limited	0.45%	207.38	-0.59%	18.65	0.21%	0.17	-0.62%	18.82
Aushad Pharma Distributors Private Limited	0.53%	244.03	-0.37%	11.75	0.03%	0.02	-0.38%	11.77
Rau and Co Pharma Private Limited	-0.15%	(68.70)	0.25%	(7.72)	0.05%	0.04	0.25%	(7.68)
Reenav Pharma Private Limited	0.02%	7.65	-0.04%	1.13	0.00%	-	-0.04%	1.13
Dial Health Drug Supplies Private Limited	-0.27%	(125.41)	0.00%	(0.08)	0.00%	-	0.00%	(0.08)
Aarush Tirupati Enterprise Private limited	-0.05%	(23.17)	0.40%	(12.46)	0.00%	-	0.41%	(12.46)
Aryan Wellness Private Limited	-1.04%	(483.83)	0.19%	(5.83)	0.25%	0.20	0.18%	(5.63)
D. C. Agencies Private Limited	-0.69%	(318.08)	0.68%	(21.35)	0.15%	0.12	0.69%	(21.23)
Desai Pharma Distributors Private Limited	-0.06%	(27.65)	-0.07%	2.12	0.05%	0.04	-0.07%	2.16
Eastern Agencies Healthcare Private Limited	-0.39%	(182.89)	0.00%	0.11	0.05%	0.04	0.00%	0.15
Mahaveer Medi-Sales Private Limited	1.14%	529.96	-2.40%	75.19	0.71%	0.56	-2.48%	75.75
Muthu Pharma Private Limited	-0.19%	(90.01)	-0.40%	12.54	0.08%	0.06	-0.41%	12.60
Pearl Medicals Private Limited	-0.04%	(18.58)	0.14%	(4.39)	0.01%	0.01	0.14%	(4.38)
VPI Medisales Private Limited	-0.25%	(117.67)	0.39%	(12.18)	0.05%	0.04	0.40%	(12.14)
Shell Pharmaceuticals Private Limited	-0.09%	(43.52)	0.07%	(2.25)	0.01%	0.01	0.07%	(2.24)
Avighna Medicare Private Limited	0.00%	(0.18)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Venkatesh Medico Private Limited	-0.04%	(18.98)	0.03%	(0.80)	0.04%	0.03	0.03%	(0.77)
	<b>100.48%</b>	<b>46,626.42</b>	<b>104.56%</b>	<b>(3,282.11)</b>	<b>104.56%</b>	<b>82.91</b>	<b>104.56%</b>	<b>(3,199.20)</b>
Consolidation Adjustments	-3.12%	(1,446.17)	1.14%	(35.66)	-5.10%	(4.04)	1.30%	(39.71)
Non-controlling Interest	2.64%	1,223.73	-5.70%	178.87	0.53%	0.42	-5.86%	179.29
	<b>100.00%</b>	<b>46,403.98</b>	<b>100.00%</b>	<b>(3,138.90)</b>	<b>100.00%</b>	<b>79.29</b>	<b>100.00%</b>	<b>(3,059.62)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

Name of entity in the group	As at 31 March 2021							
	Net Assets/ (Net liabilities)		Share in Profit/(Loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive income/(Loss)	
	i.e. total assets minus total liabilities							
	As % of consolidated net assets	Amounts	As % of Consolidated Profit/ (Loss)	Amounts	As % of Other Comprehensive Income	Amounts	As % of consolidated total comprehensive income	Amounts
<b>Parent</b>								
API Holdings Private Limited	112.36%	40,237.49	35.57%	(2,281.02)	6.56%	(2.29)	35.41%	(2,283.31)
<b>Subsidiary</b>								
<b>Indian</b>								
Threpsi Solutions Private Limited	-6.26%	(2,243.09)	38.92%	(2,495.84)	-110.68%	38.64	38.11%	(2,457.20)
Arzt Health and Private Limited	-0.16%	(58.35)	0.83%	(53.25)	-0.03%	0.01	0.83%	(53.24)
Aycon Graph Connect Private Limited	24.21%	8,669.75	0.93%	(59.39)	-0.40%	0.14	0.92%	(59.25)
Instinct Innovations Private Limited	-0.16%	(58.97)	0.74%	(47.16)	0.00%	-	0.73%	(47.16)
Docon Technologies Private Limited	-2.14%	(765.76)	4.63%	(297.06)	-0.34%	0.12	4.60%	(296.94)
Ayro Retail Solutions Private Limited	-1.61%	(575.52)	2.80%	(179.89)	-0.34%	0.12	2.79%	(179.77)
Medlife International Private Limited including subsidiaries	-15.44%	(5,529.15)	12.32%	(790.15)	-6.53%	2.28	12.22%	(787.87)
AHWSPL India Private Limited	7.31%	2,619.02	-0.25%	15.72	0.40%	(0.14)	-0.24%	15.58
Ascent Wellness and Pharma Solutions Private Limited	8.47%	3,032.70	-6.70%	429.52	-0.14%	0.05	-6.66%	429.57
AKP Healthcare Private Limited	0.53%	188.27	0.12%	(7.65)	-0.09%	0.03	0.12%	(7.62)
Aushad Pharma Distributors Private Limited	0.65%	232.25	2.60%	(166.85)	0.00%	-	2.59%	(166.85)
Rau and Co Pharma Private Limited	-0.17%	(61.04)	0.33%	(21.29)	1.26%	(0.44)	0.34%	(21.73)
Reenav Pharma Private Limited	0.02%	6.53	-0.04%	2.76	0.00%	-	-0.04%	2.76
Dial Health Drug Supplies Private Limited	-0.35%	(125.33)	0.38%	(24.67)	0.00%	-	0.38%	(24.67)
Aarush Tirupati Enterprise Private limited	-0.03%	(10.67)	0.18%	(11.81)	0.00%	-	0.18%	(11.81)
Aryan Wellness Private Limited	-1.34%	(478.16)	1.14%	(72.92)	1.49%	(0.52)	1.14%	(73.44)
D. C. Agencies Private Limited	-0.83%	(296.80)	1.22%	(78.21)	1.83%	(0.64)	1.22%	(78.85)
Desai Pharma Distributors Private Limited	-0.08%	(29.81)	0.05%	(3.38)	0.23%	(0.08)	0.05%	(3.46)
Eastern Agencies Healthcare Private Limited	-0.51%	(183.04)	0.22%	(14.43)	0.86%	(0.30)	0.23%	(14.73)
Mahaveer Medi-Sales Private Limited	1.27%	454.18	-1.66%	106.50	2.69%	(0.94)	-1.64%	105.56
Muthu Pharma Private Limited	-0.29%	(102.58)	0.07%	(4.35)	0.49%	(0.17)	0.07%	(4.52)
Pearl Medicals Private Limited	-0.04%	(14.20)	0.24%	(15.28)	0.03%	(0.01)	0.24%	(15.29)
VPI Medisales Private Limited	-0.29%	(105.53)	-0.32%	20.47	0.95%	(0.33)	-0.31%	20.14
Shell Pharmaceuticals Private Limited	-0.12%	(41.27)	0.16%	(10.42)	0.03%	(0.01)	0.16%	(10.43)
Avighna Medicare Private Limited	0.00%	(0.14)	0.00%	(0.19)	0.00%	-	0.00%	(0.19)
Venkatesh Medico Private Limited	-0.05%	(18.72)	0.23%	(14.65)	0.54%	(0.19)	0.23%	(14.84)
Bhairav Health and Wellness Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	<b>124.94%</b>	<b>44,742.06</b>	<b>94.72%</b>	<b>(6,074.89)</b>	<b>-101.20%</b>	<b>35.33</b>	<b>93.66%</b>	<b>(6,039.56)</b>
Consolidation Adjustments	-28.90%	(10,348.26)	4.47%	(286.99)	199.36%	(69.60)	5.53%	(356.59)
Non-controlling Interest	3.96%	1,417.95	0.80%	(51.47)	1.84%	(0.64)	0.81%	(52.12)
	<b>100.00%</b>	<b>35,811.75</b>	<b>100.00%</b>	<b>(6,413.36)</b>	<b>100.00%</b>	<b>(34.91)</b>	<b>100.00%</b>	<b>(6,448.27)</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

Name of entity in the group	As at 31 March 2020							
	Net Assets/ (Net liabilities) i.e. total assets minus total liabilities		Share in Profit/(Loss)		Share in Other Comprehensive Income/(Loss)		Share in total comprehensive income/(Loss)	
	As % of consolidated net assets	Amounts	As % of Consolidated Profit/ (Loss)	Amounts	As % of Other Comprehensive Income	Amounts	As % of consolidated total comprehensive income	Amounts
<b>Parent</b>								
API Holdings Private Limited (91Streets Media Technologies Private Limited merged with API Holdings Private Limited w.e.f. 27 August 2020)	200.32%	4,932.79	59.20%	(1,985.00)	68.90%	1.43	59.20%	(1,983.57)
<b>Subsidiary</b>								
<b>Indian</b>								
Thea Technologies Private Limited	-72.70%	(1,790.09)	29.66%	(994.44)	0.77%	0.02	29.68%	(994.42)
Swifto Services Private Limited	-0.30%	(7.40)	0.28%	(9.38)	-17.68%	(0.37)	0.29%	(9.75)
Docon Technologies Private Limited	-19.66%	(484.20)	9.01%	(301.94)	52.73%	1.09	8.98%	(300.85)
Arzt Health and Private Limited	-0.21%	(5.06)	0.13%	(4.25)	0.00%	-	0.13%	(4.25)
Threpsi Solutions Private Limited	0.00%	0.09	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
AHWSPL India Private Limited	0.00%	0.08	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Ascent Wellness and Pharma Solutions Private Limited	0.00%	0.08	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
Aycon Graph Connect Private Limited	2.35%	57.77	-1.73%	57.87	0.00%	-	-1.73%	57.87
	<b>109.81%</b>	<b>2,704.06</b>	<b>96.55%</b>	<b>(3,237.20)</b>	<b>104.72%</b>	<b>2.17</b>	<b>96.55%</b>	<b>(3,235.02)</b>
Consolidation Adjustments	-9.81%	(241.64)	3.43%	(115.03)	-3.57%	(0.07)	3.44%	(115.12)
Non-controlling Interest	0.00%	-	0.02%	(0.56)	-1.16%	(0.02)	0.02%	(0.59)
	<b>100.00%</b>	<b>2,462.42</b>	<b>100.00%</b>	<b>(3,352.79)</b>	<b>100.00%</b>	<b>2.07</b>	<b>100.00%</b>	<b>(3,350.72)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
 (All amounts in Rupees million, unless otherwise stated)

**54 Contingent liabilities and Commitments**

(i) The Group has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No C-1/1(33)2019/Vivekananda VidyaMandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on the assessment made by the management, the said judgment does not have any significant impact on these restated consolidated financial information. The Group will continue to monitor and evaluate its position based on future events and developments.

(ii) Claims not acknowledged as debts

Sr. No.	Particulars	As at	As at	As at
		30 June 2021	31 March 2021	31 March 2020
(i)	Income tax (refer note below)	0.24	0.24	-
(ii)	Indirect tax	8.26	-	-

Note:

The Group has reviewed all its pending litigations and proceedings and has disclosed the above contingent liability. The Group does not expect the outcome of these proceedings to have an adverse effect on its financial statements.

(iii) Commitments

Sr. No.	Particulars	As at	As at	As at
		30 June 2021	31 March 2021	31 March 2020
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	6.87	-	-

55 The Group prepared its financial statements for the period from 31 March 2019 to 31 March 2020 (which is the first financial statements after incorporation), in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) and amended thereafter. The financial statements for the year ended 31 March 2021 were the first financial statements, the Group has prepared in accordance with Ind AS, together with the comparative information as at 31 March 2020 and for the period from 31 March 2019 to 31 March 2020.

56 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholder's suggestions. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

57 The spread of COVID-19 has severely impacted businesses around the globe. In many countries, there has been severe disruption to regular business operations due to lock-downs, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Group has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets at the balance sheet date, and has concluded that there are no material adjustments required in the financial statements. Management is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from COVID19 pandemic is not expected to be significant. The impact of COVID19 pandemic may be different from that estimated as at the date of approval of these consolidated financial statements. The Group will continue to monitor any material changes to future economic conditions

58 The Company has received securities premium through issue of equity and preference shares during the period ended June 30, 2021, year ended March 31, 2021 and period ended March 31, 2020. There is no understanding with investors, in writing or otherwise, to lend or invest in other person or entities, directly or indirectly or provide any guarantee, security or the like to or on behalf of the said investors. The management has absolute discretion on use of such funds. Further, the Holding Company has provided funds to its subsidiaries for their business purposes. The management of subsidiary companies do not consult with the Holding Company on the manner of utilisation of such funds nor the Holding Company has understanding in writing or otherwise on the manner of use of such funds by subsidiary companies. Hence, the additional regulatory disclosure with respect to the utilisation of borrowed funds and share premium are not included in these financial statements.

59 The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VI - Notes to the Restated Consolidated financial information (continued)**  
(All amounts in Rupees million, unless otherwise stated)

**60 Subsequent events upto the date of adoption of special purpose financial statements as of and for the three months period ended June 30, 2021**

- (a) Docon Technologies Private Limited (the "Acquirer"), a wholly owned subsidiary of the Company has entered into a share purchase agreement dated 25 June 2021 (the "SPA") with Dr. Velumani (shareholder of Thyrocare Technologies Limited "Acquiree") that are disclosed as the promoter and members of the promoter group (collectively, the "Sellers") of the Acquiree. The Acquirer, acquired control on 02 September, 2021 upon completion of conditions precedent to acquisition as per the SPA.

Pursuant to the SPA, the Group acquired:

- (a) 3,49,72,999 equity shares aggregating to 66.14% shareholding in the Acquiree from the selling shareholders, against an aggregate consideration of Rs 45,464.90 million; and  
(b) 2,683,093 shares for a purchase consideration of Rs 3,488 million representing 5.08% under open offer, for a total consideration of Rs 48,952.90 million.

As a result of the completion of the sale and purchase of equity shares of the acquiree pursuant to the SPA and pursuant to the open offer, the Group has acquired 3,76,56,092 equity shares of the acquiree having face value of Rs. 10 each representing 71.22% of paid up share capital of the acquiree.

The purchase price allocation is in process.

- (b) On August 10, 2021, the Company has acquired 19.99 % of the equity share capital of Armaan Solutions Private Limited (Armaan) for a consideration of Rs. 99.95 million. Armaan is the 100 % owner of Axelia Solutions Private Limited, the Company that operates PharmEasy Market Place.
- (c) The Board of Directors during their meeting held on September 09, 2021, have approved a one time special performance bonus aggregating upto Rs. 2,580.33 million to the certain Directors / Employees of the Group for their performance until August 2021. The Company did not have an obligation towards this bonus as at June 30, 2021 and accordingly this has been considered as a non-adjusting event.

As per our report of even date attached

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited (formerly known as API Holdings Private Limited)**  
CIN :U60100MH2019PLC323444

**Nitin Khatri**  
*Partner*  
Membership number: 110282

**Siddharth Shah**  
*CEO and Managing Director*  
DIN: 05186193

**Harsh Parekh**  
*Whole time Director*  
DIN: 06661731

**Chebolu V Ram**  
*Chief Financial Officer*

**Drashti Shah**  
*Company Secretary and Chief Compliance Officer*

Place: Mumbai  
Date: October 28, 2021

Place: Mumbai  
Date: October 28, 2021

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements**  
**(All amounts in Rupees million, unless otherwise stated)**

Summarized below are the restatement adjustments made to the Audited Consolidated Financial Statements for the period/years ended June 30, 2021, March 31, 2021 and March 31, 2020 and their impact on equity and the loss of the Group:

**Part A : Statement of Adjustment to Audited Consolidated Financial Information**

**Reconciliation between audited equity and restated equity**

Particulars	As at	As at	As at
	June 30, 2021	March 31, 2021	March 31, 2020
Total Equity as per Audited Consolidated Financial Statements	46,403.98	35,811.75	2,462.42
Restated Adjustments:	-	-	-
<b>Total Impact of adjustments</b>	-	-	-
Total Equity as per Restated Consolidated Financial Information	46,403.98	35,811.75	2,462.42

**Reconciliation between audited loss and restated loss**

Particulars	For the period ended	For the year ended	For the period ended
	June 30, 2021	March 31, 2021	March 31, 2020
Loss after Tax as per Consolidated Financial Statements	(3,138.91)	(6,413.36)	(3,352.79)
Restated adjustments:	-	-	-
<b>Total Impact of Adjustments</b>	-	-	-
<b>Restated loss before Tax</b>	(3,138.91)	(6,413.36)	(3,352.79)
Tax adjustments	-	-	-
Loss after tax as per Restated Consolidated Financial Information	(3,138.91)	(6,413.36)	(3,352.79)

**Note 1 - Material regrouping/reclassification** - Appropriate regrouping/reclassification have been made in the Restated Consolidated Statement of Assets and Liabilities, Restated Consolidated Statement of Profit and Loss and Restated Consolidated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Audited Special Purpose Consolidated Financial Statements for the three months period ended June 30, 2021 prepared in accordance with Schedule III (Division II) of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

**Note - 2**

**Qualified opinion for the special purpose consolidated financial statements of API Holdings Private Limited for the period ended June 30, 2021**

**Basis for Qualified Opinion**

The special purpose consolidated financial statements dealt with by this report do not include the comparative information in respect of the preceding period as required by the Ind AS 34, Interim Financial Reporting.

**Qualified Opinion**

Based on our audit, we report that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the special purpose consolidated financial statements, together with the notes thereon and attached thereto, fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, the state of affairs of the Group as at June 30, 2021;
- in the case of the Consolidated Statement of Profit and Loss, the total comprehensive income (comprising of loss and other comprehensive income) for the period ended on that date; and
- in the case of the Consolidated Statement of Cash Flows, of the cash flows for the period ended on that date;
- in the case of Consolidated Statement of Changes in Equity, of the changes in equity for the period ended on that date.

Auditors report dated September 9, 2021 on the special purpose consolidated financial statements of the Group as at and for the three months period ended June 30, 2021 was modified with regard to non furnishing of comparative figures, which are not being presented in the Restated Consolidated Financial Information as per the option of not presenting the comparative information availed by the Issuer as per clause 11 (I) (A) (i) of SEBI ICDR Regulations. Hence, there is no impact of the qualification on the Restated Consolidated Financial Information.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements**  
**(All amounts in Rupees million, unless otherwise stated)**

**Part B : Non Adjusting Items**

**Emphasis of matter paragraph and auditor's comments on annexure to Auditor's Report not requiring adjustment to Restated Consolidated Financial Information**

**i) API Holdings Private Limited**

**Emphasis of matter paragraph on special purpose consolidated financial statements for the period ended June 30, 2021**

We draw attention to Note 2 to the special purpose consolidated financial statements, which describes the basis of its preparation. The special purpose consolidated financial statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose consolidated financial statements for the purposes for which those have been prepared. Our opinion is not modified in respect of this matter.

**Emphasis of matter paragraph in the audit report on consolidated financial statements for the year ended March 31, 2021**

We draw your attention to Note 52 to the financial statements in respect of the Scheme of Amalgamation (the "scheme") between the Company and Thea Technologies Private Limited ("Thea"), Swifto Services Private Limited ("Swifto"), 91 Streets Media Technologies Private Limited ("91 Streets"), Ascent Health and Wellness Solutions Private Limited ("Ascent"), Aahaan Commercial Private Limited ("Aahaan") and Lokprakash Vidya Private Limited ("Lokprakash"), as approved by National Company Law Tribunal vide its order dated June 8, 2020. The scheme has been given effect to in the standalone Ind AS financial statements in the following manner:

a) all the assets and liabilities of Thea and Swifto has been transferred to 91 Streets; and subsequently the assets and liabilities of 91 Streets have been transferred to API in accordance with Ind AS 103 which is different from the appointed date specified in the NCLT Order.

b) all the assets and liabilities of Ascent, Aahaan and Lokprakash have been transferred with effect from the appointed date as set out in the Scheme which is different from the date required under Ind AS 103.

Our opinion is not modified in respect of this matter.

**Emphasis of matter paragraph in the audit report on standalone financial statements for the year ended March 31, 2021**

We draw your attention to Note 42 to the financial statements in respect of the Scheme of Amalgamation (the "scheme") between the Company and Thea Technologies Private Limited ("Thea"), Swifto Services Private Limited ("Swifto"), 91 Streets Media Technologies Private Limited ("91 Streets"), Ascent Health and Wellness Solutions Private Limited ("Ascent"), Aahaan Commercial Private Limited ("Aahaan") and Lokprakash Vidya Private Limited ("Lokprakash"), as approved by National Company Law Tribunal vide its order dated June 8, 2020. The scheme has been given effect to in the standalone Ind AS financial statements in the following manner:

a) all the assets and liabilities of Thea and Swifto has been transferred to 91 Streets; and subsequently the assets and liabilities of 91 Streets have been transferred to API in accordance with Ind AS 103 which is different from the appointed date specified in the NCLT Order.

b) all the assets and liabilities of Ascent, Aahaan and Lokprakash have been transferred with effect from the appointed date as set out in the Scheme which is different from the date required under Ind AS 103.

Our opinion is not modified in respect of this matter.

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion undisputed statutory dues including provident fund, employees' state insurance, income tax and goods and service tax, have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. Also refer note 44 to the financial statements regarding management's assessment on certain matters related to provident fund.

**ii) Threpsi Solutions Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation provided to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund employees' state insurance, goods and service tax and income tax, though there has been slight delay in few cases and is regular in depositing undisputed other material statutory dues with the appropriate authorities. Also refer note 40(a) to the financial statements regarding management's assessment on certain matters relating to provident fund.

**iii) Arzt and Health Private Limited**

**Emphasis of matter paragraph for the year ended March 31, 2021**

We draw your attention to Note 34 to the financial statements regarding the proposed Scheme of Amalgamation of the Company with Threpsi Solutions Private Limited, its fellow subsidiary Company with an appointed date of 22 January 2021, which has been filed with the National Company Law Tribunal. Our opinion is not modified in respect of this matter.

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation provided to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund employees' state insurance and income tax, though there has been slight delay in few cases and is regular in depositing undisputed other material statutory dues with the appropriate authorities. Also refer note 37(a) to the financial statements regarding management's assessment on certain matters relating to provident fund.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements**  
**(All amounts in Rupees million, unless otherwise stated)**

**iv) Medlife International Private Limited**

**Annexure to Auditor's Report on standalone financial statements for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

Undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and services tax, cess and other statutory dues have generally not been regularly deposited with appropriate authorities and there are serious delays in large number of cases.

**v) Metarain Distributors Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and on the basis of the record of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Income tax, Goods and Services tax, provident fund, employees' state insurance and other material statutory dues have generally been deposited with the appropriate authorities though there been a slight delay in few cases, the Company did not have any dues on account of Service Tax, Value added tax, Sales tax, duty of customs, Duty of excise and cess.

**Clause vii(b) of CARO, 2016 Order**

According to the information and explanation given to us, no undisputed amounts payable in respect of Income tax, provident fund, employees' state insurance, goods and services tax and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable except for

Name of statute	Nature of the dues	Amount	Period relates to	Due date of payment	Date of payment
Employee provident fund Act, 1952	Employee provident fund Act	0.04	2019-20	Various dates	Not yet paid
Income tax Act, 1961	Interest on TDS	0.11	2020-21	Various dates	Not yet paid

**vi) Medlife Wellness Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

Undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, goods and services tax, cess and other statutory dues have generally not been regularly deposited with appropriate authorities and there are serious delays in large number of cases.

**vii) Aarush Tirupati Enterprise Private limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation provided to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of income tax, provident fund, employees' state insurance and professional tax, though there has been slight delay in few cases and is regular in depositing undisputed statutory dues, including goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

**viii) Aushad Pharma Distributors Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of income tax, provident fund, employees' state insurance and professional tax, though there has been slight delay in few cases and is regular in depositing undisputed statutory dues, including goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the financial statements regarding management's assessment on certain matters related to provident fund.

**ix) Eastern Agencies Healthcare Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance, goods and service tax and income tax. Also refer note 40(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements**  
**(All amounts in Rupees million, unless otherwise stated)**

**x) Mahaveer Medi-Sales Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of employees' state insurance, professional tax, income tax, goods and service tax and other material statutory dues, though there has been slight delay in few cases and statutory dues in respect of provident fund have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. Also refer note 38 to the financial statements regarding management's assessment on certain matters related to provident fund.

**Clause vii(b) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of statute	Nature of the dues	Amount	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.24	AY 2018-19	Commissioner of Income-tax (Appeals)

**xi) Muthu Pharma Private Limited**

**Emphasis of matter paragraph for the year ended March 31, 2021**

We draw your attention to Note 40 to the financial statements regarding the proposed Scheme of Amalgamation of the Company with Ascent Wellness and Pharma Solutions Private Limited, its holding Company with appointed date of 01 April 2021, which has been filed with the Regional Director on June 09, 2021 and is pending its approval. Our opinion is not modified in respect of this matter.

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance, goods and service tax and income tax, though there has been slight delay in few cases and is regular in depositing undisputed other material statutory dues, with appropriate authorities. Also refer note 37(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**xii) Shell Pharmaceuticals Private Limited**

**Emphasis of matter paragraph for the year ended March 31, 2021**

We draw your attention to Note 39 to the financial statements regarding the proposed Scheme of Amalgamation of the Company with Ascent Wellness and Pharma Solutions Private Limited, its holding Company with appointed date of 01 April 2021, which has been filed with the Regional Director on June 09, 2021 and is pending its approval. Our opinion is not modified in respect of this matter.

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance and income tax, though there has been slight delay in few cases and is regular in depositing undisputed other statutory dues, with appropriate authorities. Also refer note 35(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**xiii) Pearl Medicals Private Limited**

**Emphasis of matter paragraph for the year ended March 31, 2021**

We draw your attention to Note 41 to the financial statements regarding the proposed Scheme of Amalgamation of the Company with Ascent Wellness and Pharma Solutions Private Limited, its holding Company with appointed date of 01 April 2021, which has been filed with the Regional Director on June 09, 2021 and is pending its approval. Our opinion is not modified in respect of this matter.

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion undisputed statutory dues, including provident fund, employees' state insurance and income tax and goods and service tax have not generally been regularly deposited with appropriate authorities though the delays in deposit have not been serious. Also refer note 37 to the financial statements regarding management's assessment on certain matters related to provident fund.

**xiv) Reenav Pharma Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is regular in depositing undisputed statutory dues, in respect of income tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues including goods and service tax and other material statutory dues, with the appropriate authorities.

**xv) Venkatesh Medico Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance, goods and service tax, income tax and other statutory dues, with appropriate authorities. Also refer note 38(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements**  
**(All amounts in Rupees million, unless otherwise stated)**

**xvi) AKP Healthcare Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is regular in depositing undisputed statutory dues, in respect of provident fund, goods and service tax, employees' state insurance, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues including income tax and other material statutory dues, with the appropriate authorities. Also refer note 38(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**xvii) D. C. Agencies Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance, goods and service tax and income tax, though there has been a slight delay in few cases, and is regular in depositing undisputed other material statutory dues, with the appropriate authorities. Also refer note 39(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**xviii) Desai Pharma Distributors Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund, goods and service tax and income tax, though there has been a slight delay in few cases, and is regular in depositing undisputed other material statutory dues, with the appropriate authorities. Also refer note 39(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**xix) Rau and Co Pharma Private Limited**

**Emphasis of matter paragraph for the year ended March 31, 2021**

We draw your attention to Note 39 to the financial statements regarding the proposed Scheme of Amalgamation of the Company with Ascent Wellness and Pharma Solutions Private Limited, its holding Company with appointed date of 01 April 2021, which has been filed with the Regional Director on June 09, 2021 and is pending its approval. Our opinion is not modified in respect of this matter.

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of provident fund, employees' state insurance, goods and service tax and income tax, though there has been a slight delay in few cases, and is regular in depositing undisputed other material statutory dues, with the appropriate authorities. Also refer note 36(a) to the financial statements regarding management's assessment on certain matters related to provident fund.

**xx) AHWSPL India Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of income tax, provident fund, employees' state insurance, professional tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including goods and service tax and other material statutory dues as applicable, with the appropriate authorities.

**xxi) VPI Medisales Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of income tax, provident fund, employees' state insurance, professional tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including goods and service tax and other material statutory dues as applicable, with the appropriate authorities. Also refer note 37 to the financial statements regarding management's assessment on certain matter relating to provident fund.

**xxii) Ascent Wellness and Pharma Solutions Private Limited**

**Annexure to Auditor's Report for the year ended March 31, 2021**

**Clause vii(a) of CARO, 2016 Order**

According to the information and explanation given to us and the record of the company examined by us, in our opinion the company is generally regular in depositing undisputed statutory dues, in respect of income tax, provident fund, employees' state insurance, professional tax, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including goods and service tax and other material statutory dues as applicable, with the appropriate authorities.



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Annexure VII - Statement of Adjustments to Audited Consolidated Financial Statements**  
**(All amounts in Rupees million, unless otherwise stated)**

**Part C : Reconciliation of adjustments for Schedule III amendments**

Particulars	As at June 30, 2021	As at March 31, 2021	As at March 31, 2020
Other financial assets(non current) as per audited consolidated financial statements	117.81	19.91	-
Adjustments to Schedule III:			
Security deposit classified under other financial assets instead of loans	-	94.11	59.00
Other financial assets(non current) as per restated consolidated financial information	117.81	114.02	59.00
Other financial assets(current) as per audited consolidated financial statements	131.40	127.31	39.12
Adjustments to Schedule III:			
Security deposit classified under other financial assets instead of loans	-	47.71	9.30
Others		(11.37)	
Other financial assets (current) as per restated consolidated financial information	131.40	163.65	48.42
Current borrowings as per audited consolidated financial statements	2,321.41	2,016.69	272.09
Adjustments to Schedule III:			
Current maturities of long term borrowings classified under current borrowings instead of other financial liabilities	-	1,515.66	36.77
Current borrowings as per restated consolidated financial information	2,321.41	3,532.35	308.86

**For Price Waterhouse Chartered Accountants LLP**  
**Firm's Registration No: 012754N/N500016**

**For and on behalf of the Board of Directors of**  
**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**CIN :U60100MH2019PLC323444**

**Nitin Khatri**  
*Partner*  
 Membership number: 110282

**Siddharth Shah**  
*CEO and Managing Director*  
 DIN: 05186193

**Harsh Parekh**  
*Whole time Director*  
 DIN: 06661731

**Chebolu V Ram**  
*Chief Financial Officer*

**Drashti Shah**  
*Company Secretary and Chief Compliance Officer*

Place: Mumbai  
 Date: October 28, 2021

Place: Mumbai  
 Date: October 28, 2021

## PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The pro forma consolidated financial information is prepared for the purposes of inclusion in the Draft Red Herring Prospectus ('DRHP') in connection with the offering of the equity shares of the Company, including to persons reasonably believed to be "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), as part of the overall proposed initial public offering (the "Offering") of equity shares of the Company. The information with respect to acquisition of Ascent and Medlife included in the pro forma consolidated statement of profit and loss for the year ended 31 March 2021 and corresponding proforma adjustments has been included in the DRHP as the Company believes that such information is material for potential investors to understand the business and financial performance of the Company. The pro forma financial information included in DRHP has not been prepared in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, Amendments to Financial Disclosures About Acquired and Disposed Businesses, as adopted by the U.S. Securities and Exchange Commission (the "SEC") on May 21, 2020. In addition, the rules and regulations related to the preparation of pro forma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation of the Pro Forma Consolidated Financial Information as set out in "Pro Forma Consolidated Financial Information" on page 395. Accordingly, the degree of reliance placed by investors on such proforma information should be limited.

Our Statutory Auditors have performed work and applied procedures in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the Institute of Chartered Accountants of India with respect to the pro forma consolidated financial information of the Company as at and for the three months ended June 30, 2021 and as at and for the year ended March 31, 2021, included in the Draft Red Herring Prospectus. The work performed by Statutory Auditors on the pro forma consolidated financial information has not been carried out in accordance with the auditing standards generally accepted in the United States of America, standards of the Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report. Our Statutory Auditors report dated October 28, 2021 included in the Draft Red Herring Prospectus therein states that they did not audit and they do not express an audit opinion on the proforma consolidated financial information of our Company. Accordingly, the degree of reliance on their report on such information should be restricted in light of the nature of the procedures applied by them.

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# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
API Holdings Limited  
(formerly known as API Holdings Private Limited)  
902, 9th Floor, Raheja Plaza 1, B-Wing,  
Opposite R-City Mall, L.B.S Marg,  
Ghatkopar (W),  
Mumbai 400086

## **Statutory Auditor's Report on the Compilation of Pro Forma Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)**

1. This Report is issued in accordance with the terms of our agreement dated October 28, 2021.
2. We have completed our assurance engagement to report on the compilation of pro forma financial information of API Holdings Limited (formerly known as API Holdings Private Limited) (the "Company") by the Management of the Company. The pro forma financial information consists of the Pro Forma Consolidated Balance-Sheet as at 30 June 2021 and 31 March 2021, Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021 and for the year ended 31 March 2021 and related notes for inclusion in the Draft Red Herring Prospectus ("DRHP") by the Company (hereinafter referred as the "Pro Forma Financial Information"). The applicable criteria, on the basis of which Management has compiled the Pro Forma Financial Information in columns 1 to 7 of Pro Forma Consolidated Balance Sheet as at 30 June 2021, columns 1 to 8 of Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021, columns 1 to 9 of Pro Forma Consolidated Balance Sheet as at 31 March 2021 and columns 1 to 9 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by clause 11 (I) (B) (iii) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and in columns 10 to 14 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by the Management, are specified in the "Basis of preparation" paragraph as described in Note 2 to the Pro Forma Financial Information.
3. The Pro Forma Financial Information has been compiled by the Company's Management to illustrate the impact of the acquisitions set out in Note 1 to the Pro Forma Financial Information, on the Company's financial position as at June 30, 2021 and March 31, 2021, as if the acquisitions had taken place as on those dates respectively; its financial performance for the three months period ended June 30, 2021 and for the year ended March 31, 2021, as if the acquisitions had taken place as at April 1, 2021 and April 1, 2020, respectively. As part of this process, information about the Company's financial position and financial performance has been extracted by the Company's Management from:
  - (a) the restated consolidated financial information of the Company and its subsidiaries (together referred to as "the Group") as at and for the period ended June 30, 2021 and as at and for the year ended March 31, 2021 and as at and for the period ended March 31, 2020, on which we have expressed an unmodified opinion vide our examination report dated October 28, 2021 (included in the DRHP);
  - (b) the audited special purpose interim consolidated financial statements of Akna Medical Private Limited as at and for the three months period ended June 30, 2021 and the audited special purpose consolidated financial statements of Akna Medical Private Limited as at and for the year ended March 31, 2021, on which other firm of chartered accountants have expressed an

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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

Statutory Auditor's Report on the Compilation of Pro Forma Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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unmodified audit opinion vide their reports dated September 6, 2021 and August 24, 2021, respectively;

- (c) the audited special purpose interim financial statements of Shreeji Distributors Pharma Private limited for the period from April 1, 2020 to December 31, 2020, on which other firm of chartered accountants have expressed an unmodified audit opinion vide their report dated August 24, 2021;
- (d) the audited special purpose financial statements of Vardhman Health Specialities Private Limited as at and for the year ended March 31, 2021 and audited special purpose interim financial statements of Vardhman Health Specialities Private Limited as at May 12, 2021 and for the period April 1, 2021 to May 12, 2021, on which other firm of chartered accountants have expressed an unmodified audit opinion vide their reports dated August 25, 2021 and September 6, 2021, respectively;
- (e) the audited special purpose carve-out financial statements of Novogene Lifesciences Private Limited as at and for the year ended March 31, 2021, on which other firm of chartered accountants have expressed an unmodified audit opinion vide their report dated September 5, 2021;
- (f) the audited consolidated financial statements of Thyrocare Technologies Limited as at and for the year ended March 31, 2021, on which other firm of chartered accountants have expressed an unmodified audit opinion vide their report dated May 8, 2021;
- (g) the audited special purpose interim Ind AS consolidated financial statements of Thyrocare Technologies Limited as at and for the three months period ended June 30, 2021, on which other firm of chartered accountants have expressed an unmodified audit opinion vide their report dated October 27, 2021;
- (h) the audited special purpose consolidated financial statements of Ascent Health and Wellness Solutions Private Limited as at August 26, 2020 and for the period from April 1, 2020 to August 26, 2020, on which we have expressed an unmodified audit opinion vide our report dated October 28, 2021;
- (i) the audited special purpose consolidated financial statements of Medlife International Private Limited as at January 21, 2021 and for the period from April 1, 2020 to January 21, 2021 on which other firm of chartered accountants have expressed an unmodified audit opinion vide their report dated July 22, 2021.

## Management's Responsibility for the Pro Forma Financial Information

4. The Company's Management is responsible for compiling the pro forma financial information in columns 1 to 7 of Pro Forma Consolidated Balance Sheet as at 30 June 2021, columns 1 to 8 of Pro Forma Consolidated Statement of Profit and Loss for the three months period ended 30 June 2021, columns 1 to 9 of Pro Forma Consolidated Balance Sheet as at 31 March 2021 and columns 1 to 9 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by clause 11 (I) (B) (iii) of the SEBI ICDR Regulations and in columns 10 to 14 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by the Management, as specified in the "Basis of Preparation" paragraph described in Note 2 to the Pro Forma Financial Information which has been approved by the Board of Directors of the Company in their meeting dated October 28, 2021. This responsibility includes the responsibility for designing, implementing and maintaining internal

# Price Waterhouse Chartered Accountants LLP

Statutory Auditor's Report on the Compilation of Pro Forma Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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controls relevant for compiling the Pro Forma Financial Information on the basis stated in the aforementioned note that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Financial Information.

## Statutory Auditor's Responsibilities

5. Our responsibility is to express an opinion on the Pro Forma Financial Information, in column 1 to 7 of Pro Forma Consolidated Balance Sheet as at 30 June 2021, column 1 to 8 of Pro Forma Consolidated Statement of Profit and Loss for the three months period ended 30 June 2021, column 1 to 9 of Pro Forma Consolidated Balance Sheet as at 31 March 2021 and column 1 to 9 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by clause 11 (I) (B) (iii) of the SEBI ICDR Regulations and in column 10 to 14 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by the Management, on whether the pro forma financial information has been compiled, in all material respects, by the Management on the basis stated in Note 2 of the Pro Forma Financial Information.
6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the pro forma financial information on the basis stated in Note 2 to the Pro Forma Financial Information.
7. For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.
8. The purpose of Pro Forma Financial Information included in the DRHP is solely to illustrate the impact of the acquisitions as described in Note 1 to the Pro Forma Financial Information on unadjusted financial information of the Group as if the acquisitions had been made at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the acquisitions would have been as presented.
9. A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Management in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the acquisitions, and to obtain sufficient appropriate evidence about whether:

# Price Waterhouse Chartered Accountants LLP

Statutory Auditor's Report on the Compilation of Pro Forma Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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- (a) The related pro forma adjustments give appropriate effect to those criteria; and
  - (b) The Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
10. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the acquisitions in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.
  11. The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.
  12. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
  13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports or examination reports issued by us or by other chartered accountants on any financial statements of the Company or any of the components included in the Pro Forma Financial Information (Refer paragraph 3 above).
  14. We have no responsibility to update our report or reissue our report for events and circumstances occurring after the date of the report.

## Opinion

15. In our opinion, the Pro Forma Financial Information, in column 1 to 7 of Pro Forma Consolidated Balance Sheet as at 30 June 2021, column 1 to 8 of Pro Forma Consolidated Statement of Profit and Loss for the three months period ended 30 June 2021, column 1 to 9 of Pro Forma Consolidated Balance Sheet as at 31 March 2021 and column 1 to 9 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by clause 11 (I) (B) (iii) of the SEBI ICDR Regulations and in column 10 to 14 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, as required by the Management, has been compiled, in all material respects, on the basis of preparation as stated in Note 2 to the Pro Forma Financial Information.

## Emphasis of Matters

16. As indicated in the audit reports referred to in paragraph 3 above:
  - (a) The Examination Report issued by us dated October 28, 2021 on the Restated Consolidated Financial Information of the Group as at June 30, 2021, March 31, 2021 and March 31, 2020 and for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 includes the following Emphasis of Matter paragraph:

“(I) We draw your attention to Note 52 to the consolidated financial statements in respect of the Scheme of Amalgamation (the “Scheme”) between the Holding Company and Thea Technologies Private Limited (“Thea”), Swifto Services Private Limited (“Swifto”), 91Streets Media Technologies Private Limited (“91 Streets”), Ascent Health and Wellness Solutions Private Limited (“Ascent”), Aahaan Commercials Private Limited (“Aahaan”) and Lokprakash Vidhya Private Limited (“Lokprakash”), as approved by National Company Law

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Tribunal ("NCLT") vide its order dated June 8, 2020. The Scheme has been given effect to in the consolidated financial statements in the following manner:

- (i) all the assets and liabilities of Thea and Swifto have been transferred to 91Streets; and subsequently the assets and liabilities of 91Streets have been transferred to API in accordance with Ind AS 103, which is different from the appointed date specified in the NCLT Order;
- (ii) all the assets and liabilities of Ascent, Aahaan and Lokprakash have been transferred with effect from the appointed date as set out in the Scheme which is different from the date required under Ind AS 103.

Our opinion is not modified in respect of this matter."

Note 52 as referred in the Emphasis of Matter paragraph above has been reproduced as Note 51 to the Restated Consolidated Financial Information, and the reference to "the Holding Company or API" therein is made to mean the Company.

- (II) The auditors' report issued by us dated September 9, 2021 on the special purpose consolidated financial statements of the Group as at and for the period ended June 30, 2021 includes the following Emphasis of Matter paragraph:

"We draw attention to Note 2 to the special purpose consolidated financial statements, which describes the basis of its preparation. The special purpose consolidated financial statements are not the statutory financial statements of the Group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose consolidated financial statements for the purposes for which those have been prepared. Our opinion is not modified in respect of this matter."

- (b) The auditors' report issued by other firm of chartered accountants dated September 6, 2021 on the audited special purpose interim consolidated financial statements of Akna Medical Private Limited as at and for the three months period ended June 30, 2021 includes the following Basis of accounting and Restriction on distribution or use paragraph:

"We draw attention to Note 2.1(i) to the accompanying special purpose interim consolidated financial statements for the three months period ended 30 June 2021, which describes the basis of accounting used for such financial statements. These special purpose interim consolidated financial statements have been prepared by the holding company's management solely to enable preparation of proforma financial information for the period ended 30 June 2021 which would be included in the DRHP to be prepared by API Holdings Private Limited ('API Holdings') with whom Akna Medical Private Limited ('the holding company') and existing shareholders of the holding company have entered into Share Subscription and Share Purchase Agreement ("SSSPA"), pursuant to this API Holdings will own majority stake in the holding company, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of API Holdings and accordingly, these special purpose interim consolidated financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our

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prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.”

- (c) The auditors' report issued by other firm of chartered accountants dated August 24, 2021 on the audited special purpose consolidated financial statements of Akna Medical Private Limited as at and for the year ended March 31, 2021 includes the following Basis of accounting and Restriction on distribution or use paragraph:

“We draw attention to Note 2.1(i) to the accompanying special purpose consolidated financial statements for the year ended 31 March 2021, which describes the basis of accounting used for such financial statements. These special purpose consolidated financial statements have been prepared by the holding company's management solely to enable preparation of proforma financial information for the year ended 31 March 2021 which would be included in the DRHP to be prepared by API Holdings Private Limited ('API Holdings'), with whom Akna Medical Private Limited ('the holding company') and existing shareholders of the holding company have entered into Share Subscription and Share Purchase Agreement ("SSSPA"), pursuant to this API Holdings will own majority stake in the holding company, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of API Holdings, and accordingly, these special purpose consolidated financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.”

- (d) The auditors' report issued by other firm of chartered accountants dated August 24, 2021 on the audited special purpose interim financial statements of Shreeji Distributors Pharma Private Limited for the period from April 1, 2020 to December 31, 2020 includes the following Basis of accounting and Restriction on distribution or use paragraph:

“We draw attention to Note 2.1 to the accompanying special purpose interim financial statements, which describes the basis of accounting used for the preparation of the accompanying special purpose interim financial statements. These special purpose interim financial statements have been prepared by the company's management solely to enable preparation of proforma financial information for the year ended 31 March 2021 which would be included in the DRHP to be prepared by, API Holdings Private Limited ("API Holdings"), with whom Akna Medical Private Limited ('the holding company') and existing shareholders of the holding company have entered into Share Subscription and Share Purchase Agreement ("SSSPA"), pursuant to this API Holdings will own majority stake in the holding company, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of API Holdings, and accordingly, these special purpose interim financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it



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may come without our prior consent in writing.”

- (e) The auditors' report issued by other firm of chartered accountants dated August 25, 2021 on the audited special purpose financial statements of Vardhman Health Specialities Private Limited as at and for the year ended March 31, 2021 includes the following Basis of accounting and Restriction on distribution or use paragraph:

“We draw attention to Note 2.1 (i) to the accompanying special purpose financial statements which describes the basis of accounting used for the preparation of the accompanying special purpose financial statements. These special purpose financial statements have been prepared by the company's management solely to enable preparation of proforma financial information for year ended 31 March 2021 which would be included in the DRHP to be prepared by API Holdings Private Limited ('API Holdings'), with whom Akna Medical Private Limited (the holding company') and existing shareholders of the holding company have entered into Share Subscription and Share Purchase Agreement ("SSSPA"), pursuant to this API Holdings will own majority stake in the holding company, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of API Holdings, and accordingly, these special purpose financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.”

- (f) The auditors' report issued by other firm of chartered accountants dated September 6, 2021 on the audited special purpose interim financial statements of Vardhman Health Specialities Private Limited as of May 12, 2021 and for the period April 1, 2021 to May 12, 2021 includes the following Basis of accounting and Restriction on distribution or use paragraph:

“We draw attention to Note 2.1 (i) to the accompanying special purpose interim financial statements, which describes the basis of accounting used for the preparation of the accompanying special purpose interim financial statements. These special purpose interim financial statements have been prepared by the company's management solely to enable preparation of proforma financial information for the period ended 30 June 2021 which would be included in DRHP to be prepared by API Holdings Private Limited ('API Holdings'), with whom Akna Medical Private Limited ('the holding company') and existing shareholders of the holding company have entered into Share Subscription and Share Purchase Agreement ("SSSPA"), pursuant to this API Holdings will own majority stake in the holding company, in terms of the requirements of Section 26 of Part I of Chapter III of the Act, read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended from time to time ("ICDR Regulations"), in connection with the proposed initial public offering of the equity shares of the API Holdings, and accordingly, these special purpose interim financial statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.”

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- (g) The auditors' report issued by other firm of chartered accountants dated September 5, 2021 on the audited special purpose carve-out Ind AS financial statements of Novogene Lifesciences Private Limited as at and for the year ended March 31, 2021 includes the following Basis of accounting and Restriction on distribution or use paragraph:

"We draw attention to Note 2.1(i) to the accompanying special purpose carve-out Ind AS financial statements for the year ended 31 March 2021, which describes the basis of accounting used for the preparation of special purpose carve-out Ind AS financial statements. These special purpose carve out Ind AS financial statements have been prepared by the management and approved by the Board of Directors pursuant to business transfer agreement signed by the company with Vardhman Health Specialities Private Limited, prepared for the purpose of Share Purchase Agreement by Vardhman Health Specialities Private Limited and Akna Medical Private Limited ('the holding company' of Vardhman Health Specialities Private Limited). Further, the holding company and existing shareholders of the holding company have entered into Share Subscription and Share Purchase Agreement ("SSSPA"), pursuant to this API Holdings Private Limited will own majority stake in the holding company.

Also, to enable API Holdings Private Limited to include these special purpose carve-out financial statements in its Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (the "Offer Documents") to be filed with Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as relevant, in connection with the proposed IPO and to compile pro forma financial information in the Offer Documents for the financial year ended March 31, 2021. As a result, the financial information may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing."

- (h) The auditors' report issued by us dated October 28, 2021 on the audited special purpose consolidated financial statements of Ascent Health and Wellness Solutions Private Limited as at August 26, 2020 and for the period April 1, 2020 to August 26, 2020 includes the following Emphasis of Matter paragraph:

"We draw attention to Note 2 to the special purpose consolidated financial statements, which describes the basis of its preparation. The special purpose consolidated financial statements are not the statutory financial statements of the group, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013, as those are considered irrelevant by the Management and the intended users of the special purpose consolidated financial statements for the purposes for which those have been prepared. Our opinion is not modified in respect of this matter."

- (i) The auditors' report issued by other firm of chartered accountants dated July 22, 2021 on the audited special purpose consolidated financial statements of Medlife International Private Limited as of January 21, 2021 and for the period April 1, 2020 to January 21, 2021 includes the following Basis of accounting and Restriction on distribution or use paragraph:

"We draw attention to Note 2(a) to the special purpose consolidated financial statements, which describes the basis of preparation. These special purpose consolidated financial statements are prepared solely for the purpose as described in Note 2(a) to the special purpose consolidated financial statements. As a result these special purpose consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the information and use

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of the management of the group and these special purpose consolidated financial statements may also be used by the API Holdings Private Limited ("holding company") for the preparation of pro forma financial statements of holding company for inclusion of such pro forma financial statements in the Offer document. However, these special purpose consolidated financial statements would not be included in the offer document. This report is not to be used, referred to or distributed for any other purpose.

Our opinion is not modified in respect of the above matter.”

## Other Matters

17. We draw attention to the Basis of Preparation as set out in Note 2 to the Pro Forma Financial Information. The Pro Forma Financial Information has been compiled by the Management only for the purpose of illustrating the impact of the acquisitions set out in Note 1 on the Company's financial position as at 30 June 2021 and 31 March 2021, as if the acquisitions had taken place on those dates respectively; its financial performance for the three months ended 30 June 2021 and for the year ended 31 March 2021, as if the acquisitions had taken place at 1 April 2021 and 1 April 2020, respectively, for the purpose of inclusion in the Draft Red Herring Prospectus (“DRHP”). As a result, the Pro Forma Financial Information may not be suitable for any another purpose. Further, as mentioned in paragraph 2 above, the Pro Forma Financial Information in column 1 to 7 of Pro Forma Consolidated Balance Sheet as at 30 June 2021, column 1 to 8 of Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021, column 1 to 9 of Pro Forma Consolidated Balance Sheet as at 31 March 2021 and column 1 to 9 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, has been furnished pursuant to the requirement of clause 11 (I) (B) (iii) of the ICDR and the Pro Forma Financial Information in column 10 to 14 of Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 and related notes thereto, has been furnished pursuant to Management request.
18. As indicated in the examination report and audit reports referred to in paragraph 3 above:
  - (a) The Examination Report issued by us dated October 28, 2021 on the Restated Consolidated Financial Information of the Group as at June 30, 2021, March 31, 2021 and March 31, 2020 and for the period ended June 30, 2021, for the year ended March 31, 2021 and for the period ended March 31, 2020 includes the following Other Matter paragraphs:
    - “i) We did not audit the consolidated financial information of the Group (i.e. API Holdings Private Limited and its subsidiaries before giving effect of the scheme of amalgamation) included in the consolidated financial statements of the Group as at March 31, 2020 and for the period ended March 31, 2020, which constitute total assets of Rs. 76.09 million and net liabilities of Rs. 32.17 million as at March 31, 2020, total revenue of Rs. Nil, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 32.27 million and net cash inflows amounting to Rs. 21.20 million for the period ended March 31, 2020 and are based on the previously issued statutory financial statements for the said period prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the Previous Auditors, A. R. Sodha & Co, who expressed an unmodified opinion vide their report dated December 23, 2020. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us.

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- ii) We did not audit the consolidated financial information of one subsidiary, whose financial information reflect total assets of Rs. 3,428.54 million and net liabilities of Rs. 5,529.18 million as at March 31, 2021, total revenues of Rs. 632.23 million, total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 792.39 million and net cash inflows of Rs. 1,510.58 million for the period from January 22, 2021 to March 31, 2021 included in the consolidated financial statements, for the year ended March 31, 2021, which have been audited by other auditors, S.R. Batliboi & Associates LLP, whose report has been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the report of the other auditors.
- iii) We did not audit the financial information of one subsidiary, whose financial information reflect total assets of Rs. Nil and net assets of Rs. Nil as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 0.01 million and net cash inflows of Rs. 0.01 million for the period from August 26, 2020 to February 9, 2021 included in the consolidated financial statements, for the year ended March 31, 2021, which have been audited by other auditors, Patel Senghani & Parvadiya, whose report has been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

- iv) The special purpose consolidated financial statements of the Group as at and for the period ended June 30, 2021 dealt with by this report, have been prepared for the express purpose of preparation of restated consolidated financial information of the Group for inclusion in the Draft Red Herring Prospectus ('DRHP') to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO").
- v) We did not audit the special purpose financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 268.20 million and net liabilities of Rs. 575.51 million as at June 30, 2021, total revenues of Rs. 57.02 million, total comprehensive loss (comprising of net loss and other comprehensive income) of Rs. 23.31 million and net cash out flows amounting to Rs. 200.53 million for the period ended on that date, as considered in the special purpose consolidated financial statements. These special purpose financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the special purpose consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the special purpose consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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- vi) We did not examine:
- (I) the restated consolidated financial information of a subsidiary (i.e. Medlife International Private Limited) whose financial information reflect total assets of Rs. 3,428.54 million, net liabilities of Rs. 5,529.18 million as at March 31, 2021, total revenues of Rs. 632.23 million, net cash inflows of Rs. 1,510.58 million and total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 792.39 million for the period from January 22, 2021 to March 31, 2021 included in the Restated Consolidated Financial Information, for the year ended March 31, 2021, which have been examined by other auditors, S.R. Batliboi & Associates LLP, whose examination report have been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the examination report of the other auditors.

The other auditors of the subsidiary, have confirmed that:

- the restated consolidated summary statements of the group have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies of the API Holdings Limited;
  - there are no qualifications in the auditors' report on the special purpose consolidated audited financial statements of the company as at March 31, 2021 and for period January 22, 2021 to March 31, 2021 which require any adjustments to the restated consolidated summary statements; and
  - the restated consolidated summary statements of the group have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
- (II) the restated consolidated financial information of two subsidiaries (i.e. Metarain Distributors Private Limited and Evriksh Healthcare Private Limited) whose financial information reflect total assets of Rs. 268.20 million as at June 30, 2021, net liabilities of Rs. 575.51 million, total revenues of Rs. 57.02 million, net cash outflows of Rs. 200.53 million and total comprehensive loss (comprising of loss and other comprehensive income) of Rs. 23.31 million for the period ended on that date, as included in the Restated Consolidated Financial Information, for the period ended June 30, 2021, which have been examined by other auditors, M O J & Associates, whose examination report have been furnished to us by the Company's management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the examination report of the other auditors.

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The other auditors of the subsidiaries, have confirmed that:

- the restated summary statements have been prepared in accordance with the basis of preparation as stated in Note 1 to the restated summary statements;
- the restated summary statements have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications to reflect the same accounting treatment as per the accounting policies of the ultimate holding company;
- there are no qualifications in the auditors' report on the special purpose audited financial statements of the companies as at 30 June 2021 which require any adjustments to the Restated Summary Statements; and
- the restated summary statements of the companies have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

(III) the restated consolidated financial information of the Group (i.e. API Holdings Private Limited and its subsidiaries before giving effect of the scheme of amalgamation referred to in paragraph 14 above) included in the consolidated financial statements of the Group as at and for the period ended March 31, 2020, which constitute total assets of Rs. 76.09 million and net liabilities of Rs. 32.17 million as at March 31, 2020, total revenue of Rs. Nil, total loss of Rs. 32.27 million and net cash inflows amounting to Rs. 21.20 million for the period ended March 31, 2020 which has been examined and reported upon by Previous Auditors, A. R. Sodha & Co, whose report has been furnished to us by the Management of the Company and our opinion on the Restated Consolidated Financial Information to the extent they have been derived from such restated consolidated financial information is based solely on the examination report issued by them.

The Previous Auditors of the Group have confirmed that the restated consolidated financial information of the Group:

- have been prepared in accordance with the Act and the SEBI ICDR Regulations and the Guidance Note;
- have been prepared after incorporating adjustments in respect of changes in the accounting policies (as disclosed in Annexure IV to their report), material errors and regrouping/reclassifications retrospectively to reflect the same accounting treatment as per the accounting policies as at 31st March, 2020; and
- there are no qualifications in the auditors' reports which require any adjustments.

vii) We did not examine the restated financial information of one subsidiary, whose financial information reflect total assets of Rs. Nil and net assets of Rs. Nil as at March 31, 2021, total revenue of Rs. Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 0.01 million and net cash inflows amounting to Rs. 0.01 million for the period from August 26, 2020 to February 9, 2021, as considered in the Restated Consolidated Financial Information. These restated financial information are unexamined and have been furnished to us by

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the Management, and our opinion on the Restated Consolidated Financial Information in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unexamined restated financial information. In our opinion and according to the information and explanations given to us by the Management, the restated financial information is not material to the Group.

Our opinion is not modified in respect of above matters.”

- (b) The auditors' report issued by other firm of chartered accountants dated September 6, 2021 on the audited special purpose interim consolidated financial statements of Akna Medical Private Limited as at and for the three months period ended June 30, 2021 includes the following Other Matter paragraph:

“The special purpose interim consolidated financial statements also include the group's share of net profit (including other comprehensive income) of 3.76 million (net of consolidation adjustments) for the period ended 30 June 2021, as considered in the special purpose interim consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the management and our opinion on the special purpose interim consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, are based solely on the report of the other auditor.

Our opinion above on the special purpose interim consolidated financial statements are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.”

- (c) The auditors' report issued by other firm of chartered accountants dated August 24, 2021 on the audited special purpose consolidated financial statements of Akna Medical Private Limited as at and for the year ended March 31, 2021 includes the following Other Matter paragraph:

“The holding company has prepared a separate set of financial statements for the year ended 31 March 2021, in accordance with the accounting standards notified under Section 133 of the Act', read together with Rule 7 of the Companies (Accounts) Rule, 2014 (as amended) on which we issued a separate auditor's report to the shareholders of the holding Company dated 24 August 2021.”

- (d) The auditors' report issued by other firm of chartered accountants dated August 25, 2021 on the audited special purpose financial statements of Vardhman Health Specialities Private Limited as at and for the year ended March 31, 2021 includes the following Other Matter paragraph:

“The company has prepared a separate set of financial statements for the year ended 31 March 2021, in accordance with the accounting standards notified under Section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rule, 2014 (as amended) on which we issued a separate auditor's report to the shareholders of the company dated 25 August 2021.”

- (e) The auditors' report issued by other firm of chartered accountants dated May 8, 2021 on the audited consolidated financial statements of Thyrocare Technologies Limited as at and for the year ended March 31, 2021 includes the following Other Matter paragraph:

“The financial information of a Trust (Thyrocare ESOP Trust) whose financial information

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reflect total assets of Rs. 0.00 crore\* as at 31 March 2021, total revenue of Rs. NIL and net cash flows amounting to Rs. NIL for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the group's share of net loss (and other comprehensive income) of Rs. 0.07 crore for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of its associate, whose financial statements have not been audited by us or by other auditors. These financial information/financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Trust and its associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid Trust and associate, is based solely on such financial information/financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the group.

\* less than Rs. 1 lakh

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

- (f) The auditors' report issued by other firm of chartered accountants October 27, 2021 on the audited special purpose interim Ind AS consolidated financial statements of Thyrocare Technologies Limited as at and for the three months period ended June 30, 2021 includes the following Other Matter paragraphs:
- “i) The special purpose interim Ind AS consolidated financial statements also includes the group's share of net loss after tax of Rs. (0.29) crore and total comprehensive income of Rs. (0.29) crore for the quarter ended June 30, 2021 and for the period from April 1, 2021 to June 30, 2021, as considered in the special purpose interim Ind AS consolidated financial statements, in respect of one associate, whose unaudited interim standalone financial results have not been reviewed by us. These unaudited interim standalone financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this, associate, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph above.
  - ii) We did not audit the financial statements of one subsidiary included in the special purpose interim Ind AS consolidated financial statements, the financial statements of which have not been audited by their auditor, whose financial results reflect total assets of Rs. 0.004 million as at June 30, 2021 and total revenue of Rs. Nil, total net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter ended June 30, 2021 and for the period from April 01, 2021 to June 30, 2021, as considered in the special purpose interim Ind AS consolidated financial statements, based on their financial results which have not been audited by their auditor. According to the information and explanations given to us by the Management, these financial results are not material to the group.
  - iii) The comparative financial information for the year ended March 31, 2021 of special purpose interim Ind AS consolidated financial statements is audited by the predecessor auditors and who have expressed an unmodified opinion on those consolidated financial statements, vide their audit report dated May 8, 2021.



# Price Waterhouse Chartered Accountants LLP

Statutory Auditor's Report on the Compilation of Pro Forma Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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

Our opinion on the special purpose interim Ind AS consolidated financial statements is not modified in respect of above matters."

- (g) The auditors' report issued by us on October 28, 2021 on the audited special purpose consolidated financial statements of Ascent Health and Wellness Solutions Private Limited as of and for the period from April 1, 2020 to August 26, 2020 includes the following Other Matter paragraphs:

"i) The special purpose consolidated financial statements dealt with by this report, have been prepared for the express purpose of preparation of the pro forma financial information of API Holdings Limited (formerly known as API Holdings Private Limited) for inclusion of such pro forma financial information in the Offer document. However, these special purpose consolidated financial statements would not be included in the offer document.

ii) We did not audit the special purpose financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 1.88 million and net liabilities of Rs 0.54 million as at August 26, 2020, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 4.60 million and net cash outflows amounting to Rs. 1.80 million, for the period ended on that date, as considered in the special purpose consolidated financial statements. The special purpose financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the special purpose consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors."

- (h) The auditors' report issued by other firm of chartered accountants dated July 22, 2021 on the audited special purpose consolidated financial statements of Medlife International Private Limited as of January 21, 2021 and for the period April 1, 2020 to January 21, 2021 includes the following Other Matter paragraph:

"We did not audit the special purpose financial statements and other financial information, in respect of two subsidiaries, whose special purpose financial statements include total assets of Rs. 1,679.72 million as at January 21, 2021, and total revenues of Rs 165.64 million and net cash inflows of Rs 0.61 million (without giving effect to elimination of inter-company transactions) for the period 01 April 2020 to 21 January 2021. These special purpose financial statements and other financial information have been audited by other auditors, whose special purpose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the special purpose consolidated financial statements, in so far as

# Price Waterhouse Chartered Accountants LLP

Statutory Auditor's Report on the Compilation of Pro Forma Financial Information in connection with the proposed Initial Public Offering of API Holdings Limited (formerly known as API Holdings Private Limited)

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it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of such other auditors.”

## Restriction on Use

19. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the DRHP, prepared in connection with the proposed Initial Public Offering of Equity Shares of the Company, to be filed by the Company with the Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

Nitin Khatri  
Partner  
Membership No. 110282  
UDIN : 21110282AAAANB5215

Place : Mumbai  
Date: October 28, 2021

API Holdings Limited (formerly known as API Holdings Private Limited)  
Pro Forma Consolidated Balance-sheet as at 30 June 2021  
(All amounts in Rupees Millions, unless otherwise stated)

	Acquisitions			Adjustments			API Group Pro Forma Consolidated
	API Group (Restated Consolidated) (Note 1 2)	Thyrocare (Note 2)	Akna (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7 Sum (1 to 6)
<b>ASSETS</b>							
<b>Non-current assets:</b>							
Property, plant and equipment	678.16	1,309.70	77.50	764.90	-	-	2,830.26
Capital work-in-progress	19.59	74.40	-	-	-	-	93.99
Right of use assets	965.54	377.10	39.78	46.70	-	-	1,429.12
Goodwill	31,986.36	1,002.80	728.25	49,880.58	-	-	83,597.99
Other intangible assets	637.50	9.20	926.62	5,439.27	-	-	7,012.59
Intangible Assets under development	-	-	12.63	-	-	-	12.63
Equity accounted investees	-	208.10	-	(5.37)	149.07	-	351.80
Financial assets							
Investments	45.68	-	149.07	-	(149.07)	-	45.68
Other financial assets	117.81	67.90	131.54	-	-	-	317.25
Deferred tax assets (net)	51.61	53.60	30.29	(0.20)	-	-	135.30
Current tax assets (net)- Non Current	231.30	137.30	5.80	-	-	-	374.40
Other non-current assets	1,341.29	32.90	0.81	-	-	-	1,375.00
<b>Total non-current assets</b>	<b>36,074.84</b>	<b>3,273.00</b>	<b>2,102.29</b>	<b>56,125.88</b>	<b>-</b>	<b>-</b>	<b>97,576.01</b>
<b>Current assets:</b>							
Inventories	5,238.76	269.20	1,206.95	123.69	-	-	6,838.60
Financial assets:							
Investments	8.17	509.00	-	-	-	-	517.17
Trade receivables	4,186.07	550.50	1,938.23	-	-	(2.62)	6,672.18
Cash and cash equivalents	3,157.19	448.80	10.21	(1,746.98)	-	-	1,869.22
Other bank balances	6,475.32	25.30	200.41	-	-	-	6,701.03
Loans	9.00	0.20	0.50	-	-	-	9.70
Other financial assets	131.40	1.20	353.49	128.50	(263.80)	-	350.79
Other current assets	3,154.86	46.60	207.53	-	263.80	-	3,672.79
Assets held for sale	-	283.60	-	117.40	-	-	401.00
<b>Total current assets</b>	<b>22,360.77</b>	<b>2,134.40</b>	<b>3,917.32</b>	<b>(1,377.39)</b>	<b>-</b>	<b>(2.62)</b>	<b>27,032.48</b>
<b>Total assets</b>	<b>58,435.61</b>	<b>5,407.40</b>	<b>6,019.61</b>	<b>54,748.49</b>	<b>-</b>	<b>(2.62)</b>	<b>1,24,608.49</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Share capital	295.35	528.70	13.16	(498.84)	-	-	338.37
<b>Other equity</b>							
Share Application Money	1,876.24	-	-	-	-	-	1,876.24
Instruments entirely in the nature of equity	764.89	-	21.30	(2.76)	-	-	783.43
Equity component of compound financial instruments	828.90	-	-	-	-	-	828.90
Reserves and surplus	41,414.87	3,508.70	1,020.68	27,544.23	-	-	73,488.48
<b>Equity attributable to owners of parent</b>	<b>45,180.25</b>	<b>4,037.40</b>	<b>1,055.14</b>	<b>27,042.63</b>	<b>-</b>	<b>-</b>	<b>77,315.42</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Balance-sheet as at 30 June 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated) (Note 1 2)	Acquisitions		Adjustments			API Group Pro Forma Consolidated
		Thyrocare (Note 2)	Akna (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7 Sum (1 to 6)
Non-controlling interests	1,223.73	-	-	2,404.77	-	-	3,628.50
<b>Total equity</b>	<b>46,403.98</b>	<b>4,037.40</b>	<b>1,055.14</b>	<b>29,447.40</b>	-	-	<b>80,943.92</b>
<b>Liabilities</b>							
<b>Non-current liabilities:</b>							
Financial liabilities							
Borrowings	2,230.35	-	897.55	-	-	-	3,127.90
Lease liabilities	830.07	216.40	24.32	-	-	-	1,070.79
Other financial liabilities	0.01	-	427.27	1,387.70	-	-	1,814.98
Provisions	83.42	114.30	10.19	-	-	-	207.91
Deferred tax liabilities (net)	148.12	40.50	223.22	1,630.64	-	-	2,042.48
Contract liabilities	2.74	-	-	-	-	-	2.74
<b>Total non-current liabilities</b>	<b>3,294.71</b>	<b>371.20</b>	<b>1,582.55</b>	<b>3,018.34</b>	-	-	<b>8,266.80</b>
<b>Current liabilities:</b>							
Financial Liabilities							
Borrowings	2,321.41	-	1,984.80	19,000.65	-	-	23,306.86
Lease liabilities	183.34	23.40	13.88	-	-	-	220.62
Trade payables							
- total outstanding dues of micro enterprises and small enterprises	63.08	15.60	2.72	-	-	-	81.40
- total outstanding dues of creditors than micro enterprises and small enterprises	3,053.07	179.00	873.79	-	-	(2.62)	4,103.24
Other financial liabilities	1,760.76	217.60	415.64	3,148.40	-	-	5,542.40
Other current liabilities	1,089.92	401.30	64.16	133.70	(93.50)	-	1,595.58
Provisions	184.23	21.90	0.21	-	-	-	206.34
Current tax liabilities (net)	4.47	140.00	26.72	-	-	-	171.19
Contract liabilities	76.64	-	-	-	93.50	-	170.14
<b>Total current liabilities</b>	<b>8,736.92</b>	<b>998.80</b>	<b>3,381.92</b>	<b>22,282.75</b>	-	<b>(2.62)</b>	<b>35,397.77</b>
<b>Total liabilities</b>	<b>12,031.63</b>	<b>1,370.00</b>	<b>4,964.47</b>	<b>25,301.09</b>	-	<b>(2.62)</b>	<b>43,664.57</b>
<b>Total equity and liabilities</b>	<b>58,435.61</b>	<b>5,407.40</b>	<b>6,019.61</b>	<b>54,748.49</b>	-	<b>(2.62)</b>	<b>1,24,608.49</b>

The accompanying notes form an integral part of the pro-forma consolidated financial information.

**For Price Waterhouse Chartered Accountants LLP**

Firm's Registration No: 012754N/N500016

**Nitin Khatri**

*Partner*

Membership number: 110282

Place: Mumbai

Date: October 28, 2021

**For and on behalf of the Board of Directors of**

**API Holdings Limited (earlier known as API Holdings Private Limited)**

CIN :U60100MH2019PLC323444

**Siddharth Shah**

*Managing Director*

DIN: 05186193

Place: Mumbai

Date: October 28, 2021

**Harsh Parekh**

*Whole time Director*

DIN: 06661731

**Chebolu V Ram**

*Chief Financial Officer*

**Drashti Shah**

*Company Secretary*

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Balance-sheet as at 31 March 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated) (Note 1 2)	Acquisitions				Adjustments			API Group Pro Forma Consolidated
		Thyrocare (Note 2)	Akna (Note 2)	Vardhman (Note 2)	Novogene Carved out (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7	8	9 Sum (1 to 8)
<b>ASSETS</b>									
<b>Non-current assets:</b>									
Property, plant and equipment	613.68	1,293.13	35.69	36.72	3.22	764.90	-	-	2,747.34
Capital work-in-progress	2.50	82.80	-	-	-	-	-	-	85.30
Right of use assets	948.48	224.90	13.66	-	-	46.70	-	-	1,233.74
Goodwill	31,921.56	1,002.79	180.38	-	-	50,260.09	-	-	83,364.82
Other intangible assets	668.55	9.69	60.81	0.36	-	6,319.09	-	-	7,058.50
Intangible Assets under development	-	-	16.26	-	-	-	-	-	16.26
Equity accounted investees	-	210.97	-	-	-	(5.37)	145.31	-	350.91
Financial assets									
Investments	1.08	-	145.31	-	-	-	(145.31)	-	1.08
Loans	-	28.88	-	-	-	-	(28.88)	-	-
Other financial assets	114.02	30.76	115.03	-	-	-	28.88	-	288.69
Deferred tax assets (net)	16.75	56.31	4.88	25.62	-	(0.30)	-	-	103.26
Current tax assets (net)- Non Current	186.14	104.00	2.69	1.58	-	-	-	-	294.41
Other non-current assets	1,399.54	32.29	0.24	0.57	-	-	-	-	1,432.64
<b>Total non-current assets</b>	<b>35,872.30</b>	<b>3,076.52</b>	<b>574.95</b>	<b>64.85</b>	<b>3.22</b>	<b>57,385.11</b>	<b>-</b>	<b>-</b>	<b>96,976.95</b>
<b>Current assets:</b>									
Inventories	4,056.16	233.61	448.40	654.75	56.92	122.79	-	-	5,572.63
Financial assets:									
Investments	8.06	1,044.95	-	-	-	-	-	-	1,053.01
Trade receivables	3,582.86	446.75	630.43	802.23	142.38	-	-	(12.92)	5,591.73
Cash and cash equivalents	2,295.45	132.03	14.08	3.18	-	(1,756.88)	-	-	687.86
Other bank balances	936.36	25.33	258.00	2.06	-	-	-	-	1,221.75
Loans	9.00	5.95	0.36	17.40	-	-	(5.82)	(15.57)	11.32
Other financial assets	163.65	60.67	100.09	233.38	-	128.50	(246.16)	-	440.13
Current tax assets (net)	2.35	-	-	-	-	-	-	-	2.35
Other current assets	2,127.25	28.38	99.85	108.62	11.43	-	251.98	-	2,627.51
Assets held for sale	-	403.64	-	-	-	117.40	-	-	521.04
<b>Total current assets</b>	<b>13,181.14</b>	<b>2,381.31</b>	<b>1,551.21</b>	<b>1,821.62</b>	<b>210.73</b>	<b>(1,388.19)</b>	<b>-</b>	<b>(28.49)</b>	<b>17,729.33</b>
<b>Total assets</b>	<b>49,053.44</b>	<b>5,457.83</b>	<b>2,126.16</b>	<b>1,886.47</b>	<b>213.95</b>	<b>55,996.92</b>	<b>-</b>	<b>(28.49)</b>	<b>1,14,706.28</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Pro Forma Consolidated Balance-sheet as at 31 March 2021  
(All amounts in Rupees Millions, unless otherwise stated)

	API Group (Restated Consolidated) (Note 1 2)	Acquisitions				Adjustments			API Group Pro Forma Consolidated
		Thyrocare (Note 2)	Akna (Note 2)	Vardhman (Note 2)	Novogene Carved out (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7	8	9 Sum (1 to 8)
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
Equity share capital	256.20	528.71	13.16	55.50	-	(554.35)	-	-	299.22
<b>Other equity</b>									
Instruments entirely in the nature of equity	115.46	-	10.46	-	-	8.08	-	-	134.00
Equity component of compound financial instruments	828.90	-	-	-	-	-	-	-	828.90
Reserves and surplus	33,193.24	3,744.06	745.81	342.86	117.09	27,122.79	-	-	65,265.85
<b>Equity attributable to owners</b>	<b>34,393.80</b>	<b>4,272.77</b>	<b>769.43</b>	<b>398.36</b>	<b>117.09</b>	<b>26,576.52</b>	-	-	<b>66,527.97</b>
Non-controlling interests	1,417.95	-	-	-	-	2,472.52	-	-	3,890.47
<b>Total equity</b>	<b>35,811.75</b>	<b>4,272.77</b>	<b>769.43</b>	<b>398.36</b>	<b>117.09</b>	<b>29,049.04</b>	-	-	<b>70,418.44</b>
<b>Liabilities</b>									
<b>Non-current liabilities:</b>									
<b>Financial liabilities</b>									
Borrowings	2,321.53	-	259.79	40.17	-	632.72	-	-	3,254.21
Lease liabilities	795.68	54.48	8.30	-	-	-	-	-	858.46
Other financial liabilities	7.80	-	-	-	-	4,822.00	-	-	4,829.80
Provisions	146.80	135.77	3.66	5.56	-	-	-	-	291.79
Deferred tax liabilities (net)	207.69	43.93	30.04	-	-	1,828.80	-	-	2,110.46
Contract liabilities	0.08	-	-	-	-	-	-	-	0.08
<b>Total non-current liabilities</b>	<b>3,479.58</b>	<b>234.18</b>	<b>301.79</b>	<b>45.73</b>	-	<b>7,283.52</b>	-	-	<b>11,344.80</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Balance-sheet as at 31 March 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated) (Note 1 2)	Acquisitions				Adjustments			API Group Pro Forma Consolidated
		Thyrocare (Note 2)	Akna (Note 2)	Vardhman (Note 2)	Novogene Carved out (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7	8	9 Sum (1 to 8)
<b>Current liabilities:</b>									
Financial Liabilities									
Borrowings	3,532.35	-	686.71	812.51	-	19,148.58	-	-	24,180.15
Lease liabilities	191.36	30.38	5.48	-	-	-	-	-	227.22
Trade payables									
- total outstanding dues of micro enterprises and small enterprises	115.77	5.26	1.81	-	-	-	-	-	122.84
- total outstanding dues of creditors than micro enterprises and small enterprises	3,539.76	244.78	229.11	582.71	93.13	-	-	(28.49)	4,661.00
Other financial liabilities	1,351.05	234.28	107.87	9.62	-	382.08	-	-	2,084.90
Other current liabilities	707.10	376.57	22.94	26.71	3.73	133.70	(85.96)	-	1,184.79
Provisions	245.39	33.91	0.14	0.10	-	-	-	-	279.54
Current tax liabilities (net)	2.89	25.70	0.89	10.73	-	-	-	-	40.21
Contract liabilities	76.44	-	-	-	-	-	85.96	-	162.40
<b>Total current liabilities</b>	<b>9,762.11</b>	<b>950.88</b>	<b>1,054.95</b>	<b>1,442.38</b>	<b>96.86</b>	<b>19,664.36</b>	<b>-</b>	<b>(28.49)</b>	<b>32,943.05</b>
<b>Total liabilities</b>	<b>13,241.69</b>	<b>1,185.06</b>	<b>1,356.74</b>	<b>1,488.11</b>	<b>96.86</b>	<b>26,947.88</b>	<b>-</b>	<b>(28.49)</b>	<b>44,287.85</b>
<b>Total equity and liabilities</b>	<b>49,053.44</b>	<b>5,457.83</b>	<b>2,126.16</b>	<b>1,886.47</b>	<b>213.95</b>	<b>55,996.92</b>	<b>-</b>	<b>(28.49)</b>	<b>1,14,706.28</b>

The accompanying notes form an integral part of the pro-forma consolidated financial information.

**For Price Waterhouse Chartered Accountants LLP**

Firm's Registration No: 012754N/N500016

**Nitin Khatri**

Partner

Membership number: 110282

Place: Mumbai

Date: October 28, 2021

**For and on behalf of the Board of Directors of**

**API Holdings Limited (earlier known as API Holdings Private Limited)**

CIN :U60100MH2019PLC323444

**Siddharth Shah**

Managing Director

DIN: 05186193

Place: Mumbai

Date: October 28, 2021

**Harsh Parekh**

Whole time Director

DIN: 06661731

**Chebolu V Ram**

Chief Financial Officer

**Drashti Shah**

Company Secretary

API Holdings Limited (formerly known as API Holdings Private Limited)  
**Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated) for 3 months ended 30 June 2021 (Note 1 & 2)	Acquisitions			Adjustments			API Group Pro Forma Consolidated
		Thyrocare Consolidated for 3 months ended 30 June 2021 (Note 2)	Akna Consolidated for 3 months ended 30 June 2021 (Note 2)	Vardhman for the period from 1 April 2021 to 12 May 2021 (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7	8 SUM(1 to 7)
<b>INCOME</b>								
Revenue from operations	11,968.08	1,646.50	1,587.74	557.13	-	-	(70.14)	15,689.31
Other income	104.52	104.90	4.65	1.88	-	-	-	215.95
<b>Total income</b>	<b>12,072.60</b>	<b>1,751.40</b>	<b>1,592.39</b>	<b>559.01</b>	<b>-</b>	<b>-</b>	<b>(70.14)</b>	<b>15,905.26</b>
<b>E PENSES</b>								
Cost of material consumed	-	523.90	-	-	(0.90)	-	-	523.00
Purchases of stock-in-trade	12,346.05	18.70	1,487.13	447.72	-	0.24	(70.14)	14,229.70
Changes in inventories of stock-in-trade	(1,266.49)	(0.40)	(81.51)	28.87	120.69	(0.24)	-	(1,199.08)
Employee benefits expense	1,658.39	139.10	48.36	10.49	6.62	-	-	1,862.96
Finance costs	205.80	6.20	58.39	6.30	1,033.23	-	-	1,309.92
Depreciation and amortisation expense	170.43	72.90	36.03	2.40	165.81	-	-	447.57
Other expenses	2,155.99	252.90	84.98	25.58	354.54	-	-	2,873.99
<b>Total Expenses</b>	<b>15,270.17</b>	<b>1,013.30</b>	<b>1,633.38</b>	<b>521.36</b>	<b>1,679.99</b>	<b>-</b>	<b>(70.14)</b>	<b>20,048.06</b>
<b>Profit/(Loss) before share of profit / (loss) of associates, exceptional items and tax</b>	<b>(3,197.57)</b>	<b>738.10</b>	<b>(40.99)</b>	<b>37.65</b>	<b>(1,679.99)</b>	<b>-</b>	<b>-</b>	<b>(4,142.80)</b>
Share of profit / (loss) of associates	-	(2.90)	3.76	-	-	-	-	0.86
<b>Profit/(Loss) before exceptional items and tax</b>	<b>(3,197.57)</b>	<b>735.20</b>	<b>(37.23)</b>	<b>37.65</b>	<b>(1,679.99)</b>	<b>-</b>	<b>-</b>	<b>(4,141.94)</b>
Exceptional items	-	-	49.48	-	-	-	-	49.48
<b>Profit/(Loss) before tax</b>	<b>(3,197.57)</b>	<b>735.20</b>	<b>(86.71)</b>	<b>37.65</b>	<b>(1,679.99)</b>	<b>-</b>	<b>-</b>	<b>(4,191.42)</b>
Tax expense/(credit)								
(a) Current tax	35.77	180.60	8.25	8.94	(0.73)	-	-	232.83
(b) Deferred tax	(94.43)	(1.20)	(5.33)	0.63	(71.18)	-	-	(171.51)
<b>Total tax (credit)/expense</b>	<b>(58.66)</b>	<b>179.40</b>	<b>2.92</b>	<b>9.57</b>	<b>(71.91)</b>	<b>-</b>	<b>-</b>	<b>61.32</b>
<b>Profit/(Loss) for the period</b>	<b>(3,138.91)</b>	<b>555.80</b>	<b>(89.63)</b>	<b>28.08</b>	<b>(1,608.08)</b>	<b>-</b>	<b>-</b>	<b>(4,252.74)</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)**  
**Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021**  
*(All amounts in Rupees Millions, unless otherwise stated)*

	API Group (Restated Consolidated) for 3 months ended 30 June 2021 (Note 1 & 2)	Acquisitions			Adjustments			API Group Pro Forma Consolidated
		Thyrocare Consolidated for 3 months ended 30 June 2021 (Note 2)	Akna Consolidated for 3 months ended 30 June 2021 (Note 2)	Vardhman for the period from 1 April 2021 to 12 May 2021 (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)	
	1	2	3	4	5	6	7	8 SUM(1 to 7)
<b>Other comprehensive income/(loss) for the period</b>								
<b>Items that will not be reclassified to profit or loss</b>								
Remeasurement gains / (losses) on defined benefit plans	79.29	(2.10)	0.40	-			-	77.59
Income tax relating to above items	-	0.50	(0.06)	-			-	0.44
<b>Total other comprehensive income/(loss)</b>	<b>79.29</b>	<b>(1.60)</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78.03</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(3,059.62)</b>	<b>554.20</b>	<b>(89.29)</b>	<b>28.08</b>	<b>(1,608.08)</b>	<b>-</b>	<b>-</b>	<b>(4,174.71)</b>
<b>Profit/(Loss) attributable to</b>								
(a) Owners of API	(3,317.78)	555.80	(89.63)	28.08	(1,723.05)	-	-	(4,546.58)
(b) Non-controlling Interests	178.87	-	-	-	114.97	-	-	293.84
<b>Other comprehensive income/(loss) attributable to</b>								
(a) Owners of API	78.87	(1.60)	0.34	-	0.46	-	-	78.07
(b) Non-controlling Interests	0.42	-	-	-	(0.46)	-	-	(0.04)
<b>Total comprehensive income/(loss) attributable to</b>								
(a) Owners of API	(3,238.91)	554.20	(89.29)	28.08	(1,722.59)	-	-	(4,468.51)
(b) Non-controlling Interests	179.29	-	-	-	114.51	-	-	293.80
Basic loss per share	(77.20)							(92.18)
Diluted loss per share	(77.20)							(92.18)

The accompanying notes form an integral part of the pro-forma consolidated financial information.

**For Price Waterhouse Chartered Accountants LLP**  
Firm's Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of**  
**API Holdings Limited (earlier known as API Holdings Private Limited)**  
CIN : U60100MH2019PLC323444

**Nitin Khatri**  
Partner  
Membership number: 110282

**Siddharth Shah**  
Managing Director  
DIN: 05186193

**Harsh Parekh**  
Whole time Director  
DIN: 06661731

**Chebolu V Ram**  
Chief Financial Officer

**Drashti Shah**  
Company Secretary

Place: Mumbai  
Date: October 28, 2021

Place: Mumbai  
Date: October 28, 2021

API Holdings Limited (formerly known as API Holdings Private Limited)  
Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021  
(All amounts in Rupees Millions, unless otherwise stated)

	As required by ICDR										Additional information				API Group Pro Forma Consolidated
	API Group (Restated Consolidated) (Note 1 & 2)	Acquisitions					Adjustments			API Consolidated (As per ICDR)	Acquisitions		Adjustments		
		Thyrocare Consolidated for the year ended 31 March 2021 (Note 2)	Akna Consolidated for the year ended 31 March 2021 (Note 2)	Vardhman for the year ended 31 March 2021 (Note 2)	Novogene Carved out for the year ended 31 March 2021 (Note 2)	Shreeji from 1 April 2020 to 31 December 2020 (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)		Ascent Consolidated for the period from 1 April 2020 to 26 August 2020	Medlife Consolidated for the period from 1 April 2020 to 21 January 2021	Proforma Adjustments (Note 4)	Inter- Company Eliminations (Note 6)	
1	2	3	4	5	6	7	8	9	10 SUM(1 to 9)	11	12	13	14	15 SUM (10 to 14)	
<b>INCOME</b>															
Revenue from operations	23,352.69	4,946.22	1,485.38	3,105.93	493.53	421.86	-	-	(219.99)	33,585.62	7,135.66	3,106.98	-	(636.11)	43,192.15
Other income	253.93	124.34	22.54	4.38	0.56	11.34	-	-	(10.66)	406.43	726.20	78.09	(685.67)	(85.54)	439.51
<b>Total income</b>	<b>23,606.62</b>	<b>5,070.56</b>	<b>1,507.92</b>	<b>3,110.31</b>	<b>494.09</b>	<b>433.20</b>	<b>-</b>	<b>-</b>	<b>(230.65)</b>	<b>33,992.05</b>	<b>7,861.86</b>	<b>3,185.07</b>	<b>(685.67)</b>	<b>(721.65)</b>	<b>43,631.66</b>
<b>E PENSES</b>															
Cost of material consumed	-	1,625.27	-	-	-	-	(1.30)	-	-	1,623.97	-	-	-	-	1,623.97
Purchases of stock-in-trade	22,668.17	10.93	1,619.18	2,941.95	464.99	409.57	-	7.15	(219.73)	27,902.21	6,651.91	2,708.13	-	(618.27)	36,643.98
Changes in inventories of stock-in-trade	(1,143.95)	2.78	(285.09)	(192.83)	(18.23)	(30.53)	120.69	(7.15)	-	(1,554.31)	1.67	40.62	-	-	(1,512.02)
Employee benefits expense	2,702.94	580.74	74.39	73.93	8.01	12.57	16.71	-	-	3,469.29	312.08	2,981.17	(1,483.81)	-	5,278.73
Finance costs	434.31	8.66	56.68	60.00	-	9.74	3,349.65	-	(3.57)	3,915.47	196.58	443.96	-	(85.50)	4,470.51
Impairment of Goodwill	-	-	-	-	-	-	-	-	-	-	-	1,030.56	-	-	1,030.56
Impairment of Software acquired through business acquisition	-	-	-	-	-	-	-	-	-	-	-	52.86	-	-	52.86
Depreciation and amortisation expense	329.01	302.78	22.78	13.32	0.50	1.47	757.95	-	-	1,427.81	86.07	236.81	135.60	-	1,886.29
Other expenses	4,818.80	1,013.91	141.83	155.58	18.20	13.21	357.94	-	(7.35)	6,512.12	347.83	2,359.00	-	(17.88)	9,201.07
<b>Total Expenses</b>	<b>29,809.28</b>	<b>3,545.07</b>	<b>1,629.77</b>	<b>3,051.95</b>	<b>473.47</b>	<b>416.03</b>	<b>4,601.64</b>	<b>-</b>	<b>(230.65)</b>	<b>43,296.56</b>	<b>7,596.14</b>	<b>9,853.11</b>	<b>(1,348.21)</b>	<b>(721.65)</b>	<b>58,675.95</b>
<b>Profit/(Loss) before share of profit/(loss) of associates, exceptional items and tax</b>	<b>(6,202.66)</b>	<b>1,525.49</b>	<b>(121.85)</b>	<b>58.36</b>	<b>20.62</b>	<b>17.17</b>	<b>(4,601.64)</b>	<b>-</b>	<b>-</b>	<b>(9,304.51)</b>	<b>265.72</b>	<b>(6,668.04)</b>	<b>662.54</b>	<b>-</b>	<b>(15,044.29)</b>
Share of profit/(loss) of associates	-	(0.74)	-	-	-	-	-	-	-	(0.74)	(283.21)	-	283.21	-	(0.74)
<b>Profit/(Loss) before exceptional items and tax</b>	<b>(6,202.66)</b>	<b>1,524.75</b>	<b>(121.85)</b>	<b>58.36</b>	<b>20.62</b>	<b>17.17</b>	<b>(4,601.64)</b>	<b>-</b>	<b>-</b>	<b>(9,305.25)</b>	<b>(17.49)</b>	<b>(6,668.04)</b>	<b>945.75</b>	<b>-</b>	<b>(15,045.03)</b>
Exceptional items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit/(Loss) before tax</b>	<b>(6,202.66)</b>	<b>1,524.75</b>	<b>(121.85)</b>	<b>58.36</b>	<b>20.62</b>	<b>17.17</b>	<b>(4,601.64)</b>	<b>-</b>	<b>-</b>	<b>(9,305.25)</b>	<b>(17.49)</b>	<b>(6,668.04)</b>	<b>945.75</b>	<b>-</b>	<b>(15,045.03)</b>
Tax expense/(credit)															
(a) Current tax (Including adjustment of tax relating to earlier periods)	46.68	442.49	2.47	21.53	-	3.75	(8.91)	-	-	508.01	35.02	-	-	-	543.03
(b) Deferred tax	164.02	(49.29)	(1.45)	(6.87)	-	0.88	(215.03)	-	-	(107.74)	39.25	-	(34.13)	-	(102.62)
<b>Total tax expense/(credit)</b>	<b>210.70</b>	<b>393.20</b>	<b>1.02</b>	<b>14.66</b>	<b>-</b>	<b>4.63</b>	<b>(223.94)</b>	<b>-</b>	<b>-</b>	<b>400.27</b>	<b>74.27</b>	<b>-</b>	<b>(34.13)</b>	<b>-</b>	<b>440.41</b>
<b>Profit/(Loss) for the year</b>	<b>(6,413.36)</b>	<b>1,131.55</b>	<b>(122.87)</b>	<b>43.70</b>	<b>20.62</b>	<b>12.54</b>	<b>(4,377.70)</b>	<b>-</b>	<b>-</b>	<b>(9,705.52)</b>	<b>(91.76)</b>	<b>(6,668.04)</b>	<b>979.88</b>	<b>-</b>	<b>(15,485.44)</b>
<b>Other comprehensive income/(loss) for the period</b>															
<b>Items that will not be reclassified to profit or loss</b>															
Remeasurement gains/(losses) on defined benefit plans	(34.50)	(18.69)	(1.07)	1.84	-	-	-	-	-	(52.42)	3.55	(21.80)	-	-	(70.67)
Income tax relating to above items	(0.41)	4.80	-	(0.46)	-	-	-	-	-	3.93	-	-	-	-	3.93
<b>Total other comprehensive income/(loss)</b>	<b>(34.91)</b>	<b>(13.89)</b>	<b>(1.07)</b>	<b>1.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48.49)</b>	<b>3.55</b>	<b>(21.80)</b>	<b>-</b>	<b>-</b>	<b>(66.74)</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>(6,448.27)</b>	<b>1,117.66</b>	<b>(123.94)</b>	<b>45.08</b>	<b>20.62</b>	<b>12.54</b>	<b>(4,377.70)</b>	<b>-</b>	<b>-</b>	<b>(9,754.01)</b>	<b>(88.21)</b>	<b>(6,689.84)</b>	<b>979.88</b>	<b>-</b>	<b>(15,552.18)</b>

API Holdings Limited (formerly known as API Holdings Private Limited)  
Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021  
(All amounts in Rupees Millions, unless otherwise stated)

	As required by ICDR										Additional information				API Group Pro Forma Consolidated
	API Group (Restated Consolidated) (Note 1 & 2)	Acquisitions					Adjustments			API Consolidated (As per ICDR)	Acquisitions		Adjustments		
		Thyrocare Consolidated for the year ended 31 March 2021 (Note 2)	Akna Consolidated for the year ended 31 March 2021 (Note 2)	Vardhman for the year ended 31 March 2021 (Note 2)	Novogene Carved out for the year ended 31 March 2021 (Note 2)	Shreeji from 1 April 2020 to 31 December 2020 (Note 2)	Proforma Adjustments (Note 4)	Reclassifications (Note 5)	Inter-Company Eliminations (Note 6)		Ascent Consolidated for the period from 1 April 2020 to 26 August 2020	Medlife Consolidated for the period from 1 April 2020 to 21 January 2021	Proforma Adjustments (Note 4)	Inter- Company Eliminations (Note 6)	
1	2	3	4	5	6	7	8	9	10 SUM(1 to 9)	11	12	13	14	15 SUM(10 to 14)	
<b>Profit/(Loss) attributable to</b>															
(a) Owners of API	(6,361.89)	1,131.55	(122.87)	43.70	20.62	12.54	(4,525.52)	-	-	(9,801.87)	(111.07)	(6,668.04)	979.88	-	(15,601.10)
(b) Non-controlling Interests	(51.47)	-	-	-	-	-	147.82	-	-	96.35	19.31	-	-	-	115.66
<b>Other comprehensive income/(loss) attributable to</b>															
(a) Owners of API	(34.27)	(13.89)	(1.07)	1.38	-	-	4.00	-	-	(43.85)	2.80	(21.80)	-	-	(62.85)
(b) Non-controlling Interests	(0.64)	-	-	-	-	-	(4.00)	-	-	(4.64)	0.75	-	-	-	(3.89)
<b>Total comprehensive income/(loss) attributable to</b>															
(a) Owners of API	(6,396.16)	1,117.66	(123.94)	45.08	20.62	12.54	(4,521.52)	-	-	(9,845.72)	(108.27)	(6,689.84)	979.88	-	(15,663.95)
(b) Non-controlling Interests	(52.12)	-	-	-	-	-	143.82	-	-	91.70	20.06	-	-	-	111.76
Basic loss per share	(206.77)														(420.32)
Diluted loss per share	(206.77)														(420.32)

The accompanying notes form an integral part of the pro-forma consolidated financial information.

For Price Waterhouse Chartered Accountants LLP  
Firm's Registration No: 012754N/N500016

For and on behalf of the Board of Directors of  
API Holdings Limited (earlier known as API Holdings Private Limited)  
CIN :U60100MH2019PLC323444

Nitin Khatri  
Partner  
Membership number: 110282

Siddharth Shah  
Managing Director  
DIN: 05186193

Harsh Parekh  
Whole time Director  
DIN: 06661731

Chebolu V Ram  
Chief Financial Officer

Drashti Shah  
Company Secretary

Place: Mumbai  
Date: October 28, 2021

Place: Mumbai  
Date: October 28, 2021

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

#### **1 Background:**

On August 27, 2020 (the “Effective Date”), the Scheme of Amalgamation of Thea Technologies Private Limited ("TTPL"), Swifto Services Private Limited ("SSPL") with 91Streets Media Technologies Private Limited ("91Streets") and 91Streets, Ascent Health and Wellness Solutions Private Limited ("Ascent"), Aahaan Commercials Private Limited ("ACPL") and Lokprakash Vidhya Private Limited ("LVPL") with API Holdings Limited ("API" or "the Company") and their respective shareholders (the “Scheme”) became effective, pursuant to filing of the order of National Company Law Tribunal, Bench, Mumbai sanctioning the Scheme with the Registrar of Companies, Mumbai.

Pursuant to the Scheme becoming effective, the erstwhile TTPL, SSPL (being subsidiaries of 91Streets) amalgamated into 91Streets, and 91Streets, Ascent, ACPL and LVPL amalgamated into API. Accordingly, these companies were dissolved without winding up and the entire business, assets, liabilities, undertaking, etc. of these companies were transferred to and now vests with API.

As a result of the Scheme, the erstwhile shareholders of 91Streets were issued 56 shares in the Company for every 1 share held in 91Streets, whereas the erstwhile shareholders of Ascent were issued 65 equity shares in the Company for every 1 equity share held in Ascent and 176,085 CCPS in the Company for every 3,278 CCPS held in Ascent.

The Scheme has been accounted for as a business combination using the acquisition method of accounting under the provisions of Ind AS 103 Business Combinations with the Effective Date being the acquisition date. 91Streets has been determined to be the acquirer for accounting purposes based on an analysis of the criteria outlined in Ind AS 103 and the facts and circumstances specific to the Scheme, including the following:

- (1) erstwhile 91Streets’ shareholders owned majority of the voting rights in the Company;
- (2) erstwhile 91Streets’ shareholders have majority of the members on the board of directors of the Company; and
- (3) relative size of 91Streets as compared to Ascent.

Basis above, Ascent, ACPL and LVPL have been determined to be accounting acquirees. Under Ind AS 103, 91Streets as the accounting acquirer, recorded the assets acquired and liabilities assumed of Ascent at their fair values as of the acquisition date. Upon consummation of the Scheme, the historical financial statements of 91Streets became the historical financial statements of the Company. The impact of acquisition of ACPL and LVPL did not have a material effect on pro forma consolidated financial information and therefore not presented.

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

The above Scheme was approved by the NCLT vide its order dated 8 June 2020. However, the Company received the certified true copy of the Order on 2 July 2020 and the same was filed with the Registrar of Companies on 27 August 2020 which is considered as the "Effective Date" as well as the "Appointed Date" as per the Scheme, and considered as the acquisition date for the purpose of business combination.

Further, on 22 January 2021, the Company acquired 100% equity interest in Medlife International Private Limited (Medlife).

The restated consolidated financial information of the API Group for the year ended 31 March 2021 include:

- Financial results of 91Streets for the full financial year April 1, 2020 to March 31, 2021;
- Financial results of Ascent from August 27, 2020 to March 31, 2021; and
- Financial results of Medlife from January 22, 2021 to March 31, 2021.

Subsequent to June 30, 2021 i.e. the latest period presented in the restated consolidated financial information included in the DRHP, the Company acquired:

- (a) 71.22% equity interest in Thyrocare Technologies Limited ("Thyrocare") on 2 September 2021; and
- (b) 67.30% equity interest in Akna Medical Private Limited ("Akna") on 17 September 2021

Akna had acquired interest in following companies up to the date of its acquisition by API:

- (a) 76% equity interest in Shreeji Distributors (Pharma) Private limited ("Shreeji") on 31 December 2020; and
- (b) 100% equity interest in Vardhman Healthcare Specialities Private Limited ("Vardhman") on 12 May 2021.

Vardhman, vide a Business Transfer Agreement, had acquired the pharma business from Novogene Life Science Private Limited ("Novogene" or "Novogene's pharma business") on April 20, 2021.

**The following table presents a summary of acquisitions:**

<b>Acquiree/Investee</b>	<b>Date of acquisition</b>	<b>% Interest</b>
Ascent	August 27, 2020	100.00%
Medlife	January 22, 2021	100.00%
Thyrocare	September 2, 2021	71.22%
Akna*	September 17, 2021	67.30%
Vardhman	May 12, 2021	100.00%
Shreeji	December 31, 2020	100.00%
Novogene's pharma business	April 20, 2021	NA

\*API holds 67.30% of voting interests in Akna and 100% economic interest. Refer note 3(c).

The details of the acquisitions are set out in Note 3.

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

#### **2 Basis of preparation:**

The pro-forma consolidated financial information of API Group comprising of the pro-forma consolidated balance-sheet as at 31 March 2021 and 30 June 2021, pro forma consolidated statement of profit and loss for the three months ended 30 June 2021 and for the year ended 31 March 2021, read with the notes to the pro-forma consolidated financial information is (hereinafter referred to as the ‘pro-forma consolidated financial information’), is prepared to reflect the direct acquisitions of Ascent, Medlife, Thyrocare and Akna; and indirect acquisitions of Vardhman and Shreeji through Akna and Novogene through Vardhman (hereinafter referred to as “acquisitions”).

The pro-forma consolidated balance-sheet as at 31 March 2021 and 30 June 2021 has been prepared, as if the acquisitions have taken place 31 March 2021 and 30 June 2021, respectively.

The pro-forma consolidated statement of profit and loss for the three months ended 30 June 2021, as if the acquisitions have taken place on 1 April 2021.

The pro-forma consolidated statement of profit and loss for the year ended 31 March 2021 has been prepared as if the acquisitions have taken place on 1 April 2020.

The pro forma consolidated financial information has been prepared pursuant to the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”). The pro forma consolidated financial information is also prepared for the purposes of inclusion in the Draft Red Herring Prospectus (‘DRHP’) in connection with the offering of the equity shares of the Company to persons reasonably believed to be “qualified institutional buyers” (“QIBs”) as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (“U.S. Securities Act”), as part of the overall proposed initial public offering (the “Offering”) of equity shares of the Company. The information with respect to acquisition of Ascent and Medlife included in the pro forma consolidated statement of profit and loss for the year ended 31 March 2021 and corresponding proforma adjustments is not specifically required to be included in the DRHP pursuant to the SEBI ICDR Regulations. However, the Company believes that such information is material for the investors and is therefore included in the DRHP. Accordingly, the Pro Forma Consolidated Statement of Profit and Loss for the year ended 31 March 2021 specifically includes information required by SEBI ICDR Regulations (included in columns 1 to 9) and "Additional information" (included in columns 10 to 13).

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

The pro forma consolidated financial information has been prepared using the acquisition method of accounting under the provisions of Ind AS 103 *Business Combinations*. Ind AS 103 requires, among other things, that the assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. For purposes of the pro forma consolidated financial information, the purchase consideration for Thyrocare, Akna, Vardhman and Novogene has been allocated to the assets acquired and liabilities assumed of acquirees based upon management's preliminary estimate of their fair values as of the 31 March 2021 and 30 June 2021, respectively. A final determination of the fair value of acquirees' assets and liabilities, including intangible assets, will be based on their actual assets and liabilities as of the acquisition date. Accordingly, the purchase price allocation and related adjustments reflected in these pro forma consolidated financial information are preliminary and subject to revision based on a final determination of fair value.

Because of their nature, the pro-forma consolidated financial information addresses a theoretical situation and therefore, does not represent API Group's factual financial results. They purport to indicate the results that would have resulted had the acquisitions been completed at the dates mentioned above, but are not intended to be indicative of expected results or operations in the future periods of the Group.

The pro forma consolidated financial information included in the DRHP has not been prepared in accordance with Regulation S-X Article 11, Pro Forma Financial Information, as amended by the final rule, *Amendments to Financial Disclosures About Acquired and Disposed Businesses*, as adopted by the U.S. Securities and Exchange Commission (the "SEC") on May 21, 2020.

In addition, the rules and regulations related to the preparation of pro-forma consolidated financial information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below. Accordingly, the degree of reliance placed by investors in other jurisdictions on such proforma information should be limited.

The pro-forma financial information for the periods presented has been prepared by combining the following financial information prepared as per Ind AS and after making the adjustments as detailed in the following section "Pro-forma adjustments" –

- (a) the restated consolidated financial information of API Group as at and for the three months ended 30 June 2021 and as at and for the year ended 31 March 2021, (included elsewhere in the DRHP);
- (b) the audited special purpose consolidated financial statements of Akna as at and for the three months ended 30 June 2021 and as at and for the year ended 31 March 2021;
- (c) the audited special purpose financial statements of Shreeji for the period from 1 April 2020 to 31 December 2020;
- (d) the audited special purpose financial statements of Vardhman as at and for the year ended 31 March 2021 and for the period from 1 April 2021 to 12 May 2021;

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

- (e) the audited special purpose carved out financial statements of Novogene's pharma business as at and for the year ended 31 March 2021;
- (f) the audited consolidated financial statements of Thyrocare as at and for the year ended 31 March 2021;
- (g) the audited special purpose consolidated financial statements of Thyrocare as at and for the three months ended 30 June 2021;
- (h) the audited special purpose consolidated financial statements of Ascent for the period from 1 April 2020 to 26 August 2020; and
- (i) the audited special purpose consolidated financial statements of Medlife for the period from 1 April 2020 to 21 January 2021.

Accordingly, the various columns in the pro-forma consolidated financial information, for the periods presented, represent as below:

- (i) Column 1 represents restated financial information of the API Group as included elsewhere in the DRHP
- (ii) Columns represented by "Acquisitions" reflect historical financial information of the acquired entities for their respective periods as stated in the paragraph above
- (iii) Columns represented by "Adjustments" reflect impact of adjustments arising out of acquisitions, reclassification adjustments, if any and inter-company eliminations as described in Note 4, 5 and 6 below.

The pro-forma adjustments are based upon available information and assumptions that the management of the Parent Company i.e. API believes to be reasonable. The pro-forma adjustments are included only to the extent they are (i) directly attributable to the acquisitions and (ii) factually supportable. The adjustments do not consider any expected cost savings or potential synergies that may result from the acquisitions.

The Restated Consolidated Financial Information of API Group have been prepared by the Management from the audited consolidated financial statements of the API Group which is prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The pro forma consolidated financial information has been compiled in a manner consistent with the accounting policies adopted by API in its restated consolidated financial information for the period ended 30 June 2021.

The special purpose financial statements of Akna, Shreeji, Vardhman, Novogene, Thyrocare, Ascent and Medlife, as referred above, have been prepared to enable API to prepare pro forma consolidated financial information.



## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

#### **Note 3: Acquisition details**

(a) Acquisition of Medlife International Private Limited including subsidiaries ("Medlife")

Pursuant to Securities Purchase Agreement (SPA) entered into between API and the shareholders of Medlife International Private Limited ("Medlife"), API acquired 100% voting rights of Medlife from its erstwhile shareholders for a total consideration of Rs 10,828 million. The Company issued 1,933,155 compulsorily convertible preference shares of Rs 10 each fully paid for 2,440,057 equity shares of Medlife of Rs 10 each fully paid up. The share exchange ratio was determined based on the fair value of equity shares of API and Medlife respectively. API obtained control over the entity effective from 22 January 2021 with 97.1% voting rights. Subsequently on 25 January 2021, the Group acquired remaining voting rights.

(b) Acquisition of Thyrocare Technologies Limited ("Thyrocare")

Docon Technologies Private Limited (the "Acquirer"), a wholly owned subsidiary of API entered into a share purchase agreement (the "SPA") with the selling shareholders of Thyrocare Technologies Limited ("Acquiree").

Pursuant to the SPA, API acquired:

(a) 3,49,72,999 equity shares aggregating to 66.14% shareholding in the Acquiree from the selling shareholders, against an aggregate consideration of Rs 45,464.90 million; and

(b) 2,683,093 shares for a purchase consideration of Rs 3,488 million representing 5.08% under open offer, for a total consideration of Rs 48,952.90 million.

The transaction was consummated on 2 September 2021, which is the date when API acquired control of Thyrocare.

The purchase consideration for acquisition of Thyrocare was discharged entirely in cash. The Group raised money through a series of fresh equity issues amounting to Rs. 26,174.90 million, in API Holdings Limited, which have been used to fund its acquisition of Thyrocare. Additionally, API used cash from repayment of inter-company loans which was provided earlier to its subsidiaries for working capital purposes. The subsidiaries refinanced those inter-company loans through external working capital loans from banks. These transactions are considered directly attributable to the acquisition and therefore reflected in the pro forma consolidated financial information.

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

#### **Note 3: Acquisition details**

##### **(c) Acquisition of Akna Medical Private Limited ("Akna")**

Pursuant to shareholder purchase agreements between API ("Acquirer"), Akna and its Investors, API agreed to acquire 2.3% of the equity share capital on fully diluted basis (76,075 equity shares) from Angel Investors for Rs. 240 million in cash and 35.9% of the equity share capital on fully diluted basis (1,204,133 equity shares) from Promoters and other sellers for Rs. 3,687 million in cash. API further subscribed to 975,935 shares (representing 29.1% equity interest) for a consideration of Rs. 3,080 million.

The purchase consideration for acquisition of Akna was discharged in cash through a series of fresh issue of equity shares by API amounting to Rs. 6,377 million and remaining through existing cash resources. The fresh issue of equity shares is considered directly attributable to the acquisition and therefore reflected in the pro forma consolidated financial information.

In addition to the above and alongwith the shareholder purchase agreements mentioned above, API entered into separate agreements with non-controlling shareholders, respectively, whereby API holds a call option to purchase shares held by these shareholders (representing 32.70% equity interest) if specified EBITDA thresholds are not met by end of the specified period in the respective agreements. These shareholders, in turn, hold a put option to put the shares to API at any time by end of the specified period defined in these agreements.

These options are priced at a fixed price. Accordingly, the Group has recognised a liability amounting to Rs. 4,536.10 in the pro forma consolidated financial information with respect to this obligation.

The Group has determined that the risks and rewards with respect to the call and put options held by API and non-controlling shareholders, respectively, reside with API and therefore no non-controlling interest has been recognized in respect of this acquisition in the pro forma consolidated financial information. Accordingly, though API holds 67.30% of voting interests in Akna, it holds 100% economic interest.

The liability has been measured at present value of the amount required to settle the obligation and the subsequent changes in the liability has been recognised as a finance cost in the pro forma consolidated statement of profit and loss for the three months ended 30 June 2021 and for the year ended 31 March 2021, respectively.

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

#### **Note 3: Acquisition details**

##### **(d) Acquisition of Shreeji Distributors (Pharma) Private Limited**

On 30 October 2020, Akna entered into a share purchase agreement (SPA) with the shareholders of Shreeji Distributors (Pharma) Private Limited ("Shreeji") to acquire 100% equity interest in Shreeji for a total consideration of Rs. 214.75 million. As part of the agreement, the first closing occurred on 31 December 2020 when all the closing conditions were satisfactorily completed. The shareholders transferred 76% of equity shares in Shreeji to Akna for payment of the related proportionate consideration. The balance share transfers have been agreed to happen by August 2021 at a fixed price agreed in the SPA. Accordingly, Akna has a contractual commitment to acquire the non-controlling interest of 24%, which gives access to risks and returns associated with the non-controlling interest and is accordingly regarded as an in substance ownership interest. Accordingly, Akna has accounted its commitment to acquire the remaining equity shares as a liability at its present value as on the date of acquisition.

##### **(e) Acquisition of Vardhman Healthcare Specialities Private Limited**

On 26 March 2021, Akna entered into share purchase agreement (SPA) with the shareholders of Vardhman to acquire 100% equity interest for a total consideration of Rs. 1,705 million payable as follows:

- Rs. 1,000 million upfront payment on closing date i.e. date on which the transaction is consummated;
- Rs. 235 million on first anniversary of closing;
- Rs. 235 million, subject to achievement of targets setforth in the SPA, within 90 days from 30 September 2021;
- Rs. 235 million, subject to achievement of targets setforth in the SPA, within 90 days from 30 September 2022

The first closing occurred on 12 May 2021 when all the closing conditions were satisfactorily completed. The shareholders transferred 100% shares in Vardhman to Akna for payment of the consideration.

The payment was funded by Akna by issuance of 0.001% Series A2 CCPS shares for Rs. 350 million (classified as instruments entirely in the nature of equity) and issuance of non convertible debentures for Rs. 650 million at an interest rate of 15% p.a. The consideration of Rs.235 million due on first anniversary of closing has been presented as a deferred purchase consideration and the remaining consideration of Rs. 470 million has been presented as contingent purchase consideration and classified as financial liability.

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro-forma Consolidated Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**Note 3: Acquisition details**

**(f) Acquisition of Novogene Life Science Private Limited's pharma business**

On 20 April 2021, Vardhman Healthcare Specialities Private Limited ("Vardhaman"), entered into a business transfer agreement (BTA) for acquisition of pharma business from Novogene Life Science Private Limited ("Novogene's pharma business" or "Novogene"). Pursuant to BTA, the aforesaid business has been transferred to Vardhman as a going concern on slump sale basis for a purchase consideration of Rs. 147.93 million. The payment was funded by working capital demand loans from banks at an interest rate of 8.3% p.a. The historical financial information of Novogene for the period from 1 April 2021 to 19 April 2021 has not been included in the Pro Forma Consolidated Statement of Profit and Loss for the three months ended 30 June 2021, as the same is not material.

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**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information***(All amounts in Rupees Millions, unless otherwise stated)***Note 4: Pro forma adjustments****(A) Adjustments to Pro forma Consolidated Balance-sheet as at June 30, 2021****(a) Preliminary purchase price allocation**

The following table presents the pro forma adjustments to the balance-sheet as at June 30, 2021 with respect to allocation of purchase price for the assets acquired and liabilities assumed of each of the acquired entities and the resultant goodwill, if any, as if the acquisition occurred on June 30, 2021.

Description	Acquisition adjustments		
	Thyrocare	Akna	Total
<b>Purchase consideration (A)</b>	<b>48,952.90</b>	<b>11,543.20</b>	<b>60,496.10</b>
<b>Assets acquired and liabilities assumed</b>			
Net book value of assets acquired and liabilities assumed (excluding historical goodwill)	3,034.60	326.89	3,361.49
<u>Identifiable assets and liabilities recognised at fair value</u>			
a) Intangible Assets	5,853.10	-	5,853.10
b) Indemnification asset - presented as other financial assets	128.50	-	128.50
c) Contingent liability - presented as other current liabilities	(133.70)	-	(133.70)
<u>Fair value adjustments</u>			
a) Property, plant and equipment	764.90	-	764.90
b) Right of use asset	46.70	-	46.70
c) Asset held for sale	117.40	-	117.40
d) Intangible assets	-	(413.83)	(413.83)
e) Equity accounted investee	-	(5.37)	(5.37)
f) Inventories	-	120.69	120.69
Equity infusion in the acquiree entity representing cash balance	-	3,080.00	3,080.00
Deferred tax effect of acquisition adjustments	(1,705.75)	75.11	(1,630.64)
<b>Total net assets acquired (B)</b>	<b>8,105.75</b>	<b>3,183.49</b>	<b>11,289.24</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information***(All amounts in Rupees Millions, unless otherwise stated)*

<b>Non-controlling interests (C)</b>	<b>2,404.77</b>	<b>-</b>	<b>2,404.77</b>
<b>Goodwill on acquisition (D) (A-B+C)</b>	<b>43,251.92</b>	<b>8,359.71</b>	<b>51,611.63</b>
Less: Historical goodwill of acquiree (E)	1,002.80	728.25	1,731.05
<b>Proforma adjustment to Goodwill on acquisition (D)-(E)</b>	<b>42,249.12</b>	<b>7,631.46</b>	<b>49,880.58</b>

The purchase consideration has been funded through combination of following sources also refer Note 3(b) and 3(c) :

<b>Description</b>	<b>Thyrocare</b>	<b>Akna</b>	<b>Total</b>
Cash	3,488.00	629.48	4,117.48
Equity share capital	35.09	7.93	43.02
Instruments entirely in equity nature	13.42	5.12	18.54
Security premium [refer note (i) below]	26,126.39	6,364.57	32,490.96
Current borrowings [refer note (ii) below]	19,290.00	-	19,290.00
Redemption liability - non current	-	1,387.70	1,387.70
Redemption liability - current	-	3,148.40	3,148.40
<b>Total</b>	<b>48,952.90</b>	<b>11,543.20</b>	<b>60,496.10</b>

(i) Excludes transaction costs incurred for fresh issue of equity amounted to Rs 65.61 million.

(ii) Excludes initial transaction costs incurred for short-term borrowings amounted to Rs 289.35 million.

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(b) Pro forma adjustments to cash and bank balances on acquisition are as follows:**

<b>Description</b>	<b>Thyrocare</b>	<b>Akna</b>	<b>Total</b>
<i>Sources:</i>			
Equity infusion in acquiree entity	-	3,080.00	3,080.00
Proceeds from fresh issue of equity shares	26,174.90	6,377.62	32,552.52
Less: Transaction costs incurred for fresh issue of equity	(51.09)	(14.52)	(65.61)
Proceeds from short-term borrowing	19,290.00	-	19,290.00
Less: Initial transaction costs incurred for short-term borrowings	(289.35)	-	(289.35)
	<b>45,124.46</b>	<b>9,443.10</b>	<b>54,567.56</b>
<i>Uses:</i>			
Purchase consideration discharged through cash	(48,952.90)	(7,007.10)	(55,960.00)
Acquisition related costs	(336.28)	(18.26)	(354.54)
	<b>(49,289.18)</b>	<b>(7,025.36)</b>	<b>(56,314.54)</b>
<b>Pro forma adjustments to cash and cash equivalents (net)</b>	<b>(4,164.72)</b>	<b>2,417.74</b>	<b>(1,746.98)</b>

**(c) Intangible assets**

The following tables summarizes information about the fair value of identifiable intangible assets acquired in the acquisitions (in millions, except useful life information):

<b>Intangible Assets</b>	<b>Useful life</b>	<b>Thyrocare</b>	<b>Akna</b>	<b>Total</b>
Customer relationships	5-23	-	440.82	440.82
Brand	20	1,551.90	-	1,551.90
Franchise with exclusive partners	15	1,900.60	-	1,900.60
Franchise - non exclusive partners	8	1,966.70	-	1,966.70
Government contracts	3	83.10	-	83.10
Technology	3	350.80	22.47	373.27
Non-compete	2.5-5	-	49.50	49.50
Computer Software and Trademark	5	9.20	-	9.20
Less: Historical intangible assets		(9.20)	(926.62)	(935.82)
<b>Proforma adjustment to other intangible assets</b>		<b>5,853.10</b>	<b>(413.83)</b>	<b>5,439.27</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(d) Impact to equity**

The following tables summarizes impact of acquisitions on equity:

Description	Acquisition adjustments		
	Thyrocare	Akna	Total
<b>(i) Equity share capital</b>			
Elimination of historical equity balances	(528.70)	(13.16)	(541.86)
Fresh issue of equity shares - face value	35.09	7.93	43.02
<b>Net impact to equity share capital</b>	<b>(493.61)</b>	<b>(5.23)</b>	<b>(498.84)</b>
<b>(ii) Instruments entirely in the nature of equity</b>			
Elimination of historical equity balances	-	(21.30)	(21.30)
Fresh issue - face value	13.42	5.12	18.54
<b>Net impact to instruments entirely in nature of equity</b>	<b>13.42</b>	<b>(16.18)</b>	<b>(2.76)</b>
<b>(iii) Reserves and surplus</b>			
Elimination of historical equity balances (reserves and surplus)	(3,508.70)	(1,020.68)	(4,529.38)
Fresh issue of equity shares and instruments in the nature of equity - securities premium (net of transaction costs)	26,075.30	6,350.05	32,425.35
Acquisition related costs	(336.28)	(18.26)	(354.54)
Accounting policy differences	2.80	-	2.81
<b>Net impact to reserves and surplus</b>	<b>22,233.12</b>	<b>5,311.11</b>	<b>27,544.24</b>
<b>Pro forma adjustment to equity</b>	<b>21,752.93</b>	<b>5,289.70</b>	<b>27,042.64</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information***(All amounts in Rupees Millions, unless otherwise stated)***(B) Adjustments to Proforma Consolidated Balance-sheet as at March 31, 2021****(a) Preliminary purchase price allocation**

The following table presents the pro forma adjustments to the balance-sheet as at March 31, 2021 with respect to allocation of purchase price for the assets acquired and liabilities assumed of each of the acquired entities and the resultant goodwill, if any, as if the acquisition occurred on March 31, 2021.

Description	Acquisition adjustments		
	Thyrocare	Akna Group (including Vardhman and Novogene)	Total
<b>Purchase consideration (A)</b>	<b>48,952.90</b>	<b>11,543.20</b>	<b>60,496.10</b>
<b>Assets acquired and liabilities assumed</b>			
Net book value of assets acquired and liabilities assumed (excluding historical goodwill)	3,269.98	1,104.50	4,374.48
<u>Pro forma adjustment to net assets of Akna on 31 March 2021, resulting from acquisitions of Vardhman and Novogene</u>			
a) Short-term borrowings availed for acquisition of Novogene	-	(147.93)	(147.93)
b) Non-convertible debentures issued for acquisition of Vardhman	-	(650.00)	(650.00)
c) Contingent purchase consideration for acquisition of Vardhman - non-current	-	(422.20)	(422.20)
d) Deferred purchase consideration for acquisition of Vardhman - current	-	(235.00)	(235.00)
e) Transaction costs for issue of compulsory convertible preference shares	-	(3.40)	(3.40)
<u>Identifiable assets and liabilities recognised at fair value</u>			
a) Intangible Assets	5,853.10	465.99	6,319.09
b) Indemnification asset - presented as other financial assets	128.50	-	128.50
c) Contingent liability - presented as other current liabilities	(133.70)	-	(133.70)

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

<u>Fair value adjustments</u>			
a) Property, plant and equipment	764.90	-	764.90
b) Right of use asset	46.70	-	46.70
c) Asset held for sale	117.40	-	117.40
d) Intangible assets	-	-	-
e) Equity accounted investee	-	(5.37)	(5.37)
f) Inventories	-	120.69	120.69
Equity infusion in the acquiree company representing cash balance	-	3,080.00	3,080.00
Deferred tax effect of fair value adjustments	(1,705.75)	(123.05)	(1,828.80)
<b>Total net assets acquired (B)</b>	<b>8,341.13</b>	<b>3,184.23</b>	<b>11,525.36</b>
<b>Non-controlling interests (C)</b>	<b>2,472.52</b>	<b>-</b>	<b>2,472.52</b>
<b>Goodwill on acquisition (D) (A-B+C)</b>	<b>43,084.29</b>	<b>8,358.97</b>	<b>51,443.26</b>
Less: Historical goodwill of acquiree (E)	1,002.79	180.38	1,183.17
<b>Proforma adjustment to Goodwill on acquisition (D)-(E)</b>	<b>42,081.50</b>	<b>8,178.59</b>	<b>50,260.09</b>

The purchase consideration has been funded through combination of following sources also refer note 3(b) and 3(c) :

Description	Thyrocare	Akna	Total
Cash	3,488.00	629.48	4,117.48
Equity shares issued	35.09	7.93	43.02
Instruments entirely in equity nature	13.42	5.12	18.54
Security premium [refer note (i) below]	26,126.39	6,364.57	32,490.96
Current borrowings [refer note (iii) below]	19,290.00	-	19,290.00
Redemption liability - non current	-	4,399.80	4,399.80
Redemption liability - current	-	136.30	136.30
<b>Total</b>	<b>48,952.90</b>	<b>11,543.20</b>	<b>60,496.10</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

- (i) Excludes transaction costs incurred for equity infusion of Rs 65.61 million.
- (ii) Excludes initial transaction costs incurred for short-term borrowings Rs 289.35 million.

As described in Note 3(e) and 3(f), Vardhman acquired Novogene on 20 April 2021, followed by Akna acquiring Vardhman on 12 May 2021 and API acquiring Akna on 17 September 2021. Consequently, additional assets and liabilities recognised as part of acquisition of Novogene and Vardhman, respectively, which form part of net assets of Akna Group (being Akna including Vardhman and Novogene) as of 17 September 2021 have been adjusted as pro forma adjustments to the net assets of Akna Group as of 31 March 2021.

The details of Vardhman's acquisition of Novogene and Akna's acquisition of Vardhman are set out in the table below.

<b>Description</b>	<b>Vardhman's acquisition of Novogene's pharma business</b>	<b>Akna's acquisition of Vardhman (including Novogene's pharma business)</b>
<b>Purchase consideration (A)</b>	<b>147.93</b>	<b>1,657.20</b>
<b>Assets acquired and liabilities assumed</b>		
Net book value of assets acquired and liabilities assumed	117.09	515.45
Pro forma adjustment to net assets of Vardhman as of 31 March 2021, resulting from acquisition of Novogene's pharma business representing short-term borrowing raised by Vardhman for the acquisition	-	(147.93)
Identifiable intangible assets recognised at fair value	92.52	879.82
Deferred tax effect of acquired intangible assets	-	(198.16)
<b>Total net assets acquired (B)</b>	<b>209.61</b>	<b>1,049.18</b>
<b>Goodwill / (Capital Reserve) on acquisition (D) (A-B)</b>	<b>(61.68)</b>	<b>608.02</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**The purchase consideration has been funded through combination of following sources also refer note 3(e) and 3(f) :**

<b>Description</b>	<b>Vardhman's acquisition of Novogene's pharma business</b>	<b>Akna's acquisition of Vardhman (including Novogene's pharma business)</b>
<b><u>Equity</u></b>		
Compulsory convertible preference shares - classified as "instruments entirely in	-	350.00
<b><u>Borrowings and other financial liabilities</u></b>		
Short-term borrowings (working capital demand loans)	147.93	-
Non-convertible debentures - non-current borrowings [refer note (i) and (ii) below]	-	650.00
Contingent purchase consideration - non-current	-	422.20
Deferred purchase consideration - current	-	235.00
<b>Total</b>	<b>147.93</b>	<b>1,657.20</b>

(i) Excludes transaction cost of Rs. 6.50 million.

(ii) The holder of non-convertible debentures has a right to subscribe to the compulsory convertible preference shares of Akna at a pre-determined price. The Group has assessed the aforesaid right as an embedded derivative which is not closely related to the host instrument and accordingly, the embedded derivative has been separated and recorded at a fair value of Rs.10.78 million within other financial liabilities.

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(b) Pro forma adjustments to cash and bank balances on acquisitions are as follows:**

<b>Description</b>	<b>Thyrocare</b>	<b>Akna</b>	<b>Vardhman</b>	<b>Novogene</b>	<b>Total</b>
<i>Sources:</i>					
Equity infusion in the acquiree company	-	3,080.00	-	-	3,080.00
Proceeds from fresh issue of equity shares and instruments entirely in the nature of equity	26,174.90	6,377.62	350.00	-	32,902.52
Less: Transaction costs incurred for fresh issue of equity	(51.09)	(14.52)	-	-	(65.61)
Proceeds from short-term and long-term borrowings	19,290.00	-	650.00	147.93	19,940.00
Initial transaction costs incurred for borrowings	(289.35)	-	(6.50)	-	(295.85)
	<b>45,124.46</b>	<b>9,443.10</b>	<b>993.50</b>	<b>147.93</b>	<b>55,561.06</b>
<i>Uses:</i>					
Discharge of purchase consideration in cash	(48,952.90)	(7,007.10)	(1,000.00)	(147.93)	(56,960.00)
Acquisition related cost paid	(336.28)	(18.26)	(3.40)	-	(357.94)
	<b>(49,289.18)</b>	<b>(7,025.36)</b>	<b>(1,003.40)</b>	<b>(147.93)</b>	<b>(57,317.94)</b>
<b>Pro forma adjustments to cash and cash equivalents (net)</b>	<b>(4,164.72)</b>	<b>2,417.74</b>	<b>(9.90)</b>	<b>-</b>	<b>(1,756.88)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(c) Intangible assets**

The following tables summarizes information about the fair value of identifiable intangible assets acquired in the acquisitions (in millions, except useful life information):

<b>Intangible Assets</b>	<b>Useful life</b>	<b>Thyrocare</b>	<b>Akna including Novogene and Vardhman</b>	<b>Total</b>
Customer relationships	5-23	-	454.83	454.83
Brand	20	1,551.90	-	1,551.90
Franchise with exclusive partners	15	1,900.60	-	1,900.60
Franchise - non exclusive partners	8	1,966.70	-	1,966.70
Government contracts	3	83.10	-	83.10
Technology	3	350.80	22.47	373.27
Non-compete	2.5-5	-	49.50	49.50
Computer Software and Trademark	5	9.69	-	9.69
Less: Historical intangible assets		(9.69)	(60.81)	(70.50)
<b>Total</b>		<b>5,853.10</b>	<b>465.99</b>	<b>6,319.09</b>

**(d) Impact to equity**

The following table summarizes impact of acquisitions on equity:

<b>Description</b>	<b>Acquisition adjustments</b>		<b>Total</b>
	<b>Thyrocare</b>	<b>Akna including Vardhman and Novogene</b>	
<b>(i) Equity share capital</b>			
Elimination of historical equity	(528.71)	(68.66)	(597.37)
Fresh issue of equity shares - face value	35.09	7.93	43.02
<b>Net impact to equity share capital</b>	<b>(493.62)</b>	<b>(60.73)</b>	<b>(554.35)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

<b>(ii) Instruments entirely in the nature of equity</b>			
Elimination of historical equity balances	-	(10.46)	(10.46)
Fresh issue - face value	13.42	5.12	18.54
<b>Net impact to instruments entirely in nature of equity</b>	<b>13.42</b>	<b>(5.34)</b>	<b>8.08</b>
<b>(iii) Reserves and surplus</b>			
Elimination of historical equity balances (reserves and surplus)	(3,744.06)	(1,205.76)	(4,949.82)
Fresh issue of equity shares and instruments in the nature of equity - securities premium (net of transaction costs)	26,075.30	6,350.05	32,425.35
Acquisition related costs	(336.28)	(18.26)	(354.54)
Accounting policy differences	1.80	-	1.80
<b>Net impact to reserves and surplus</b>	<b>21,996.76</b>	<b>5,126.03</b>	<b>27,122.79</b>
<b>Pro forma adjustments to equity</b>	<b>21,516.56</b>	<b>5,059.96</b>	<b>26,576.52</b>

**(e) Pro forma adjustments to borrowings**

Description	As at 31 March 2021	As at 30 June 2021
<b>Current borrowings:</b>		
(a) Short-term borrowings for acquisition of Thyrocare (net of transaction costs of Rs. 289.35 million)	19,000.65	19,000.65
(b) Short-term borrowings for acquisition of Novogene	147.93	-
<b>Total</b>	<b>19,148.58</b>	<b>19,000.65</b>
<b>Non-current borrowings</b>		
Non-convertible debentures issued for acquisition of Vardhman (net of transaction costs of Rs. 6.50 million and separation of embedded derivative of Rs. 10.78 million)	632.72	-

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(f) Pro forma adjustments to other financial liabilities**

<b>Description</b>	<b>As at 31 March 2021</b>	<b>As at 30 June 2021</b>
<b>Non-current</b>		
(a) Redemption liability - on acquisition of Akna	4,399.80	1,387.70
(b) Contingent purchase consideration - on acquisition of Vardhman	422.20	-
<b>Total</b>	<b>4,822.00</b>	<b>1,387.70</b>
<b>Current</b>		
(a) Redemption liability - on acquisition of Akna	136.30	3,148.40
(b) Deferred purchase consideration - on acquisition of Vardhman	235.00	-
(c) Embedded derivative in non-convertible debentures - on acquisition of Vardhman	10.78	-
<b>Total</b>	<b>382.08</b>	<b>3,148.40</b>



**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(C) Adjustments to Pro forma Consolidated Statement of Profit and Loss**

- (a) The proforma adjustment to amortization charge in the Pro Forma Consolidated Statement of Profit and Loss is as presented in the table below. This mainly represents the impact of fair value of intangible assets and property, plant and equipment recognised as part of business combinations.

<b>Description</b>	<b>For the three months ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>
Property, plant and equipment	9.08	36.31
Right of use assets	0.18	0.72
Customer relationships	15.84	158.06
Brand	18.73	74.92
Franchise with exclusive partners	31.68	126.71
Franchise - non exclusive partners	61.46	245.84
Government contracts	6.93	27.70
Technology	21.93	87.70
<b>Proforma adjustments as required under SEBI ICDR Regulations</b>	<b>165.81</b>	<b>757.95</b>
Add: Amortization charge for intangible assets recognised for acquisition of Medlife	-	135.60
<b>Proforma adjustments to depreciation and amortisation</b>	<b>165.81</b>	<b>893.55</b>

**(b) Cost of material consumed and changes in inventories**

The pro forma adjustment to inventories as at 30 June 2021 and as at 31 March 2021 includes Rs 3 million and Rs 2.10 million, respectively pertaining to accounting policy differences in relation to method of inventory valuation. The corresponding adjustment of Rs.0.90 million for the three months ended 30 June 2021 and Rs.1.30 million for the year ended 31 March 2021 has been adjusted in cost of material consumed.

Changes in inventories for the three months ended 30 June 2021 and year ended 31 March 2021 include pro forma adjustment of Rs.120.69 million pertaining to reversal of fair value adjustment to inventories resulting from acquisition of Akna. For the purpose of pro forma consolidated financial information, the Group has assumed that the inventory is sold within three months after acquisition date.

**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(c) Finance cost**

The following table presents the summary of proforma adjustment to finance cost for the respective periods presented:

<b>Description</b>	<b>For the three months ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>
Interest expense pertaining to borrowings availed to fund acquisition including initial direct cost through effective interest rate method	905.23	2,817.41
Finance cost on redemption liability and deferred purchase consideration	128.00	532.24
<b>Total</b>	<b>1,033.23</b>	<b>3,349.65</b>

**(d) Other expenses**

The following table presents summary of pro forma adjustment to other expenses for the respective periods presented:

	<b>For the three months ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>
Acquisition related costs	354.54	357.94
<b>Total</b>	<b>354.54</b>	<b>357.94</b>

**(e) Employee benefits expense**

The pro forma adjustment to employee benefits expense pertains to effect of share based payment awards on acquisitions. The following table summarises the impact:

	<b>For the three months ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>
Proforma adjustment as required by SEBI ICDR - pertaining to acquisition of Thyrocare	6.62	16.71
Proforma adjustment pertaining to acquisitions of Ascent and Medlife	-	(1,483.81)

**API Holdings Limited (formerly known as API Holdings Private Limited)**

**Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**Thyrocare and Medlife:**

The adjustment represents the difference between historical share-based compensation expense and the estimated share-based compensation expense based on the market-based measure of the unvested options as of the acquisition date.

**Ascent:**

The adjustments for Ascent represents the difference between Ascent's historical share-based compensation expense and the estimated share based compensation expense related to replacement awards issued to continuing employees as part of the acquisition agreement.

**(f) Share of profit / (loss) of associates**

Ascent exercised significant influence over 91Streets until 26 August 2020 and accordingly recognized its share of loss in associate (i.e. 91Streets) amounting to Rs. 283.21 million in its historical financial information for the period from 1 April 2020 to 26 August 2020. Further, during the period from 1 April 2020 to 26 August 2020, Ascent recorded a gain of Rs.685.67 million (presented in Other Income) in relation to dilution of its stake in 91Streets from 22% to 18.39%, following additional shares issued by 91Streets to other

As described in Note 1, on the effective date of amalgamation, 91Streets was determined to be the accounting acquirer and therefore such share of gain and loss has been reversed in Proforma Consolidated Statement of Profit and Loss for the year ended 31 March 2021.

**(g) Tax impact of pro forma adjustments**

Adjustments to record the deferred tax impact of acquisition adjustments primarily related to intangible assets and property, plant and equipment. The incremental deferred tax liabilities were calculated based on the tax effect of the step-up in book basis of the net assets of the acquired entities, excluding the amount attributable to goodwill, using an estimated statutory tax rate of 25.17%. The income tax expense impact of the pro forma adjustments was determined by applying an estimated statutory tax rate of 25.17% to the pre-tax amount of the acquisition related pro forma adjustments.

**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information***(All amounts in Rupees Millions, unless otherwise stated)*

The following table presents the summary of tax effect of each pro forma adjustment for the respective periods presented.

<b>Description</b>	<b>For the three months ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>
Accounting policy differences	(0.20)	(0.30)
Depreciation and amortization	41.74	190.77
Inventories	30.38	30.38
Finance cost	-	3.09
<b>Pro forma adjustment to tax expense - as required by SEBI ICDR Regulations</b>	<b>71.91</b>	<b>223.94</b>
Depreciation and amortization for Medlife	-	34.13
<b>Total pro forma adjustments to tax expense</b>	<b>71.91</b>	<b>258.07</b>

**(h) Share of non-controlling interest**

The following table presents computation of non-controlling interest in Thyrocare:

<b>Description</b>	<b>For the three months ended June 30, 2021</b>	<b>For the year ended March 31, 2021</b>
Profit after tax of Thyrocare	555.80	1,131.55
<b>Proforma adjustments pertaining to Thyrocare:</b>		
Depreciation and amortisation expense, net of tax	(150.64)	(602.57)
Employee benefit expense	(6.62)	(16.71)
Accounting policy differences, net of tax	0.90	1.30
<b>Profit after tax - after proforma adjustments</b>	<b>399.44</b>	<b>513.57</b>
<b>Profit attributable to non-controlling interest</b>	<b>114.97</b>	<b>147.82</b>
<b>Other comprehensive income/(loss) attributable to non-controlling interest</b>	<b>(0.46)</b>	<b>(4.00)</b>

**API Holdings Limited (formerly known as API Holdings Private Limited)****Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

**(i) Impairment of goodwill and software acquired in business acquisition**

During the period from 1 April 2020 to 21 January 2021, Medlife recorded an impairment charge pertaining to goodwill and software recognised in its earlier business combination, amounting to Rs.1,030.56 million and Rs. 52.86 million, respectively, based on an internal assessment carried out by Medlife's management. These charges have not been eliminated/adjusted in the pro forma consolidated financial information as these transactions are not directly attributable to the acquisition of Medlife.

**(D) Loss per share**

The pro forma basic and diluted loss per share for the three months for the three months ended 30 June 2021 and the year ended 31 March 2021, are calculated as follows (in millions, except per share data)

Description	For the three months ended June 30, 2021	For the year ended March 31, 2021
Loss attributable to owners	(4,546.58)	(15,601.10)
<b>Weighted average number of shares used in basis/diluted earnings per share</b>		
Weighted average number of shares used in basis/diluted loss per share- restated	4,29,75,499	3,07,68,101
Weighted average number of shares used in basis/diluted loss per share- proforma adjustments (i)	63,49,279	63,49,279
<b>Total weighted average number of shares</b>	<b>4,93,24,778</b>	<b>3,71,17,380</b>
Nominal value of equity shares	10.00	10.00
<b>Basic and diluted loss per share</b>	<b>(92.18)</b>	<b>(420.32)</b>

- (i) The pro forma weighted average number of shares outstanding considered in the above calculations are based on the
- (i) basic and diluted weighted average number of shares of API as considered in the restated financial information; and
  - (ii) a pro forma adjustment in relation to fresh issue of equity shares by API subsequent to 30 June 2021, which has been considered by the Management to fund the acquisitions of Thyrocare and Akna, to the extent considered directly attributable to these acquisitions.

The fresh issue of equity shares considered as the pro forma adjustment has been assumed to be issued and outstanding as of 1 April 2021 and 1 April 2020, respectively for the purpose of calculating pro forma basic and diluted loss per share for the three months ended 30 June 2021 and the year ended 31 March 2021, respectively.

## **API Holdings Limited (formerly known as API Holdings Private Limited)**

### **Notes to Pro Forma Financial Information**

*(All amounts in Rupees Millions, unless otherwise stated)*

- (ii) On 28 October 2021, API allotted bonus equity shares in the proportion of 10:1 and on 29 October 2021, API sub-divided its equity shares of Rs. 10 each and reclassified as Equity Shares of Rs.1 each, resulting in increase in the number of equity shares outstanding. The pro forma basic and diluted loss per share computation above does not consider the impact of this event as the same is not considered directly attributable to the acquisitions included in the preparation of pro forma consolidated financial information.
- (iii) ESOPs are anti-dilutive and hence not considered in the loss per share calculations.

#### **5 Reclassification adjustments:**

Reclassification adjustments pertaining to Thyrocare which include security deposits amounting to Rs 28.88 million (Non-current) and Rs 5.82 million (current) as at March 31, 2021 have been reclassified to other non-current financial assets and current financial assets respectively to confirm Group's presentation of security deposits.

Reclassification adjustments pertaining to Thyrocare which include contract liabilities amounting to Rs 93.50 million (current) and Rs 85.95 million (current) as at 30 June 2021 and as at 31 March 2021 respectively have been reclassified from other current liabilities to contract liabilities to confirm Group's presentation of contract liabilities.

Reclassification adjustments pertaining to AKNA Group which include claims receivables amounting to Rs 263.80 million and Rs 251.98 million as at 30 June 2021 and 31 March, 2021 respectively have been reclassified from other current financial assets to other current assets to confirm Group's presentation of other current assets.

Reclassification adjustments pertaining to AKNA Group which include changes in right to return amounting to Rs 0.24 million and Rs 7.15 million for period ended 30 June 2021 and financial year ended 31 March, 2021 respectively have been reclassified from purchase of stock in trade to changes in inventory of stock-in-trade to confirm Group's presentation of changes in inventory of stock-in-trade.

Reclassification adjustments pertaining to AKNA Group which include investment in associate amounting to Rs 149.07 million and Rs 145.31 million for period ended 30 June 2021 and financial year ended 31 March, 2021 respectively have been reclassified from investments to Equity accounted investees to confirm Group's presentation of Equity accounted investees.

#### **6 Inter-company eliminations:**

These adjustments reflect eliminations on account of intra-group transactions between API Group and acquired entities and within the acquired entities for the periods presented.

## HISTORICAL FINANCIAL STATEMENTS

S. No.	Particulars	Page numbers
1.	Ascent Historical Financial Statements	421 to 485
2.	Medlife Historical Financial Statements	486 to 547
3.	Thyrocare Historical Financial Statements	548 to 681

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# B S R & Co. LLP

Chartered Accountants

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Nesco IT Park 4, Nesco Center,  
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## Report on Special Purpose Consolidated Financial Statements

To the Board of Directors of API Holdings Private Limited (now 'API Holdings Limited')

### Opinion

We have audited the accompanying special purpose consolidated financial statements of erstwhile Ascent Health and Wellness Solutions Private Limited (hereinafter referred to as the 'Holding Company'), which stands merged into API Holdings Private Limited (now 'API Holdings Limited') ('the Issuer') pursuant to filing of the Scheme of Amalgamation with the Registrar of Companies effective on 27 August 2020 (refer Note 1.2 (a) to the special purpose Consolidated financial statements) and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated balance sheet as at 31 March 2020, and the Consolidated statement of profit and loss (including other comprehensive income), Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and notes to the special purpose Consolidated financial statements, including a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

Based on our audit, we report that:

- a. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. The Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- c. In our opinion and to and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements of such subsidiary and associate as were audited by the other auditors, the special purpose Consolidated financial statements, together with the notes thereon and attached thereto fairly present, in all material respects, in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, the state of affairs of the Group as at 31 March 2020;
  - (ii) in the case of the Statement of Profit and Loss, the total comprehensive income (including the loss and other comprehensive income) for the year ended on that date;
  - (iii) in the case of Statement of Changes in Equity, the changes in equity for the year ended on that date; and
  - (iv) in case of Statement of Cash Flows, the cash flows for the year ended on that date.

This report is issued in accordance with the terms of our engagement dated 31 December 2020.



**Report on Special Purpose Consolidated Financial Statements (Continued)  
Ascent Health and Wellness Solutions Private Limited**

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

We draw attention to Note 1.2(a) to the special purpose consolidated financial statements, which describes the basis of its preparation. The special purpose consolidated financial statements are not the statutory financial statements of the Holding Company and are not intended to, and do not necessarily comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013 as those are not considered relevant by the Management for the purposes for which those have been prepared.

Our opinion is not qualified in respect of the above matter.

**Other Matters**

- 1 We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 2,156.67 lakhs as at 31 March 2020, total revenues of Rs. 844.99 lakhs and net cash inflows amounting to Rs. 363.94 lakhs for the year ended on that date, as considered in the special purpose consolidated financial statements. The special purpose consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 6468.26 lakhs for the year ended 31 March 2020, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the special purpose consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, in so far as it relates to the aforesaid subsidiary and associate is based solely on the audit reports of the other auditors.
- 2 The financial statements/financial information of one subsidiary, whose financial statements/financial information reflect total assets of Rs.35.14 lakhs as at 31 March 2020, total revenues of Rs. Nil and net cash inflows amounting to Rs. 1.49 lakhs for the year ended on that date, as considered in the special purpose consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the special purpose consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, the said financial statements / financial information is not material to the Group.

## **Report on Special Purpose Consolidated Financial Statements (Continued)**

### **Ascent Health and Wellness Solutions Private Limited**

Our opinion on the special purpose consolidated financial statements, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management

### **Management's Responsibility for the Special Purpose Consolidated Financial Statements**

The Management of API Holdings Private Limited (now 'API Holdings Limited') are responsible for the preparation of these special purpose Consolidated financial statements in accordance with recognition and measurement principles of Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] issued by the Ministry of Corporate Affairs to the extent considered relevant by it for the purpose for which these special purpose Consolidated financial statements have been prepared (the "accounting principles generally accepted in India"). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the special purpose Consolidated financial statements, the Management of API Holdings Private Limited (now 'API Holdings Limited') are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of API Holdings Private Limited (now 'API Holdings Limited') either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of API Holdings Private Limited (now 'API Holdings Limited') is also responsible for overseeing the Group's and its associate's financial reporting process

### **Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements**

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

**Report on Special Purpose Consolidated Financial Statements (Continued)**

**Ascent Health and Wellness Solutions Private Limited**

**Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements (Continued)**

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

- Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. but not for the purpose of expressing an opinion on the effectiveness of such internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the special purpose Consolidated financial statements made by the Management.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

B S R & Co. LLP

**Report on Special Purpose Consolidated Financial Statements (Continued)**

**Ascent Health and Wellness Solutions Private Limited**

**Restriction on Use**

The Special Purpose Consolidated Financial Statements are prepared for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the proposed initial public offering of equity shares of API Holdings Private Limited (now 'API Holdings Limited'). As a result, the Special Purpose Consolidated Financial Statements may not be suitable for any other purpose and should not be otherwise used or otherwise distributed to any other party or used for any other purpose except with our prior consent in writing.

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

Mumbai  
31 October 2021

**Rajesh Mehra**  
*Partner*  
Membership No: 103145  
UDIN: 21103145AAAADR2631

## Ascent Health and Wellness Solutions Private Limited

### Special purpose financial statements

#### Consolidated Balance Sheet

as at 31 March 2020

(Currency: Indian Rupees in lakhs)

	Note	31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Property, plant and equipment	3	1,723.36	1,556.56
Capital work-in-progress		-	68.65
Right-to-use assets	4	3,296.83	-
Goodwill			
- On consolidation	4	9,467.68	9,498.78
- Others	4	6,285.01	5,944.45
Other intangible assets	4	363.42	539.10
Intangible assets under development	4	106.55	1,070.44
Investment in associate	5	5,572.83	6,397.54
Financial assets			
i) Investments	6	10.02	10.12
ii) Loans	7	525.67	468.97
iii) Other non current financial assets	8	126.84	126.84
Deferred tax assets (net)	9a	73.06	-
Non-current tax assets	10	465.30	727.65
Other non-current assets	11	180.17	177.77
<b>Total non-current assets</b>		<b>28,196.74</b>	<b>26,586.87</b>
<b>Current assets:</b>			
Inventories	12	16,578.09	12,640.47
Financial assets			
i) Trade receivables	13	23,967.99	15,015.04
ii) Cash and cash equivalents	14	7,491.59	1,138.65
iii) Other bank balances	15	1,747.30	1,384.64
iv) Loans	16	2,101.00	1,017.73
v) Other current financial assets	17	195.27	184.28
Other current assets	18	4,820.18	3,815.44
<b>Total current assets</b>		<b>56,901.42</b>	<b>35,196.25</b>
<b>TOTAL ASSETS</b>		<b>85,098.16</b>	<b>61,783.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	6.18	6.18
Other equity	20	9,187.65	18,692.91
Non controlling interest		1,538.34	352.12
<b>Total equity</b>		<b>10,732.17</b>	<b>19,051.21</b>
<b>Liabilities</b>			
<b>Non-current liabilities:</b>			
Financial liabilities			
i) Borrowings	21	15,519.92	6,727.04
ii) Lease liabilities	22	2,707.09	-
iii) Other non current financial liabilities	23	7,525.56	8,707.21
Provisions	24	-	1.65
Deferred tax liabilities (net)	9	2.20	18.24
<b>Total non-current liabilities</b>		<b>25,754.77</b>	<b>15,454.14</b>
<b>Current liabilities:</b>			
Financial liabilities			
i) Borrowings	25	34,233.18	16,899.80
ii) Lease liabilities	26	691.51	-
iii) Trade payables			
-Total outstanding dues to micro enterprises and small enterprises	27	99.17	55.66
-Total outstanding dues of creditors other than micro enterprises and small enterprises	27	11,228.83	7,332.82
iv) Other financial liabilities	28	1,507.69	1,668.07
Provisions	29	55.12	34.83
Other current liabilities	30	753.92	858.77
Current tax liabilities	31	41.80	427.83
<b>Total current liabilities</b>		<b>48,611.22</b>	<b>27,277.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>85,098.16</b>	<b>61,783.12</b>

**Ascent Health and Wellness Solutions Private Limited**

**Special purpose financial statements**

**Consolidated Balance Sheet**

as at 31 March 2020

(Currency: Indian Rupees in lakhs)

Significant accounting policies

2

The Notes from 1 to 50 form an integral part of these special purpose consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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

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

CIN No: U60100MH2019PLC323444

**Rajesh Mehra**

Partner

Membership No. 103145

Mumbai

Date: 31 October 2021

**Dharmil Sheth**

Director

DIN: 06999772

Mumbai

Date: 31 October 2021

**Harsh Parekh**

Director

DIN: 06661731

Mumbai

Date: 31 October 2021

## Ascent Health and Wellness Solutions Private Limited

### Special purpose financial statements

#### Statement of Profit and Loss

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

Particulars	Note	31 March 2020	31 March 2019
Revenue from operations	32	184,443.99	126,298.93
Other income	33	6,146.85	4,710.32
<b>Total income</b>		<b>190,590.84</b>	131,009.25
<b>Expenses</b>			
Purchases of stock-in-trade	34	174,470.98	117,556.56
Changes in inventories	35	(3,937.67)	(1,564.62)
Employee benefit expenses	36	6,815.13	5,994.01
Finance cost	37	3,327.90	2,296.43
Depreciation and amortisation expense	38	1,849.01	689.58
Other expenses	39	9,843.22	7,111.17
<b>Total expenses</b>		<b>192,368.57</b>	132,083.13
<b>Loss before tax and share of equity accounted investees</b>		<b>(1,777.73)</b>	(1,073.88)
Share of loss of equity-accounted investee, net of tax		(6,468.26)	(7,389.74)
<b>Loss before tax and exceptional items</b>		<b>(8,245.99)</b>	(8,463.62)
Less: Exceptional items	49	1,256.21	-
<b>Loss before tax</b>		<b>(9,502.20)</b>	(8,463.62)
Income tax expense			
- Current tax		545.83	539.49
- Deferred tax (credit)/charge		(89.11)	39.09
- Tax expense pertaining to earlier years		20.04	-
<b>Total tax expense</b>		<b>476.76</b>	578.58
<b>Loss for the year</b>		<b>(9,978.96)</b>	(9,042.20)
<b>Loss from Discontinued Operations</b>			
Loss from Discontinued Operations		-	(831.06)
Tax Expenses on Discontinued Operations		-	(3.14)
<b>Net loss from Discontinued Operations</b>		<b>-</b>	(827.92)
<b>Loss for the year</b>		<b>(9,978.96)</b>	(9,870.12)
<b>Other comprehensive (loss) income for the year</b>			
A) Items that will not be reclassified to profit and loss -			
i) Remeasurements of defined benefit obligations		(23.52)	9.59
ii) Equity accounted investee's share of other comprehensive income		-	3.04
iii) Income tax relating to items that will not be reclassified to profit or loss		2.27	3.98
<b>Other comprehensive income/(loss) for the year</b>		<b>(21.25)</b>	16.61
<b>Total comprehensive income/(loss) for the year</b>		<b>(10,000.21)</b>	(9,853.51)

# Ascent Health and Wellness Solutions Private Limited

## Special purpose financial statements

### Statement of Profit and Loss

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

	31 March 2020	31 March 2019
<b>Loss For the Year Attributable to:</b>		
- Owners of the group	(11,165.18)	(9,855.68)
- Non-Controlling Interest	1,186.22	(14.44)
	<u>(9,978.96)</u>	<u>(9,870.12)</u>
<b>Other Comprehensive loss for the year attributable to:</b>		
- Owners of the group	(21.25)	21.45
- Non-Controlling Interest	-	(4.84)
	<u>(21.25)</u>	<u>16.61</u>
<b>Total Comprehensive loss for the year attributable to:</b>		
- Owners of the group	(11,186.43)	(9,834.25)
- Non-Controlling Interest	1,186.22	(19.28)
	<u>(10,000.21)</u>	<u>(9,853.53)</u>
<b>Total Comprehensive loss for the year attributable to:</b>		
- Continuing Operations	(10,000.21)	(9,025.59)
- Discontinued Operations	-	(827.94)
	<u>(10,000.21)</u>	<u>(9,853.53)</u>
<b>Earnings per equity share for profit from continuing operations (Face value Rs 10 per share)</b>	<b>42</b>	
Basic Earnings per share	(17,298.56)	(15,036.20)
Diluted Earnings per share	(17,298.56)	(15,036.20)
<b>Earnings per equity share for profit from continuing and discontinued operations (Face value Rs 10 per share)</b>	<b>42</b>	
Basic Earnings per share	(17,298.56)	(15,036.20)
Diluted Earnings per share	(17,298.56)	(15,036.20)
Significant accounting policies	<b>2</b>	
The Notes from 1 to 50 form an integral part of these special purpose consolidated financial statements.		

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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

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

CIN No: U60100MH2019PLC323444

**Rajesh Mehra**

Partner

Membership No. 103145

Mumbai

Date: 31 October 2021

**Dharmil Sheth**

Director

DIN: 06999772

Mumbai

Date: 31 October 2021

**Harsh Parekh**

Director

DIN: 06661731

Mumbai

Date: 31 October 2021



## Ascent Health and Wellness Solutions Private Limited

### Statement of Cash Flows

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

Particulars	31 March 2020	31 March 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
(loss) before tax	(9,502.20)	(9,294.68)
<b>Adjustments for:</b>		
Depreciation expense	1,849.01	744.30
Finance cost	3,327.85	2,296.43
Employee share based payment expense	678.51	457.13
Interest income	(193.96)	(58.45)
Dividend received	(1.50)	(1.51)
Unwinding of Discount on Security Deposits	(46.15)	3.16
Provision for doubtful advances / sundry balances written off	673.83	896.80
Loss on fair valuation of financial instruments	10.95	110.98
Loss on fair valuation of Liabilities	1,846.56	-
Impairment of Intangible Assets	1,256.21	-
Impairment of Goodwill	31.10	-
Loss on sale of property, plant and equipment	0.84	3.91
Bad debts	-	704.41
Gain on change in associate shareholding	824.72	(3,712.92)
Profit on sale of investments	-	(102.78)
Sundry balance written back	(88.68)	(671.73)
Unrealised Foreign exchange fluctuation gain (net)	3.20	(2.09)
Addition in earning due to business combination	-	9.46
	<u>670.29</u>	<u>(8,617.58)</u>
<b>Movement in working capital</b>		
(Increase) in other current and non-current financial assets	(37.84)	(1,009.88)
(Increase) in other current and non-current assets	(1,248.94)	(188.10)
(Increase) in trade receivables	(9,344.93)	(6,577.91)
(Increase) in inventories	(3,975.43)	(5,383.01)
(Increase) in loans	(585.27)	-
Increase in other current and non-current financial liabilities	113.20	1,427.62
(Decrease)/Increase in other current and non-current liabilities	(104.86)	444.58
Increase in trade payables	4,126.65	2,136.46
Increase in provisions	18.65	28.39
<b>Cash flow from operating activities after working capital changes</b>	<b>(10,368.48)</b>	<b>(17,739.43)</b>
Income tax paid (net)	(689.55)	(594.74)
<b>Net cash (used in)/generated from operating activities (A)</b>	<b>(11,058.03)</b>	<b>(18,334.17)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Property, Plant and equipment	19.42	76.11
Purchase of Property, Plant and equipment	(1,187.16)	(1,193.01)
Purchase Consideration paid for business acquisition	-	(6,546.26)
Proceeds on grant of term loans	(1,160.30)	(337.78)
Investment in associate	-	2,589.55
Interest received	220.63	36.27
Purchase of Investments	-	(10,500.00)
Proceeds from sale of investments	-	10,602.78
Dividend received	1.50	1.51
Fixed deposit with banks	(362.66)	(384.64)
Payments to or from Non-controlling Interests	(750.00)	(728.29)
<b>Net cash used in investing activities (B)</b>	<b>(3,218.57)</b>	<b>(6,383.76)</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	12,699.48
Share issue costs	-	(18.01)
Proceeds from borrowings	25,141.00	13,621.44
Finance costs	(3,701.49)	(2,296.43)
Payment of lease liabilities	(809.97)	-
<b>Net cash generated from financing activities (C)</b>	<b>20,629.54</b>	<b>24,006.48</b>
Increase in cash and cash equivalents (A+B+C)	<b>6,352.94</b>	<b>(711.44)</b>
Cash and cash equivalents at the beginning of the year	<b>1,138.65</b>	<b>1,850.10</b>
Cash and cash equivalents at the end of the year	<b>7,491.59</b>	<b>1,138.65</b>

## Ascent Health and Wellness Solutions Private Limited

### Statement of Cash Flows

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

#### Notes to Cash flow statement

1 The cash flow statement has been prepared under the "indirect method" as set out in Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow".

2 Components of Cash and Cash equivalents-	31 March 2020	31 March 2019
Cash in Hand	168.46	108.18
Cheque on hand	114.38	67.84
Balance with Banks		
In current accounts	7,208.75	962.63
	<b>7,491.59</b>	<b>1,138.65</b>

#### 3 Debt reconciliation statement in accordance with Ind AS 7

Particulars	31 March 2020	31 March 2019
Opening balance		
Non-Current loan	6,727.04	687.65
Current loan	16,899.80	9,206.78
Movement		
Non-Current loan (non-cash-fair value change)	8,792.88	6,039.39
Current loan	17,333.38	7,693.02
Closing balance		
Non-Current loan	15,519.92	6,727.04
Current loan	34,233.18	16,899.80

Summary of significant accounting policies and other explanatory information

1-2

The Notes from 1 to 50 form an integral part of these special purpose consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**API Holdings Limited (formerly known as API Holdings Private Limited)**

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

CIN No: U60100MH2019PLC323444

**Rajesh Mehra**

Partner

Membership No. 103145

Mumbai

Date: 31 October 2021

**Dharmil Sheth**

Director

DIN: 06999772

Mumbai

Date: 31 October 2021

**Harsh Parekh**

Director

DIN: 06661731

Mumbai

Date: 31 October 2021

**Ascent Health and Wellness Solutions Private Limited**

Special purpose financial statements

Statement of changes in equity

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

**A Equity share capital**

	31 March 2020	Issue of equity share capital during the year	31 March 2019	Issue of equity share capital during the year	31 March 2018
Equity share capital	6.18	0.00	6.18	1.01	5.17

**B Other equity**

Particulars	Attributable to owners					Non-controlling interests	Total
	Reserves and surplus				Total other equity		
	Securities premium reserve	Retained earnings	Remeasurements of post employment benefit obligations	Employee Stock option outstanding			
<b>Balance as at 31 March 2018</b>	<b>30,109.33</b>	<b>(5,497.60)</b>	<b>23.23</b>	<b>125.80</b>	<b>24,760.76</b>	<b>(13.24)</b>	<b>24,747.51</b>
Profit for the year	-	(9,855.68)	-	-	(9,855.68)	(14.44)	(9,870.12)
Other comprehensive income	-	-	18.42	-	18.42	(4.84)	13.58
Share of Other Comprehensive Income of Associates, net of Tax	-	-	3.04	-	3.04	-	3.04
<b>Total comprehensive income</b>	<b>-</b>	<b>(9,855.68)</b>	<b>21.46</b>	<b>-</b>	<b>(9,834.22)</b>	<b>(19.28)</b>	<b>(9,853.50)</b>
<b>Transaction with owners in their capacity as owners</b>							
Share capital issued during the year	12,698.47	-	-	-	12,698.47	-	12,698.47
Expenses related to issue of shares	(18.01)	-	-	-	(18.01)	-	(18.01)
Transactions with NCI (refer note 40 A)	-	(672.47)	-	-	(672.47)	(55.82)	(728.29)
Non-controlling interests on acquisition of subsidiaries	-	-	-	-	-	440.46	440.46
Valuation of derivative Put options on NCI	-	(8,708.21)	-	-	(8,708.21)	-	(8,708.21)
Addition in retained earnings due to business combination	-	9.46	-	-	9.46	-	9.46
Employee stock option expense	-	-	-	457.13	457.13	-	457.13
<b>Balance as at 31 March 2019</b>	<b>42,789.80</b>	<b>(24,724.50)</b>	<b>44.69</b>	<b>582.93</b>	<b>18,692.92</b>	<b>352.12</b>	<b>19,045.04</b>
Profit/(loss) for the year	-	(11,165.18)	-	-	(11,165.18)	1,186.22	(9,978.96)
Other comprehensive income	-	-	(21.25)	-	(21.25)	-	(21.25)
Valuation of derivative Put options on NCI	-	1,181.65	-	-	1,181.65	-	1,181.65
Changes in retained earning due to change in equity ownership	-	(179.00)	-	-	(179.00)	-	(179.00)
Employee stock option expense	-	-	-	678.51	678.51	-	678.51
<b>Balance as at 31 March 2020</b>	<b>42,789.80</b>	<b>(34,887.03)</b>	<b>23.44</b>	<b>1,261.44</b>	<b>9,187.65</b>	<b>1,538.34</b>	<b>10,725.99</b>

Significant accounting policies

2

The Notes from 1 to 50 form an integral part of these special purpose consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

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

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

CIN No: U60100MH2019PLC323444

**Rajesh Mehra**

Partner

Membership No. 103145

Mumbai

Date: 31 October 2021

**Dharmil Sheth**

Director

DIN: 06999772

Mumbai

Date: 31 October 2021

**Harsh Parekh**

Director

DIN: 06661731

Mumbai

Date: 31 October 2021

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.1 Corporate information

Ascent Health and Wellness Solutions Private Limited ('the Parent Company') was incorporated on 16 July, 2013 as a private limited company. The registered office of the Company is situated in 902, Raheja Plaza 1, 8-Wing, Opposite R-City Mall, L.B.S Marg, Ghatkopar, Mumbai City, Maharashtra - 400 086.

The special purpose consolidated financial statements comprise the financial statements of Ascent Health and Wellness Private Limited ('the Company') and its subsidiaries and associate, collectively referred to as ("the Group").

The Group is primarily engaged in the trading of Pharmaceuticals, Medicals, Surgical, Cosmetic and Consumer Goods.

### 1.2 Basis of preparation

#### (a) Statement of Compliance and Going concern assumption

These special purpose consolidated financial statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as the "Ind AS").

Subsequent to 31 March 2020, the Mumbai bench of National Company Law Tribunal ('NCLT') approved the Scheme of Amalgamation ('the Scheme) of 'Thea Technologies Private Limited' and Swifto Services Private Limited' and '91Streets Media Technologies Private Limited' and 'Ascent Health and Wellness Solutions Private Limited' ('Ascent') and 'Aahaan Commercials Private Limited' and 'Lokprakash Vidhya Private Limited' with 'API Holdings Private Limited' (now 'API Holdings Limited') ('API') under the provisions of Sections 230 to 232 of the Companies Act, 2013 on 8 June 2020. With the filing of the Order approving the Scheme with Registrar of Companies on 27 August 2020, the Scheme became effective on that date, being the effective and appointed date as specified in the Scheme. Pursuant to the Scheme coming into effect, Ascent stands amalgamated into API and therefore ceases to exist effective that date.

These special purpose consolidated financial statements for the year ended 31 March 2020 have been prepared by the management of API Holdings Limited solely for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the proposed initial public offering of equity shares of API Holdings Limited and should not be used for any other purpose. The special purpose consolidated financial statements are not the statutory financial statements of the Holding Company and are not intended to, and do not necessarily comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013 as those are not considered relevant by the Management for the purposes for which these financial statements are prepared. Also, no impact of the aforesaid Scheme has been given in these special purpose consolidated financial statements.

Further, in terms of the Scheme, the business operations of erstwhile Ascent have been taken over on a going concern basis and API intends to continue the said operations. Although the Company has incurred operating losses during the year, considering the future business plans and cashflow projections, the special purpose consolidated financial statements for the year ended 31 March 2020 have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that may be necessary if the operations were not to continue.

The special purpose consolidated financial statements were authorised for issue by Board of Directors of API Holdings Limited on 31 October 2021

The special purpose consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, except otherwise indicated.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.2 Basis of preparation (Continued)

#### (b) Basis of consolidation

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits / losses, unless cost / revenue cannot be recovered. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.2 Basis of preparation (Continued)

#### (b) Basis of consolidation (continued)

The excess of the cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries is recognised as 'Goodwill on Consolidation' being an asset in the consolidated financial statements. The said goodwill is not amortised, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of the cost of investments of the Group, it is recognised as 'Capital reserve'.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity. Non-controlling interests in the net assets of consolidated subsidiaries consists of :-The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and the non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

#### Associate (equity accounted investees)

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

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

Interests in associate are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases. Potential voting rights are included for determining significant influence, however economic interest is considered for equity accounting.

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in an entity; the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of other entity.

#### Non-controlling interests ('NCI')

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non controlling shareholders may be initially measured either at fair value or at the non controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.2 Basis of preparation (Continued)

#### (c) Basis of Measurement

##### Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in statement of profit and loss.

##### Transaction eliminated on consolidation

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

These special purpose consolidated financial statements are prepared under the historical cost basis, except for the following

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (asset)/liability that are measured at fair value of plan assets less present value of defined benefit obligations.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and the settlement is accounted for within other equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recorded in the Statement of Profit and Loss.

#### (d) Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values, which includes overseeing all significant fair value measurements, including Level 3. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. The Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level I that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.2 Basis of preparation (Continued)

#### (d) Measurement of fair values (continued)

When measuring the fair value of a financial asset or a financial liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

#### (e) Use of estimates and judgements

The preparation of the special purpose consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year.

The Management believes that the estimates used in preparation of the special purpose consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions are included in the accounting policies. This have the most significant effect to the carrying amounts of assets and liabilities within the next financial year.

#### Measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates, withdrawal rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

#### i) Recognition of deferred tax assets

Deferred tax assets are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases including unutilised business loss, depreciation and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

#### ii) Useful lives of property, plant and equipment and intangibles

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.



# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.2 Basis of preparation (Continued)

#### (e) Use of estimates and judgements (continued)

##### iii) Impairment of assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

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

In respect of the assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

##### (v) Goodwill impairment:

For testing of impairment of goodwill, if events or changes in circumstances indicate a potential impairment, as part of the review process, the carrying amount of the Cash Generating Units (CGUs) (including allocated goodwill) is compared with its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use, both of which are calculated using a discounted cash flow analysis. Calculating the future net cash flows expected to be generated to determine if impairment exists and to calculate the impairment involves significant assumptions, estimation and judgment. The estimation and judgment involves, but is not limited to, industry trends including pricing, estimating long-term revenues, revenue growth and operating expenses.

##### (vi) Measurement and likelihood of occurrence of Provisions and contingencies

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

Contingent assets are not recognized, but disclosed only where an inflow of economic benefits is probable.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 1.2 Basis of preparation (Continued)

#### (vi) Share-based payment transactions

The group recognizes compensation expense relating to share-based payments in net profit using fair value in accordance with Ind AS 102, Share Based Payment.

The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance, multiple awards with a corresponding increase to share options outstanding account.

#### (f) Current/non-current classification

The group classifies an asset as current when:

- it expects to realise the asset or intends to sell or consume it in normal operating cycle
- it holds the asset primarily for the purpose of trading
- it expects to realise within twelve months after the reporting period, or
- the asset is Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

The group classifies a liability as current when:

It is expects to settle the liability in it's normal operating cycle

It is holds the liability primarily for the purpose of trading

The liability is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

#### Operating cycle

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

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

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies

#### 2.1 Revenue

##### (a) Sale of Goods

Revenue from the sale of goods is recognised when control of the goods has transferred to the customers. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, GST, octroi, freight, incentives and volume rebates. Accumulated experience is used to estimate and provide for trade discounts, incentives and rebates if any.

##### (b) Income from service

Income from services is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable i.e. over time .

##### (c) Interest Income

Interest income is recognised using the effective interest method.

##### (d) Dividend Income

Dividend from investment is recognised as revenue when right to receive is established.

#### 2.2 Inventories

The inventory of the Group comprises of traded goods which are stated at the lower of cost and net realisable value. Cost of inventory of traded goods is arrived based on actual cost by batch which comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary. The comparison of cost and net realisable value is made on an item-by-item basis. No provision for goods nearing expiry is considered necessary as they are returned to the vendor as per industry practice.

#### 2.3 Borrowing costs

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale . After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised. Amortised cost is calculated

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 2. Significant Accounting Policies (Continued)

### 2.3 Borrowing costs(continued)

by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### 2.4 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

The Company has elected to not apply Ind AS 103 "Business Combinations" retrospectively to past business combinations pursuant to the exemption under Ind AS 101 "First-time Adoption of Indian Accounting Standards" (Ind AS 101). In respect of such business combinations, goodwill represents this amount recognized under the previous accounting framework under Indian GAAP adjusted for any reclassification of certain intangibles.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders' equity.

### 2.5 Property, plant and equipment

#### (a) Recognition and measurement

Property, plant and equipments are carried at cost less accumulated depreciation. The cost of items of the property, plant and equipment comprises its purchase price net of any trade discount and rebate, any import duties and other taxes (other than those subsequently recoverable from tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed asset upto the date the asset is ready for its intended use.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

## 2. Significant Accounting Policies (Continued)

### 2.5 Property, plant and equipment(continued)

#### (b) Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate based on their specific useful lives, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be estimated reliably. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

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

#### (c) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated from the date the item of property, plant and equipment is available for their intended use or in respect of self-constructed assets from the date such assets are completed and ready for the intended use.

Depreciation is provided as per the written down value method, over the estimated useful life of each asset in accordance with Schedule II to the Companies Act, 2013. Depreciation on assets purchased/ sold during the period is proportionately charged.

Leasehold improvements are amortised over primary period of lease. Depreciation methods, useful lives and residual values are reviewed at each reporting date by the management and adjusted if appropriate.

### 2.6 Intangible assets

#### (a) Recognition and Measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses (if any). The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives (i.e. Computer Software) are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

Company has recognised goodwill on purchase of business from third parties. Goodwill is not amortised and is tested for impairment annually.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.6 Intangible assets (Continued)

##### (a) Recognition and Measurement(continued)

Expenditure on software development eligible for capitalisation are carried as intangible assets under developments where such assets are not ready for their intended use.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### 2.7 Impairment of non-financial assets

The group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

Impairment losses are recognised in the statement of profit and loss.

The recoverable amount is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of the assets for which impairment loss has been recognised in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, impairment loss is reversed to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

#### 2.8 Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in Ind AS 116. This policy is applied to contracts entered into, on or after 1st April 2019.

##### *Company as a lessee*

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.8 Leases (Continued)

The entity recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct cost incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, If that rate cannot be readily determined, the company uses incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. For leases with reasonably similar characteristics, the company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to

zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of there-measurement in statement of profit and loss.

The group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.8 Leases (Continued)

##### *Transition to Ind AS 116*

Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases using modified retrospective method, with the present value of remaining lease payments recognised on the date of initial application (April 1, 2019).

Accordingly, the group has not restated comparative information and instead, recognized right of use assets an amount equal to the lease liability, adjusted by an amount of any prepaid or accrue lease payment relating to that lease as on April 1, 2019. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

##### *Company as a lessee*

Operating Lease:

For transition, the group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by- lease basis. The group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Each entity has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, each entity recognized a lease liability measured at the present value of the remaining lease payments, but discounted at the company’s incremental borrowing rate as

at 1st April 2019. The right-of-use asset is recognised an amount equal to the lease liability, adjusted by an amount of any prepaid or accrue lease payment relating to that lease as on April 1, 2019.

The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities. The weighted average incremental borrowing rate of 11.75% has been applied to lease liabilities recognised in the balance sheet at the date of initial application. On application of Ind AS 116, the nature of expenses has



# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.8 Leases (Continued)

changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

#### 2.9 Financial instruments

##### (a) Financial assets

##### i) Recognition and initial measurement

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

A financial asset is initially measured at fair value. In the case of financial assets which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition value of the financial asset.

##### ii) Classification

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

- amortised cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

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

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.9 Financial instruments(continued)

##### (a) Financial assets (Continued)

##### ii) Classification (Continued)

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

##### iii) Equity instruments at fair value

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of such investments.

Equity instruments included within the FVTPL category are measured at fair value, with all changes recognized in the statement of profit or loss.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### (a) Financial Assets (Continued)

##### iv) De-recognition of financial assets

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

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

##### v) Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets that are debt instruments, and are measured at amortised cost e.g., trade receivables, security deposits, claim receivables and loans.

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### (b) Financial liabilities

##### i) Recognition and initial measurement

All financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial liability is initially measured at fair value. In the case of financial liabilities which are recognised at fair value through profit and loss (FVTPL), the transaction costs are recognised in the statement of profit and loss. In other cases, the transaction costs are attributed to the acquisition or issue of financial liability.

##### ii) Classification, subsequent measurement and gains and losses

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

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.9 Financial instruments(continued)

##### iii) Derecognition

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

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

##### iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### v) Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows.

##### *Put option liability instrument*

In respect of Put options granted to non-controlling shareholder which will be settled by the company in cash or in any other financial asset, a liability is recognized for the present value of the exercise price of the option. The group has opted for 'the present-access method i.e. non-controlling interest continue to be recognized because non-controlling shareholders still have present access to the returns associated with the underlying ownership interests; therefore, the debit entry is to 'other' equity.

##### vi) Financial instruments

Financial instruments issued by the group comprise of convertible debentures denominated in INR that can be converted to equity share at the option of holder, when the number of shares issued is not fixed will be considered as financial liabilities.

##### vii) Financial Guarantee Contracts:

Financial guarantee contracts issued by the group are initially measured at fair value and subsequently measured at the higher of the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.10 Income taxes

Income tax expense comprises of current and deferred tax. It is recognised in the statement of profit or loss except to the extent that it relates to the items recognised directly in equity or in OCI.

##### (a) Current tax:

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

Current tax assets and current tax liabilities are offset only if, the entity:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### (b) Deferred tax:

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.11 Discontinued operations

Discontinued operation is a component of the Group business, the operation and cash flows of which can be clearly distinguished from those of the rest of the group and which represents a separate major line of business or geographical areas of operations and

- Is part of a single co-ordinated plan to disposed of separate major line of business or geographical area of operation
- Is a subsidiary acquired exclusively with a view to re-sale

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale if earlier.

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

#### 2.12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the entity's cash management.

#### 2.13 Employee Benefits

##### (a) Short-term employee benefits

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. These benefits include bonus and compensated absences such as paid annual leave and sickness leave.

A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.13 Employee Benefits(continued)

##### (b) Post - employment obligations

The group operates the following post-employment schemes:

##### i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The company makes specified monthly contributions to Provident fund, Employee State Insurance and Labour Welfare Fund and these are recognised as an employee benefit expense in the statement of profit and loss on an accrual basis.

Contribution to Superannuation Fund is a defined contribution scheme, administered by Life Insurance Corporation of India, based on a specified percentage of eligible employees' salary.

##### ii) Defined benefit plans

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

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

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined liability (asset) after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to gratuity benefit scheme are recognised in profit or loss.

# Ascent Health and Wellness Solutions Private Limited

## Notes to the Special Purpose Consolidated financial statements

for the year ended 31 March 2020

(Currency: Indian Rupees in lakhs)

### 2. Significant Accounting Policies (Continued)

#### 2.13 Employee Benefits(continued)

##### ii) Defined benefit plans (continued)

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

##### (c) **Gratuity**

Where the company has an obligation towards gratuity, a defined benefit scheme covering eligible employees, the company accounts for gratuity benefits payable in future based on an independent actuarial valuation method as stated above.

##### (d) **Other short-term employee benefits**

The obligation is calculated as per actual leave balance multiply by the salary component of respective group entities which is recognised in the statement of profit and loss.

#### 2.14 Share Based Payment Arrangements

Employees Stock Options Plans ("ESOPs"): The grant date fair value of options granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the options. The expense is recorded for each separately vesting portion of the award as if the award was, in substance, multiple awards. The increase in other equity recognized in connection with share based payment transaction is presented as a separate component in equity under "Employee Stock Options Outstanding Reserve". The amount recognized as an expense is adjusted to reflect the actual number of stock options that vest.

#### 2.15 Earnings per share (EPS)

Basic EPS is computed using the weighted average number of equity shares outstanding during the year as defined in Ind AS 33.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be antidilutive.



# Ascent Health and Wellness Solutions Private Limited

## **Notes to the Special Purpose Consolidated financial statements**

*for the year ended 31 March 2020*

(Currency: Indian Rupees in lakhs)

### **2. Significant Accounting Policies (Continued)**

#### **2.16 Recent Accounting Pronouncements and Standards issued but not yet effective**

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

**Ascent Health and Wellness Solutions Private Limited**  
**Special purpose financial statements**

Notes to Consolidated Financial Statements (Continued)  
as at 31 March 2020

(Currency: Indian Rupees in lakhs)

**3 Property, Plant and Equipment**

	Leasehold improvements	Office Equipments	Computer	Furniture and fittings	Plant and equipment	Vehicles	Electrical fittings	Building	Total
<b>Gross Block</b>									
As at 31 March, 2018	592.89	235.91	243.56	235.66	43.72	76.84	78.88	-	1,507.46
Additions during the year	138.48	112.54	135.10	241.13	121.92	133.96	10.64	-	893.77
Deletions during the year	(9.73)	(15.24)	(58.78)	(4.45)	-	(3.02)	(21.03)	-	(112.25)
Acquisition of subsidiary	-	26.30	15.99	34.33	6.13	58.81	-	-	141.56
As at 31 March, 2019	721.64	359.51	335.87	506.67	171.77	266.59	68.49	-	2,430.54
Additions during the year	260.81	191.81	242.38	56.09	125.66	45.63	19.09	5.56	947.03
Deletions during the year	-	0.72	0.12	-	-	71.52	-	-	72.36
<b>As at 31 March, 2020</b>	<b>982.45</b>	<b>550.60</b>	<b>578.13</b>	<b>562.76</b>	<b>297.43</b>	<b>240.70</b>	<b>87.58</b>	<b>5.56</b>	<b>3,305.21</b>
<b>Accumulated depreciation</b>									
As at 31 March, 2018	42.60	72.57	106.26	59.43	6.88	21.24	8.41	-	317.39
Depreciation Charge for the year	145.09	115.92	123.40	138.10	19.93	52.37	15.89	-	610.70
Deletions during the year	(1.30)	(6.05)	(40.01)	(1.29)	-	(0.06)	(5.40)	-	(54.11)
As at 31 March, 2019	186.39	182.44	189.65	196.24	26.81	73.55	18.90	-	873.98
Depreciation Charge for the year	230.01	125.53	152.22	120.26	46.06	65.55	14.46	5.56	759.65
Deletions during the year	-	0.39	0.06	-	-	51.33	-	-	51.78
<b>As at 31 March, 2020</b>	<b>416.40</b>	<b>307.58</b>	<b>341.81</b>	<b>316.50</b>	<b>72.87</b>	<b>87.77</b>	<b>33.36</b>	<b>5.56</b>	<b>1,581.85</b>
<b>Net book value:</b>									
As at 31 March, 2018	550.29	163.34	137.30	176.23	36.84	55.60	70.47	-	1,190.07
As at 31 March, 2019	535.25	177.07	146.22	310.43	144.96	193.04	49.59	-	1,556.56
<b>As at 31 March, 2020</b>	<b>566.05</b>	<b>243.02</b>	<b>236.32</b>	<b>246.26</b>	<b>224.56</b>	<b>152.93</b>	<b>54.22</b>	<b>-</b>	<b>1,723.36</b>

Net block of tangible assets of wholly owned subsidiaries were pledged as security against the secured borrowings. (Refer note 21 and 25)

**4 Right-to-use assets**

	Right of use of assets- leasehold properties
<b>Gross Block</b>	
As at 01 April 2019 (on transition)	1,655.52
Additions during the year	2,487.90
Deletion for the year	76.13
<b>As at 31 March 2020</b>	<b>4,067.29</b>
<b>Accumulated depreciation</b>	
As at 01 April 2019	-
Depreciation charge for the year	796.36
On deletion for the year	(25.90)
<b>As at 31 March 2020</b>	<b>770.46</b>
<b>Net Block</b>	
<b>As at 31 March 2020</b>	<b>3,296.83</b>

(Refer note 46)

**Ascent Health and Wellness Solutions Private Limited**  
**Special purpose financial statements**

Notes to Consolidated Financial Statements (Continued)  
as at 31 March 2020

(Currency: Indian Rupees in lakhs)

**4 Intangible Assets**

	Goodwill on consolidation	Goodwill others	Computer Software	Intellectual property rights	Intangible assets under development
<b>Gross Block</b>					
As at 31 March, 2018	2,512.06	5,944.45	109.16	390.02	1,232.34
Additions during the year	6,986.72	-	112.07	525.48	706.85
Deletions during the year	-	-	3.97	464.59	868.75
As at 31 March, 2019	9,498.78	5,944.45	217.26	450.91	1,070.44
Additions during the year	-	340.56	124.85	-	106.55
Deletions during the year	31.10	-	-	-	1,070.44
<b>As at 31 March, 2020</b>	<b>9,467.68</b>	<b>6,285.01</b>	<b>342.11</b>	<b>450.91</b>	<b>106.55</b>
<b>Accumulated depreciation</b>					
As at 31 March, 2018	-	-	38.94	38.46	-
Additions during the year	-	-	47.07	86.53	-
Deletions during the year	-	-	2.03	79.90	-
As at 31 March, 2019	-	-	83.98	45.09	-
Amortisation charge for the year	-	-	88.12	212.73	-
Deletions during the year	-	-	0.32	-	-
<b>As at 31 March, 2020</b>	<b>-</b>	<b>-</b>	<b>171.78</b>	<b>257.82</b>	<b>-</b>
<b>Net block</b>					
As at 31 March, 2018	2,512.06	5,944.45	70.22	351.56	1,232.34
As at 31 March, 2019	9,498.78	5,944.45	133.28	405.82	1,070.44
<b>As at 31 March, 2020</b>	<b>9,467.68</b>	<b>6,285.01</b>	<b>170.33</b>	<b>193.09</b>	<b>106.55</b>

The estimate of amortisation for the years subsequent to March 31, 2020 is as follow:

Year ending 31 March	Amortisation expenses
2021	151.93
2022	88.34
2023	56.62
2024	36.89
2025	16.94

**Goodwill on consolidation**

For the purpose of impairment testing, carrying value of goodwill has been allotted to the following cash generating unit (CGU) as follows:

Particulars	31.03.2020	31.03.2019
Muthu pharma private limited	834.74	834.74
Pearl medicals private limited	669.26	669.26
Rau and co. pharma private limited	883.46	883.46
Shell pharmaceuticals private limited	411.89	411.89
Ayro retail solutions private limited	11.18	11.18
Bhairav health and wellness private limited	-	31.10
Mahaveer medi-sales private limited	6,657.15	6,657.15
<b>Total</b>	<b>9,467.68</b>	<b>9,498.78</b>

Goodwill is tested for impairment annually as at March 31st. No impairment charges were identified as at 31 March 2020 except for the goodwill created on acquisition of Bhairav Health and Wellness Private Limited Rs.31.10 lakhs. Goodwill of Rs 15,752.68 lacs relates to the acquisition of business as a distributor and stockist of pharmaceutical products. No tangible assets were acquired and accordingly the entire purchase consideration was attributed to goodwill. No other separately identifiable intangible assets were identified and all such intangible assets including vendor relationship, non-compete, trademark, etc. have been subsumed into goodwill. The company operates as a single unit with multiple geographical presence. Accordingly goodwill has been evaluated as per multiple geographical units.

Following key assumptions were considered while performing impairment testing :

Terminal value growth rate - 3%

Growth rate - 0%-20%

Weighted Average Cost of Capital % (WACC) (Discount rate) -13%- 16%

The projections cover a period of five years, as management believe this to be the most appropriate timescale over which to review and consider annual performances, before applying a fixed terminal value growth rate to the final year cash flows. The growth rates used to estimate future performance (revenue, cost of goods sold, expenses etc) are based on the reasonable estimates considering past performance. The recoverable amounts of the geographical units have been assessed using a value-in-use model. Value in use is generally calculated as the net present value of the projected post-tax cash flows plus a terminal value of each geographical units to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows.

## Ascent Health and Wellness Solutions Private Limited

### Special purpose financial statements

Notes to Consolidated Financial Statements (Continued)

as at 31 March 2020

(Currency: Indian Rupees in lakhs)

#### 5 Investment in associate

	31 March 2020	31 March 2019
<b>Investment in equity instruments of associates</b>		
<b>Unquoted, In Cumulative compulsorily convertible preference shares and equity shares instruments of associate company</b>		
91Streets Media Technologies Private Limited	5,572.83	6,397.54
	-	-
	-	-
	<b>5,572.83</b>	<b>6,397.54</b>

#### 6 Non-current Investments

	31 March 2020	31 March 2019
<b>Investment in equity instruments</b>		
<b>Unquoted, In fully paid up equity instruments of others (at FVTPL)</b>		
20,080 (31 March 2019: 20,080) equity shares of Thane Janta Sahakari Bank of Rs 50 each, fully paid-up.	10.04	10.12
Less: Provision for impairment	(0.02)	0.00
	<b>10.02</b>	<b>10.12</b>

<b>Total non-current investments</b>	<b>10.02</b>	<b>10.12</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	10.04	10.12
Aggregate amount of impairment in value of investments	(0.02)	-

#### 7 Non-current loans

	31 March 2020	31 March 2019
<b>Unsecured, considered good</b>		
Security Deposits	528.10	468.96
Less: Provision	(2.43)	-
Other deposit	-	0.01
	<b>525.67</b>	<b>468.97</b>

#### 8 Other Financial Assets (Non current)

	31 March 2020	31 March 2019
Receivable for Business Transfer	126.84	126.84
	<b>126.84</b>	<b>126.84</b>

## Ascent Health and Wellness Solutions Private Limited

### Special purpose financial statements

Notes to Consolidated Financial Statements (Continued)

as at 31 March 2020

(Currency: Indian Rupees in lakhs)

9 Deferred tax (liabilities)	31 March 2020	31 March 2019
<b>Opening Balance</b>		
<b>Deferred tax assets arising on:</b>		
Remeasurements in Defined Benefit Obligations	-	29.83
Modification to contract liability	-	2.19
Expenses allowed under income tax	0.05	-
Fair Valuation of Security Deposits	6.00	0.79
Fair Valuation of Derivative Financial instrument	153.44	-
Temporary Disallowance of Expenses under Income Tax Act	-	2.16
Unabsorbed depreciation and business losses	180.55	145.85
Minimum alternate tax	-	4.86
Lease liability	197.46	-
<b>Deferred tax liabilities arising on:</b>		
Property, plant and equipment	(335.57)	(203.12)
Other advances	(2.52)	-
Excess gratuity paid	-	(0.82)
Right-to-use assets	(201.61)	-
Deferred tax assets	537.50	185.68
Deferred tax liabilities	(539.70)	(203.94)
<b>Deferred tax (liabilities)</b>	<b>(2.20)</b>	<b>(18.24)</b>
<b>9a Deferred tax assets</b>	<b>31 March 2020</b>	<b>31 March 2019</b>
<b>Opening Balance</b>		
<b>Deferred tax assets arising on:</b>		
Remeasurements in Defined Benefit Obligations	5.04	-
Fair Valuation of Security Deposits	7.84	-
Remeasurements in Defined Benefit Obligations	0.87	-
Property, plant and equipment	60.81	-
Provision for doubtful debt	2.52	-
Others	0.17	-
Lease liability	34.10	-
<b>Deferred tax liabilities arising on:</b>		
Right-to-use assets	(38.29)	-
Deferred tax assets	111.35	-
Deferred tax liabilities	(38.29)	-
<b>Deferred tax assets</b>	<b>73.06</b>	<b>-</b>

**Ascent Health and Wellness Solutions Private Limited**  
**Special purpose financial statements**  
**Notes to Consolidated Financial Statements (Continued)**  
**as at 31 March 2020**

(Currency: Indian Rupees in lakhs)

**10 Other non-current tax assets**

	31 March 2020	31 March 2019
Advance tax (net of provisions)	465.30	727.65
	<u>465.30</u>	<u>727.65</u>

**11 Other non-current assets**

	31 March 2020	31 March 2019
Prepaid rent	-	65.41
Capital advances	180.17	75.65
Balance with government authorities	-	2.53
MVAT deposit	-	0.50
Preliminary expenses not written off	-	0.68
Retention bonus paid to Key Managerial personal ( refer note 45)	-	33.00
	<u>180.17</u>	<u>177.77</u>

**12 Inventories**

	31 March 2020	31 March 2019
Stock-in-trade	16,615.90	12,640.47
Less: Provision	(37.81)	
	<u>16,578.09</u>	<u>12,640.47</u>

**13 Trade receivables**

	31 March 2020	31 March 2019
<b>Trade Receivables*</b>		
Considered good - secured	-	-
Considered good - unsecured	23,967.99	15,165.48
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	306.70	150.44
	<u>24,274.69</u>	<u>15,315.92</u>
Less: Impairment allowances for		
- Allowance for doubtful receivables	(306.70)	(150.44)
	<u>23,967.99</u>	<u>15,015.04</u>

Trade Receivable included debts due from related parties Rs. 172.30 lakhs (31 March 2019: Rs.261.66 lakhs) (Refer note:45)

**14 Cash and cash equivalents**

	31 March 2020	31 March 2019
Balances with banks - Current accounts	4,708.75	962.63
Deposit with maturity of less than three months	2,500.00	-
Cash on hand	168.46	108.18
Cheque on hand	114.38	67.84
	<u>7,491.59</u>	<u>1,138.65</u>

**15 Other bank balances**

	31 March 2020	31 March 2019
Bank deposits with original maturity of less than 3 months *	58.60	-
Fixed deposits with original maturity for more than 3 months maturing within 12 months of balance sheet date*	1,688.70	1,384.64
	<u>1,747.30</u>	<u>1,384.64</u>

\* A Charge has been created over the deposits of Rs. 1,746.26 lakhs (31 March 2019 : Rs.1,360.48 lakhs) as a security in relation to repayment of borrowings. (Refer note : 21 and 25)

**Ascent Health and Wellness Solutions Private Limited**  
**Special purpose financial statements**  
**Notes to Consolidated Financial Statements (Continued)**  
**as at 31 March 2020**

(Currency: Indian Rupees in lakhs)

**16 Current loans**

	31 March 2020	31 March 2019
<b>Unsecured, considered good</b>		
Security deposits	6.27	2.74
Loans to related parties ( refer note 45)	1,032.00	166.01
Loans and advances to others	294.31	-
Trade advance (Deposit)	1,417.73	778.74
Other loans and advances	-	70.24
Less: Provision for doubtful advance	(649.31)	-
	<b>2,101.00</b>	<b>1,017.73</b>

**17 Other financial assets (current)**

	31 March 2020	31 March 2019
<b>Unsecured, considered good</b>		
Advances recoverable in cash or kind	84.05	28.91
Interest accrued on fixed deposit	60.85	61.35
Interest receivable	-	26.17
Receivable from business transfer	-	65.00
Other receivables	50.36	1.69
Security deposit	0.25	1.16
Less : Provison for impairment	(0.25)	-
	<b>195.26</b>	<b>184.28</b>

**18 Other current assets**

	31 March 2020	31 March 2019
Claims receivables	1,758.23	1,747.26
Retention bonus paid to key managerial personal	33.00	33.00
Prepaid rent	34.91	38.99
Trade advance	-	20.00
Prepaid expenses	162.15	147.34
Other loans and advances	-	127.73
Interest on income tax refunds	-	1.72
Other receivables	-	1.09
Grauity fund balance (net of liability)	8.92	18.93
Other current assets	13.21	22.73
Advance to employees	167.29	157.61
Less: Provision for Advance to employees	(34.45)	-
Balances with government authorities	1,271.74	1,046.49
Less: Provision for Balances with government authorities	(27.78)	-
Advances to suppliers	1,531.00	451.86
Less: Provision for Advances to suppliers	(98.04)	-
Advances recoverable in cash or kind	-	-
Less: Provision for advance recoverble	-	-
	<b>4,820.18</b>	<b>3,815.44</b>

# Ascent Health and Wellness Solutions Private Limited

## Special purpose financial statements

### Notes to Consolidated Financial Statements (Continued)

as at 31 March 2020

(Currency: Indian Rupees in lakhs)

#### 19 Share Capital

	As at 31 March 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
200,000 (31 March 2019 : 200,000) equity shares of Rs. 10 each	200,000	20.00	200,000	20.00
68,000,000 (31 March 2019: 68,000,000) preference shares of Rs. 10 each	68,000,000	6,800.00	68,000,000	6,800.00
	<b>68,200,000</b>	<b>6,820.00</b>	<b>68,200,000</b>	<b>6,820</b>
<b>Issued and subscribed and fully paid up</b>				
Equity Share Capital	61,835	6.18	61,835	6.18
	<b>61,835</b>	<b>6.18</b>	<b>61,835</b>	<b>6.18</b>

(Also refer note 21 for issue of Compulsory convertible Participating preference share capital)

#### 1 Reconciliation of equity capital outstanding at the beginning and at the end of the reporting period

	As at 31 March 2020		As at 31 March, 2019	
	No of Shares	Amount	No of Shares	Amount
At the beginning of the reporting period	61,835	6.18	51,663	5.17
Issued equity share capital during the period	-	-	10,172	1.02
Balance at the end of the reporting period	<b>61,835</b>	<b>6.18</b>	61,835	6.18

#### Terms/Rights attached to the equity capital

The Company has only one class of equity shares having a par value of Rs.10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### 2 Equity Shares held by Holding Company

	As at 31 March 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
Evermed Holdings Pte. Ltd.*	40,759	4.08	40,759	4.08

\*Refer note 1.2 (a) for amalgamation with API Holdings Private Limited

#### 3 Number of shares held by each shareholder holding more than 5% of equity shares in the Company

Particulars	As at 31 March 2020		As at 31 March, 2019	
	No of Shares	% Holding	No of Shares	% Holding
Evermed Holdings Pte. Ltd.	40,759	65.92%	40,759	65.92%
Aahaan Commercials Private Limited (Formerly know as Dial Health Hospital Supplies Private Limited)	7,795	12.61%	7,795	12.61%
Lokprakash Vidhya Private Limited	3,143	5.08%	3,143	5.08%
Shivanand Shankar Mankekar (HUF) / Kedar Shivanand Mankekar	5,057	8.18%	5,057	8.18%



# Ascent Health and Wellness Solutions Private Limited

## Special purpose financial statements

### Notes to Consolidated Financial Statements (Continued)

as at 31 March 2020

(Currency: Indian Rupees in lakhs)

#### 19 Share Capital (Continued)

##### 4 Particulars of Equity Shares reserved for issue

	As at 31 March 2020		As at 31 March, 2019	
	Number of shares	Rs. In lakhs	Number of shares	Rs. In lakhs
Equity Shares for ESOP	7,545	0.75	3,086	0.31
Equity Shares for Cumulative compulsorily convertible preference shares(Refer note no 21)	3,278	0.33	3,278	0.33

Terms attached to stock options granted to employees are described in note 44 regarding employee share based payments.

Terms attached to CCPS are described in note 21 borrowings.

**Ascent Health and Wellness Solutions Private Limited**  
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(Currency: Indian Rupees in lakhs)

<b>20 Other Equity</b>	<b>31 March 2020</b>	31 March 2019
<b>Securities premium</b>		
Opening balance	42,789.80	30,109.33
Additions during the year	-	12,698.47
Expenses related to issue of shares	-	(18.01)
<b>Balances at the end of the year</b>	<b>42,789.80</b>	<b>42,789.79</b>
<b>Retained earnings</b>		
Opening balance	(24,724.50)	(5,497.60)
Addition in retained earnings due to business combination	-	9.46
Changes in retained earning due to change in equity ownership	(179.00)	(672.47)
Valuation of derivative put options liabilities	1,181.65	(8,708.21)
Net Profit/(loss) during the year	(11,165.18)	(9,855.68)
<b>Balances at the end of the year</b>	<b>(34,887.03)</b>	<b>(24,724.50)</b>
<b>Employee stock options outstanding accounts</b>		
Opening balance as per last balance sheet	582.93	125.80
Add: Amortisation during the year	678.51	457.13
<b>Balances at the end of the year</b>	<b>1,261.44</b>	<b>582.93</b>
<b>Remeasurements of post employment benefit obligations</b>		
Opening balance	44.69	23.23
Gains / (losses) during the year	(21.25)	18.42
Share of Other Comprehensive Income of Associates and joint Ventures, net of Tax	-	3.04
<b>Balances at the end of the year</b>	<b>23.44</b>	<b>44.69</b>
<b>Total other equity</b>	<b>9,187.65</b>	<b>18,692.91</b>

<b>21 Long term borrowings</b>	<b>31 March 2020</b>	31 March 2019
Compulsorily convertible debentures	721.93	710.98
Compulsorily convertible preference shares	7,846.12	5,999.56
Term loan from others	5,649.50	-
Vehicle loan	-	16.50
Redeemable non-convertible fixed rate debentures	1,302.37	-
	<b>15,519.92</b>	<b>6,727.04</b>

- i) The term loan from Union Bank of India is secured against the hypothecation of 'Hyundai i20 Car'. The loan is sanctioned for Rs. 16.80 lakhs, which is repayable in 84 EMI of Rs 28,282. The loan carries interest at the rate of 10.45% per annum. The loan has been repaid during the year.
- ii) The term loan from BMW financial Services is secured against the hypothecation of BMW Car'. Total loan is sanctioned for Rs.40 Lakhs which is repayable in 60 EMI of Rs 83,771. The loan carries interest at the rate of 9.38% per annum. The loan has been repaid during the year.
- iii) Redeemable non-convertible fixed rate debentures are secured by an exclusive and first ranking pledge created by the Company on interim pledge shares and individual pledger in each of identified subsidiaries and second raking pari passu charge created by the Company on (i) all current assets; (ii) all movable fixed assets and a (B) first raking exclusive charge created by the Company over the Company Account Assets in favor of the common security trustee and in terms of the deed of Hypothecation and carries effective interest at 16.50% and is repayable in 18 equal quarterly installment commencing from 01 October 2020.
- iv) Term loan from others is secured by an exclusive and first ranking pledge created by the Company on interim pledge shares and individual pledger in each of identified subsidiaries and second raking pari passu charge created by the Company on (i) all current assets; (ii) all movable fixed assets and a (B) first raking exclusive charge created by the Company over the Company Account Assets in favor of the common security trustee and in terms of the deed of Hypothecation and carries effective interest at 15.95% to 16.70% and is repayable in 18 equal quarterly installment commencing from 01 October 2020.
- v) The Compulsory convertible cumulative participating Preference shares are convertible into preference shares as per criteria defined in Share subscription agreement entered by the Company dated 19 March 2019 subject to maximum of 1 preference share and conversion price shall not be lower than Rs. 1.83 lakhs and more than Rs. 2.52 lakhs.
- vi) The compulsory convertible debentures are convertible into equity shares of the Company of face value Rs.10 each upon earlier of i) One day prior to the expiry of 10(Ten) years from the date of allotment of the CCDs or ii) before IPO or iii) at any time at the option of the holder. The number of equity shares will be decided at the time of conversion based on fair value of equity shares of the Company as per discounted free cash flow method, subject to minimum 1 equity shares per CCDs. It carries interest rate of 0.001%pa.

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<b>22 Non-current lease liabilities</b>	<b>31 March 2020</b>	31 March 2019
Lease liabilities	<b>2,707.09</b>	-
	<b>2,707.09</b>	-

<b>23 Other non current financial liabilities</b>	<b>31 March 2020</b>	31 March 2019
Put liabilities	<b>7,525.56</b>	8,707.21
	<b>7,525.56</b>	8,707.21

The Group has obligation to purchase non controlling interest in subsidiaries as per the respective shareholder agreements at an agreed value ("Put Option"). Accordingly in accordance with policy followed by the Group, all put liability have been recorded at fair value Rs. 7,525.56 Lakhs (31 March 2019: Rs. 8,707.21 Lakhs). Based on the evaluation of terms of contracts, the risk and rewards of ownership remain with the non controlling shareholder.

<b>24 Provisions (Non current)</b>	<b>31 March 2020</b>	31 March 2019
Provision for employee benefits - Gratuity (refer note 43)	-	1.65
	-	1.65

<b>25 Short term borrowings</b>	<b>31 March 2020</b>	31 March 2019
<u>Secured, considered good</u>		
Working capital loan from bank	<b>16,649.92</b>	15,590.32
<u>Unsecured, considered good</u>		
From related parties	<b>14,932.01</b>	1,309.48
From Others	<b>2,651.25</b>	-
	<b>34,233.18</b>	16,899.80

i) Cash credit facilities from banks carry interest @ 11.75% p.a., computed on a monthly basis on the actual amount utilised, and are repayable on demand. Working capital loans are secured against a) Current assets of the Group b) Corporate guarantee of Aahaan Commercials Private Limited (Formally known as Dial Health Hospital supplies Private limited), Lokprakash Vidhya Private Limited c) Personal guarantee of Key Management Personnel d) Lien on Fixed deposit of Rs. 1,600 lakhs and e) Pledge of the company Shares by Aahaan Commercials Private Limited (Formally known as Dial Health Hospital supplies Private limited), Lokprakash Vidhya Private Limited.

ii) Loans from related parties (Refer note 45) carries interest at 8% to 12% per annum and are repayable on demand.

<b>26 Current lease liabilities</b>	<b>31 March 2020</b>	31 March 2019
Lease liabilities	<b>691.51</b>	-
	<b>691.51</b>	-

<b>27 Trade payables</b>	<b>31 March 2020</b>	31 March 2019
<u>Total outstanding dues of micro enterprises and small enterprises</u>		
Due to related parties	-	-
Due to others	<b>99.17</b>	55.66
	<b>99.17</b>	55.66
<u>Total outstanding dues of creditors other than micro enterprises and small enterprises</u>		
Due to related parties	<b>224.36</b>	582.40
Due to others	<b>11,004.47</b>	6,750.42
	<b>11,228.83</b>	7,332.82
	<b>11,328.00</b>	7,388.48

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 given below.

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Particulars	31 March 2020	31 March 2019
The principal amount and the interest due to thereon remaining unpaid to any supplier at the end of each accounting year	98.76	55.42
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amount of payment to the supplier beyond the appointed day during each accounting year	0.41	-
The amount of interest due and payable for the period of the delay in making payment but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding year until such date and when the interest due above are actually paid to the small enterprise for the purpose of the disallowance of a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Act, 2006.	0.39	0.24

28 Other current financial liabilities	31 March 2020	31 March 2019
Current maturity of long term borrowings	889.60	15.34
Book overdraft	155.27	-
Interest accrued but not due	23.87	396.50
Employee benefit expense payable	346.40	289.87
Expiry claim payable	-	41.43
Capital creditors	69.31	94.01
Other current liabilities	0.10	80.92
Put liabilities	-	750.00
Claims payable to customer	23.14	-
	<b>1,507.69</b>	<b>1,668.07</b>

\*(Refer note no. 21)

29 Provisions (current)	31 March 2020	31 March 2019
Provision for employee gratuity	31.13	17.54
Provision for compensated absences	23.99	17.29
	<b>55.12</b>	<b>34.83</b>

30 Other current liabilities	31 March 2020	31 March 2019
Advance from customers	555.74	154.65
Statutory tax liabilities	193.20	635.12
Trade advance	-	18.27
Advance from related parties (Refer note 45)	-	18.00
Others	0.99	16.00
Contract liability	3.99	16.73
	<b>753.92</b>	<b>858.77</b>

31 Current tax liabilities	31 March 2020	31 March 2019
Provision for income taxes	41.80	427.83
	<b>41.80</b>	<b>427.83</b>

**Ascent Health and Wellness Solutions Private Limited**  
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**32 Revenue**

	31 March 2020	31 March 2019
Sale of stock-in-trade	184,422.07	126,293.77
Sale of services	21.92	5.16
	<b>184,443.99</b>	<b>126,298.93</b>

**Disclosures pursuant to Ind AS 115**

**Reconciliation of amount of revenue recognised in the statement of profit and loss.**

Particulars	31 March 2020	31 March 2019
<b>Gross Sales</b>	<b>195,673.27</b>	131,819.00
Less : Discounts and returns	(11,251.19)	(5,525.23)
Sale of services	21.92	5.16
<b>Net sales</b>	<b>184,443.99</b>	<b>126,298.93</b>

The Group derives revenue primarily from wholesale distribution of pharmaceutical, medical, surgical and other related products. The revenue from sale is recognised when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The performance obligation is usually satisfied when the Group has transferred to the retailer, the promised goods, at a point in time.

Effective 01 April 2018, the Group has applied Ind AS 115 Revenue from Contracts with Customers, which outlines single comprehensive model for accounting of revenue arising from contracts with customers. However, there is no significant change in the timing or amount of revenue recognised in case of the Group considering the nature of business.

Further, the new standard requires enhanced disclosures relating to disaggregation of revenue into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected. The entire revenue of the Group relates to business of trading in single product line (i.e. trading of pharmaceutical goods) and is restricted to geographical regions within the country, where risks do not vary. Further, the information relating to the entire revenue of the Group is reviewed by the Chief Operating Decision Maker as whole. In the absence of categories for disaggregation of revenue, the Group has not disaggregated the revenue.

Revenue from single customer is Rs.Nil (31 March 2019 – Rs. Nil) which is more than 10% of the total revenue from operation.

**Contract Liability**

Opening Balance	16.74	-
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(16.74)	-
Add: Revenue not recognised in the reporting period that is to be included in the closing balance of contract liability balance at the end of the period.	3.99	16.74
Closing Balance	<b>3.99</b>	<b>16.74</b>

**33 Other income**

	31 March 2020	31 March 2019
<i>Income on financial assets carried at amortised cost</i>		
-Interest income on others	14.67	58.45
-Interest income on loan given to related parties	12.55	-
-Interest on fixed deposits	166.74	-
-Interest on income tax refund	6.90	1.72
-Finance income on security deposits	46.15	36.54
-Dividend income	1.50	1.51
Gain on change in associate shareholding	5,643.54	3,712.92
Profit on sale of assets	0.04	-
Profit on sale of investments	-	102.78
Sundry balance written back	88.68	671.73
Foreign exchange fluctuation gain (net)	-	2.12
Miscellaneous income	166.08	122.55
	<b>6,146.85</b>	<b>4,710.32</b>

**34 Purchases of stock-in-trade**

	31 March 2020	31 March 2019
Purchase of stock-in-trade	174,470.98	117,556.56
	<b>174,470.98</b>	<b>117,556.56</b>

**35 Changes in inventories**

	31 March 2020	31 March 2019
Closing balance of stock-in-trade	(16,578.11)	(8,822.01)
Opening balance of stock-in-trade	12,640.44	7,257.39
	<b>(3,937.67)</b>	<b>(1,564.62)</b>

**Ascent Health and Wellness Solutions Private Limited**  
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	31 March 2020	31 March 2019
<b>36 Employee benefit expenses</b>		
Salaries, wages and bonus	5,405.72	5,087.92
Employee stock compensation expense ( Refer note no 44)	678.51	457.13
Contribution to provident and other funds ( Refer note no 43)	480.16	300.43
Staff welfare expenses	250.74	148.53
	<b>6,815.13</b>	<b>5,994.01</b>
<b>37 Finance cost</b>		
Interest on loan from bank	1,817.95	1,828.03
Interest on loan from others	1,025.55	333.75
Interest on delayed payments	-	0.67
Interest cost on finance lease obligation	333.78	-
Finance charges on compulsory convertible debentures	21.77	-
Other bank charges	128.85	133.98
	<b>3,327.90</b>	<b>2,296.43</b>
<b>38 Depreciation and amortisation expense</b>		
Depreciation of tangible assets	759.88	598.83
Amortization of intangible assets	380.93	90.75
Amortization of right-of-use asset	708.20	-
	<b>1,849.01</b>	<b>689.58</b>
<b>39 Other Expense</b>		
Freight and forwarding	331.84	168.18
Power and fuel	281.75	184.17
Advertising expenses	1,294.00	410.98
Travelling and conveyance	659.29	433.44
Legal and professional charges	947.46	598.67
Sales commission	1,383.36	1,170.82
Rent	82.68	830.68
Repairs and maintenance - others	226.29	169.82
Rates and taxes	137.30	55.01
Bad debts	-	704.41
Non - compete fees	100.00	136.00
Bank charges	58.65	14.77
Loss on sale of property, plant and equipment	0.88	3.91
Packing expenses	311.53	223.95
Printing & stationery	211.40	163.83
Sundry balances written off	144.00	163.68
Provision for impairment of investment	-	(0.00)
Amortization of fair value changes in security deposits	-	39.70
Loss on fair valuation of financial instruments	10.95	110.98
Loss on Fair Valuation of liabilities	1,846.56	-
Impairment of consolidated goodwill	31.10	-
Net loss on foreign currency transactions	3.20	-
Provision for doubtful advances	529.84	733.12
Net loss on foreign currency transactions	-	0.00
Miscellaneous expenses	1,251.14	795.05
	<b>9,843.22</b>	<b>7,111.17</b>

Ascent Health and Wellness Solutions Private Limited  
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40 Disclosures of subsidiaries and associate

A. The List of subsidiaries and associates included in the Consolidated Financial Statements are as under :-

Name of Entity	Relation with parent	Principal place of business	31 March 2020		31 March 2019	
			Proportion of effective ownership (%)	Proportion of voting power held (%)	Proportion of effective ownership (%)	Proportion of voting power held (%)
Shell pharmaceuticals private limited	Subsidiary	Chennai	100	100	80	80
Rau and co. pharma private limited	Subsidiary	Chennai	100	100	80	80
Pearl medicals private limited	Subsidiary	Chennai	100	100	80	80
Muthu pharma private limited	Subsidiary	Chennai	100	100	80	80
Bhairav health and wellness private limited	Subsidiary	Mumbai	99.84	100	60	100
Aryan wellness private limited	Subsidiary	Gurgaon	80	80	80	80
Desai pharma distributors private limited	Subsidiary	Bengaluru	100	100	100	100
Eastern agencies healthcare private limited	Subsidiary	Mumbai	100	100	100	100
Vpi medisales private limited	Subsidiary	Bengaluru	100	100	100	100
D. c. agencies private limited	Subsidiary	New Delhi	100	100	100	100
Dial health drug supplies private limited	Subsidiary	Mumbai	100	100	100	100
Mypos technologies private limited	Subsidiary	Mumbai	100	100	100	100
Mahaveer medi-sales private limited	Subsidiary	Bengaluru	51	51	51	51
Akp healthcare private limited	Subsidiary	Davangere	51	51	1	1
Reenav pharma private limited	Subsidiary	Mumbai	51	51	51	51
Ayro retail solutions private limited	Subsidiary	Navi Mumbai	100	100	100	100
Venkatesh Medicos Private Limited	Subsidiary	Davangere	51	51	-	-
Aushad Pharma Distributor Private Limited (Refer note I)	Subsidiary	Mysore	51	51	-	-
91streets technologies private limited	Associate	Mumbai	22	22	25.72	25.72
Aarush Tirupati Enterprise Private Limited	Subsidiary	Kolkata	100	100	-	-

Note:

I. Company having 0.2% of equity share holding Aushad Pharma Distributor Private Limited. However, Company has 51% voting power attached to CCPS.

**Ascent Health and Wellness Solutions Private Limited**  
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**Note 40B: Additional information as required under schedule III of Companies Act**

Name of the entity	Net Assets = Total Assets Minus Total Liabilities				Share In Profit Or Loss				Share In Other Comprehensive Income				Share In Total Comprehensive Income			
	As at 31 March 2020		As at 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019		For the year ended 31 March 2020		For the year ended 31 March 2019	
	% of group's net assets	Amount	% of group's net assets	Amount	% of group's Profit Or Loss	Amount	% of group's Profit Or Loss	Amount	% of group's Other Comprehensive Income	Amount	% of group's Other Comprehensive Income	Amount	% of group's Total Comprehensive Income	Amount	% of group's Total Comprehensive Income	Amount
<b>Parent Group</b>																
Ascent Health and Wellness Solutions Private Limited	329.94%	35,409.72	221.24%	42,151.12	71.74%	(7,157.82)	18.04%	(1,780.78)	46.36%	(9.85)	57.56%	9.56	71.68%	(7,167.67)	17.98%	(1,771.22)
<b>Subsidiaries</b>																
Shell Pharmaceuticals Private Limited	-2.52%	(270.13)	-0.88%	(166.75)	1.04%	(103.95)	0.40%	(39.31)	-2.79%	0.59	2.00%	0.33	1.03%	(103.36)	0.40%	(38.98)
Rau and Co. Pharma Private Limited	-2.18%	(233.72)	-0.20%	(38.71)	1.95%	(194.72)	0.24%	(23.81)	1.32%	(0.28)	8.22%	1.37	1.95%	(195.00)	0.23%	(22.44)
Pearl Medicals Private Limited	0.22%	24.10	0.24%	45.13	0.21%	(20.95)	-0.24%	23.27	0.50%	(0.11)	2.25%	0.37	0.21%	(21.06)	-0.24%	23.65
Muthu Pharma Private Limited	-8.61%	(923.98)	-2.89%	(551.54)	3.74%	(373.19)	5.11%	(503.98)	-3.54%	0.75	8.72%	1.45	3.72%	(372.44)	5.10%	(502.52)
Bhairav Health and Wellness Private Limited	-0.48%	(51.34)	1.35%	257.14	3.10%	(309.17)	0.28%	(27.31)	-3.19%	0.68	-0.02%	(0.00)	3.08%	(308.49)	0.28%	(27.31)
Aryan Wellness Private Limited	-0.11%	(11.96)	-1.41%	(269.52)	-2.59%	258.07	2.92%	(288.37)	2.46%	(0.52)	23.91%	3.97	-2.58%	257.56	2.89%	(284.39)
Desai Pharma Distributors Private Limited	-0.46%	(49.86)	-0.13%	(25.06)	0.25%	(24.62)	0.48%	(46.90)	0.81%	(0.17)	4.12%	0.68	0.25%	(24.79)	0.47%	(46.21)
Eastern Agencies Healthcare Private Limited	-14.07%	(1,510.42)	-5.96%	(1,135.74)	3.86%	(385.00)	10.54%	(1,040.42)	5.17%	(1.10)	12.78%	2.12	3.86%	(386.10)	10.54%	(1,038.30)
VPI Medisales Private Limited	-7.10%	(762.32)	-3.46%	(659.08)	1.02%	(101.68)	3.58%	(353.36)	7.34%	(1.56)	9.03%	1.50	1.03%	(103.24)	3.57%	(351.86)
D. C. Agencies Private Limited	-15.85%	(1,701.38)	-5.58%	(1,062.78)	6.36%	(634.53)	4.97%	(490.66)	19.18%	(4.07)	15.30%	2.54	6.39%	(638.60)	4.95%	(488.12)
Dial Health Drug Supplies Private Limited	-8.84%	(948.92)	-3.20%	(610.16)	3.41%	(340.18)	4.35%	(429.53)	-6.60%	1.40	15.92%	2.64	3.39%	(338.77)	4.33%	(426.88)
MyPos Technologies Private Limited	0.00%	-	-3.44%	(656.18)	0.00%	-	7.30%	(720.51)	0.00%	-	0.00%	-	0.00%	-	7.31%	(720.51)
Mahaveer Medi-Sales Private Limited	26.59%	2,854.02	8.17%	1,556.05	-13.05%	1,301.62	-7.10%	700.64	17.23%	(3.66)	-77.72%	(12.91)	-12.98%	1,297.96	-6.98%	687.73
AKP Healthcare Private Limited	15.72%	1,687.40	-1.61%	(306.63)	-2.04%	203.65	3.30%	(326.16)	12.20%	(2.59)	-0.15%	(0.02)	-2.01%	201.06	3.31%	(326.19)
Reenav Pharma Private Limited	-0.14%	(15.46)	-0.08%	(14.63)	0.01%	(0.83)	0.25%	(24.63)	0.00%	-	0.00%	-	0.01%	(0.83)	0.25%	(24.63)
Ayro Retail Solutions Private Limited	-33.01%	(3,542.88)	-4.66%	(888.26)	26.60%	(2,653.88)	8.90%	(878.04)	3.56%	(0.76)	-0.23%	(0.04)	26.55%	(2,654.64)	8.91%	(878.08)
Venkatesh Medicos Private Limited	-0.22%	(24.10)	-	-	0.25%	(24.73)	-	-	-	-	-	-	0.25%	(24.73)	-	-
Aushad Pharma Distributor Private Limited	0.29%	31.43	-	-	-0.21%	21.42	-	-	-	-	-	-	-0.21%	21.42	-	-
<b>Associate</b>																
91Streets Technologies Private Limited	51.93%	5,572.83	33.58%	6,397.54	64.83%	(6,468.26)	74.87%	(7,389.74)	-10.70%	2.27	18.32%	3.04	64.66%	(6,465.98)	74.97%	(7,386.70)
	331.09%	35,533.03	231.06%	44,021.95	170.48%	(17,008.72)	138.19%	(13,639.58)	89.30%	(18.97)	100.00%	16.62	170.27%	(17,027.70)	138.26%	(13,622.96)
Non-controlling Interest Consolidated financial statement Adjustments	14.33%	1,538.34	1.85%	352.12	-11.89%	1,186.22	0.15%	(14.44)	0.00%	-	-29.15%	(4.84)	-11.86%	1,186.22	0.20%	(19.28)
	-245.42%	(26,339.07)	-132.91%	(25,321.81)	-58.59%	5,845.52	-38.34%	3,783.92	10.70%	(2.27)	29.15%	4.84	-58.41%	5,841.33	-38.45%	3,788.76
<b>Total</b>	<b>100.00%</b>	<b>10,732.30</b>	<b>100.00%</b>	<b>19,052.25</b>	<b>100.00%</b>	<b>(9,976.98)</b>	<b>100.00%</b>	<b>(9,870.11)</b>	<b>100.00%</b>	<b>(21.24)</b>	<b>100.00%</b>	<b>16.62</b>	<b>100.00%</b>	<b>(10,000.15)</b>	<b>100.00%</b>	<b>(9,853.48)</b>



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40 Disclosures of subsidiaries and associate

C Non-controlling Interests

Name of the entities	Current assets	Current liabilities	Net current assets	Non-current assets	Non-current liabilities	Net non-current assets	Total net assets	Accumulated NCI
1 <u>Bhairav Health and Wellness Pvt. Ltd.</u>								
31 March 2020	37.14	88.48	(51.33)	0.00	-	0.00	(51.33)	(0.09)
31 March 2019	253.04	50.34	202.70	53.27	(1.18)	54.45	257.15	(57.15)
2 <u>Muthu Pharma Private Limited</u>								
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	2,051.87	2,864.57	(812.70)	266.79	-	266.79	(545.91)	(110.31)
3 <u>Pearl Medicals Private Limited</u>								
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	1,340.46	1,351.12	(10.66)	53.29	(3.01)	56.30	45.64	9.03
4 <u>Shell Pharmaceuticals Private Limited</u>								
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	853.55	1,057.07	(203.52)	36.77	-	36.77	(166.75)	(33.35)
5 <u>Rau and Co. Pharma Private Limited</u>								
31 March 2020	-	-	-	-	-	-	-	-
31 March 2019	1,684.55	1,788.11	(103.56)	66.32	1.47	64.85	(38.72)	(7.75)
6 <u>Aryan Wellness Private Limited</u>								
31 March 2020	7,196.84	6,996.21	200.63	4,106.90	4,319.51	(212.61)	(11.98)	(2.39)
31 March 2019	5,141.41	5,055.35	86.06	3,300.36	3,655.94	(355.58)	(269.52)	(53.90)
7 <u>Mahaveer Medi-Sales Private Limited</u>								
31 March 2020	8,990.63	6,606.90	2,383.73	490.89	20.60	470.30	2,854.03	1,398.46
31 March 2019	6,540.69	5,734.46	806.23	726.21	(23.61)	749.82	1,556.05	762.46
8 <u>AKP Healthcare Private Limited</u>								
31 March 2020	4,026.53	2,522.50	1,504.03	186.47	3.12	183.35	1,687.38	141.28
31 March 2019	3,229.48	1,919.84	1,309.64	144.06	1,760.33	(1,616.27)	(306.63)	(149.75)
9 <u>Reenav Pharma Private Limited</u>								
31 March 2020	260.06	178.09	81.97	46.11	143.55	(97.44)	(15.47)	(7.58)
31 March 2019	71.30	17.51	53.79	30.86	99.75	(68.90)	(15.10)	(7.17)
10 <u>Venkatesh Medico Private Limited</u>								
31 March 2020	994.73	1,504.73	(510.00)	512.97	27.08	485.89	(24.11)	(11.81)
31 March 2019	-	-	-	-	-	-	-	-
11 <u>Aushad Pharma Distributors Private Limited</u>								
31 March 2020	2,147.92	246.28	1,901.64	8.75	1,878.82	(1,870.07)	31.57	20.46
31 March 2019	-	-	-	-	-	-	-	-

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Summarised statement of profit and loss

Summarised statement of profit and loss	Total Revenue	Profit for the year from continuing operations	Profit for the year from discontinued operations	Other Comprehensive Income	Total Comprehensive Income	Profit allocated to NCI
<b>1 Bhairav Health and Wellness Pvt. Ltd.</b>						
31 March 2020	683.48	(309.17)	-	0.68	(308.49)	(49.47)
31 March 2019	604.25	(27.31)	-	(0.00)	(27.31)	(10.92)
<b>2 Muthu Pharma Private Limited</b>						
31 March 2020	-	-	-	-	-	-
31 March 2019	6,705.85	(503.98)	-	1.45	(502.53)	(100.80)
<b>3 Pearl Medicals Private Limited</b>						
31 March 2020	-	-	-	-	-	-
31 March 2019	4,856.99	23.27	-	0.37	23.65	4.65
<b>4 Shell Pharmaceuticals Private Limited</b>						
31 March 2020	-	-	-	-	-	-
31 March 2019	2,401.67	(39.31)	-	0.33	(38.98)	(7.86)
<b>5 Rau and Co. Pharma Private Limited</b>						
31 March 2020	-	-	-	-	-	-
31 March 2019	6,240.52	(23.81)	-	1.37	(22.44)	(4.76)
<b>6 Aryan Wellness Private Limited</b>						
31 March 2020	21,887.52	258.07	-	(0.52)	257.55	51.61
31 March 2019	17,169.07	(288.37)	-	3.97	(284.39)	(57.67)
<b>7 Mahaveer Medi-Sales Private Limited</b>						
31 March 2020	50,017.09	1,301.62	-	(3.66)	1,297.96	637.79
31 March 2019	31,205.01	700.64	-	(12.91)	687.73	343.32
<b>8 AKP Healthcare Private Limited</b>						
31 March 2020	14,246.49	203.65	-	(2.59)	201.06	99.79
31 March 2019	10,302.95	(326.16)	-	(0.02)	(326.19)	(322.90)
<b>9 Reenav Pharma Private Limited</b>						
31 March 2020	6,854.93	(0.83)	-	-	(0.83)	(0.40)
31 March 2019	8.70	(24.63)	-	-	(24.63)	(12.07)
<b>10 Venkatesh Medico Private Limited</b>						
31 March 2020	1,626.65	(24.73)	-	-	(24.73)	(12.12)
31 March 2019	-	-	-	-	-	-
<b>11 Aushad Pharma Distributors Private Limited</b>						
31 March 2020	845.00	21.42	-	-	21.42	10.50
31 March 2019	-	-	-	-	-	-

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40 Consolidation Disclosures

D Interests in associates

Set out below are the associates of the group as at 31 March 2020 which, in the opinion of the directors are material to the group:

Name of entity	Accounting method	Quoted fair value		Carrying amount	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
91Streets Technologies Private Limited #	Equity method	- *	- *	5,572.83	6,397.54

\* Unlisted entity - no quoted price available

# The below numbers are taken from consolidated financial statement of Associate

(i) Summarised financial information for associates

Summarised balance sheet	Current assets	Current liabilities	Net current assets	Non - current assets	Non - current liabilities	Net non-current assets	Total net assets
31 March 2020	47,544.00	11,661.00	35,883.00	9,512.00	19,839.00	(10,327.00)	25,556.00
31 March 2019	16,697.18	7,558.93	9,138.25	3,404.57	1,438.56	1,966.01	11,104.26

Summarised statement of profit and loss	Total Revenue	Profit for the year	Other Comprehensive Income	Total Comprehensive Income	Dividend received
31 March 2020	73,744.00	(32,920.00)	21.00	(32,923.00)	-
31 March 2019	36,390.82	(24,323.59)	10.40	(24,326.05)	-

(ii) Reconciliation to carrying amounts

	31 March 2020	31 March 2019
Opening net assets	11,104.04	8,846.10
(Loss) for the year	(32,920.00)	(24,323.59)
Other Comprehensive Income	21.00	10.40
Equity Component of Compound Financial Instruments	2.1	405.64
Employee Stock Option	2391.03	917.96
CCPS	19.9	21.18
Securities Premium	44713	25,239.23
NCI of Associate	(119.00)	(12.88)
<b>Closing net assets</b>	<b>25,212.07</b>	<b>11,104.04</b>
Group's share in %	22.00%	29.26%
Group's share in INR	5,546.66	3,249.03
Goodwill	-	3,936.99
Changes in equity component of compound Financial Instruments	-	(257.44)
Changes in Employee Stock option	-	(466.84)
Changes to Share Warrants	-	(63.38)
Changes to Capital Reserve	-	(4.74)
NCI of associate	26.18	3.95
	<b>5,572.83</b>	<b>6,397.54</b>

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41 Financial instruments: Disclosures

(i) Financial instruments by category

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments	10.02	-	10.12	-
Loans	-	2,626.68	-	1,486.70
Other financial assets	-	322.11	-	1,144.56
Trade receivables	-	23,967.99	-	15,015.04
Cash and cash equivalents	-	7,491.59	-	1,138.65
Other bank balances	-	1,747.30	-	1,384.64
<b>Total financial assets</b>	<b>10.02</b>	<b>36,155.67</b>	<b>10.12</b>	<b>20,169.59</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	-	-	9,457.20
Borrowings	8,568.05	41,185.05	6,710.54	16,916.30
Other financial liabilities	-	9,033.25	-	918.07
Trade payables	-	11,328.00	-	7,388.49
Lease liabilities	-	3,398.60	-	-
<b>Total financial liabilities</b>	<b>8,568.05</b>	<b>64,944.90</b>	<b>6,710.54</b>	<b>34,680.06</b>

There are no Financial instruments that have been classified as Fair Value through Other Comprehensive Income (FVTOCI).

(ii) Financial assets and liabilities measured at fair value

31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	10.02	10.02
<b>Total financial asset</b>	-	-	10.02	<b>10.02</b>
<b>Financial liability</b>				
Borrowings	-	-	8,568.05	8,568.05
<b>Total financial liability</b>	-	-	8,568.05	<b>8,568.05</b>

Financial assets and liabilities measured at fair value

31 March 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	10.12	10.12
<b>Total financial asset</b>	-	-	10.12	<b>10.12</b>
<b>Financial liability</b>				
Borrowings	-	-	8,568.05	8,568.05
<b>Total financial liability</b>	-	-	8,568.05	<b>8,568.05</b>

(iii) Valuation technique used to determine fair value

As at 31 March 2020 and 31 March 2019, the fair values of the Group's financial instruments, Investments in Compulsorily Convertible Debentures, Compulsorily Convertible Cumulative Participating Preference Shares and Optionally Convertible Redemmmable debentures and Compulsorily convertible Cumulative Participating Preference shares Issued by the Group are estimated based on their fair value. No significant inputs were applied in the valuation of trade receivables and other financial assets as at 31 March 2020 and 31 March 2019.

Investments in Compulsorily Convertible Debentures, Compulsorily Convertible Cumulative Participating Preference Shares and Optionally Convertible Redemmmable debentures and Compulsorily convertible Cumulative Participating Preference shares issued by the Group have been measured by discounting the future cash flows using existing borrowing rate of the entity and hence it is classified as level 3.

i) Financial Liabilities

Compulsory Convertible Preference shares

Particulars	31 March 2020	31 March 2019
<b>Weighted Average Cost of Capital (WACC) Sensitivity</b>		
WACC – increase by 1 percent.	8,238.43	7,039.31
WACC – decrease by 1 percent.	6,041.51	5,162.06
<b>Growth Rate sensitivity</b>		
Growth rate- increase by 1 percent	7,924.58	6,802.96
Growth rate- decrease by 1 percent	6,276.90	5,336.16

Compulsory Convertible Debentures

Particulars	31 March 2020	31 March 2019
<b>Weighted Average Cost of Capital</b>		
WACC – increase by 1 percent.	(93.85)	(90.48)
WACC – decrease by 1 percent.	108.29	108.42
<b>Growth Rate sensitivity</b>		
Growth rate- increase by 1 percent	64.97	66.68
Growth rate- decrease by 1 percent	(57.75)	(55.98)

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**(iv) Financial risk management objective and policies**

The Group's activities expose it to credit risk, liquidity risk and market risk. The Group's overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on the Group's financial performance. Management has not formed formal risk management policies, however, the risks are monitored by management by analyzing exposures by degree and magnitude of risk on a continued basis. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

**(A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The maximum credit risk comprises the carrying amounts of the financial assets. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and security deposits. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**Provision for expected credit losses**

Cash and cash equivalent and other bank balances

Credit Risk on cash and cash equivalent is generally low as the said deposits have been made with the banks / financial institutions who have been assigned high credit rating by international and domestic rating agencies. Management does not expect any losses from non-performance by these counterparties.

**Other financial assets measured at amortized cost**

Other financial assets measured at amortized cost includes due from related parties, receivables from employees and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensures that the amounts are within defined limits. Group does not expect any risk in realization of these financial assets.

**Trade and other receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit risk is managed through credit approvals establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group has subsequently collected substantially all its outstanding receivables. Basis the historical experience, the risk of defaults in case of trade receivable is low and provision is made for doubtful receivable on individual basis depending on the customer ageing, customer category, specific credit circumstances and historical experience of the Group. Further, based on the available data, the expected credit loss is not expected to be material.

**Expiry claim receivables**

These claims are made against pharmaceutical companies for pharmaceutical products that are past their use by date. These are primarily reimbursed for credit passed on to customers for returns to vendors with no material impact on the receivables of the Group. These claims are to be settled usually by large pharmaceutical companies. Pharmaceutical manufacturers are required to accept the return of expired goods based on industry practice. The Group collects such returns from its customers and passes it on to their vendors. The Group gives a credit note to its customer which is reimbursed by the vendors. The Group does not expect to incur any loss on this account.

**(B) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the Group operates. Group's financial liabilities are expected to be settled within twelve months from the date of statement of financial position. Management is confident that it would be able to generate adequate cash flows from operations to pay off liabilities as they fall due.

**Maturities of financial liabilities**

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2020	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	32,616.99	-	8,568.05	-	41,185.05
Trade payable	-	11,328.00	-	-	11,328.00
Other financial liabilities	-	1,507.69	7,525.56	-	9,033.25
Lease liabilities	-	691.50	2,707.09	-	3,398.59
<b>Total</b>	<b>32,616.99</b>	<b>12,835.70</b>	<b>16,093.60</b>	<b>-</b>	<b>64,944.89</b>

31 March 2019	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Borrowings	16,916.30	-	6,710.54	9,457.20	33,084.04
Trade payable	-	7,388.49	-	-	7,388.49
Other financial liabilities	-	-	918.07	-	918.07
<b>Derivative financial liabilities</b>	-	-	-	-	-
<b>Total</b>	<b>16,916.30</b>	<b>7,388.49</b>	<b>7,628.61</b>	<b>9,457.20</b>	<b>41,390.60</b>

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**(C) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks – foreign currency risk, cash flow and fair value interest risk and price risk.

**a) Foreign currency risk**

The Group mainly transacting in INR and hence Group is not exposed to foreign currency risk.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest risk arises mainly from Cash Credits taken from bank. The Group manages the risk by monitoring interest rates on regular basis.

*Interest rate risk exposure*

Below is the overall exposure of the group to interest rate risk:

Particulars	31 March 2020	31 March 2019
Variable rate borrowing	16,649.93	15,590.33
Fixed rate borrowing	24,535.11	17,493.69
<b>Total borrowings</b>	<b>41,185.04</b>	<b>33,084.03</b>

*Sensitivity*

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 March 2020	31 March 2019
<b>Interest sensitivity*</b>		
Interest rates – increase by 100 basis points	166.50	155.90
Interest rates – decrease by 100 basis points	(166.50)	(155.90)

\* Holding all other variables constant

**c) Price risk**

The group does not have any other price risk than interest rate risk and foreign currency risk as disclosed above.

**Capital management**

The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep an optimum gearing ratio. The Group includes within net debt, interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

Particulars	31 March 2020	31 March 2019
Borrowings	41,185.05	16,916.30
Less: Cash and cash equivalents	9,238.89	2,523.29
<b>Net debt</b>	<b>31,946.16</b>	<b>14,393.01</b>
Equity	10,732.17	19,051.21
Total Equity	<b>10,732.17</b>	<b>19,051.21</b>
<b>Capital and net debt</b>	<b>42,678.33</b>	<b>33,444.22</b>
<b>Gearing ratio (%)</b>	<b>74.85%</b>	<b>43.04%</b>

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants and attached to the interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

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(Currency: Indian Rupees in lakhs)

**42 Earnings per share**

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

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

**Ascent Health and Wellness Solutions Private Limited**  
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**43 Employee benefits**

Defined contribution plan

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

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

**(b) Contribution to ESIC (defined contribution):**

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

**(C) Compensated leave absences:**

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

**Defined benefit obligation**

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

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

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



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

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

**(a) Economic Assumptions**

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

**(b) Demographic Assumptions**

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

**(c) Sensitivity analysis of defined benefit obligation**

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

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

**(d) Maturity profile of defined benefit obligation**

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

## Ascent Health and Wellness Solutions Private Limited

### Special purpose financial statements

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#### 44 Employee Stock Option Plans ('ESOP')

##### Ascent Health and Wellness Solutions Employee Stock Option Scheme - 2017 ('ESOS 2017') and Ascent Employee Stock Option Plan 2019 ('ESOS 2019')

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The model inputs for options granted on 01 May 2017:

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

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

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

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

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

The model inputs for options granted on 1 November 2018:

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

The model inputs for options granted on 01 July 2019:

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

The model inputs for options granted on 01 September 2019:

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

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

The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

**Share Price:** Share price is the price provided by the managements based upon independent valuer.

**Exercise Price:** Exercise price is price as determined by The Employee stock Compensation Committee.

**Expected Volatility:** The historical volatility of the similer stock has been considered for the fair value of the options

**Expected Option Life:** Expected life of option is the period for which the Group expected the option to be live. The minimum life of a stock option is the minimum period before before which the options cannot be exercised and the maximum life is the period after which option cannot be exercised

**Expected Dividends:** Expected dividend yield of the options is based upon recent dividned activity.

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

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

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

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**45 Related parties**

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

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

**II. Transactions with related parties and outstanding year end balances**

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

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

# Ascent Health and Wellness Solutions Private Limited

## Special purpose financial statements

### Notes to Consolidated Financial Statements (Continued)

for the year ended 31st March 2020

(Currency: Indian Rupees in lakhs)

#### 46 Lease disclosure as per Ind AS 116

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

#### Carrying amounts of right-of-use assets recognised and the movements during the period:

Refer Note 4

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

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

#### The maturity analysis of lease liabilities is disclosed below :

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

#### c. Total Cash outflow

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

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

#### e. Impact on adoption of Ind AS 116

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

**Ascent Health and Wellness Solutions Private Limited**  
**Special purpose financial statements**  
**Notes to Consolidated Financial Statements (Continued)**  
**for the year ended 31 March 2020**

(Currency: Indian Rupees in lakhs)

**47 Segment reporting**

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

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

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

**49 Exceptional items**

**Impairment of Intangibles under Development**

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

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

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

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

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

CIN No: U60100MH2019PLC323444

**Rajesh Mehra**  
*Partner*  
Membership No. 103145

Mumbai  
Date: 31 October 2021

**Dharmil Sheth**  
Director  
DIN: 06999772

Mumbai  
Date: 31 October 2021

**Harsh Parekh**  
Director  
DIN: 06661731

Mumbai  
Date: 31 October 2021



## **INDEPENDENT AUDITOR’S REPORT**

To the Members of Medlife International Private Limited

### **Report on the Audit of the Consolidated financial statements**

#### **Opinion**

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

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

#### **Basis for Opinion**

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

#### **Other Information**

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

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

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

### **Responsibilities of Management for the Consolidated financial statements**

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

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

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

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

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

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

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

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

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

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

### **Other Matters**

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/(loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statements;
- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended ;
- (e) On the basis of the written representations received from the directors of the Company and one subsidiary company as on March 31, 2021, and taken on record by the Board of Directors of the Company and such subsidiary company and the report of the statutory auditor who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Company and subsidiary companies incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to these Consolidated financial statements of the Company and its subsidiary Companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;
- (g) The provisions of section 197 read with Schedule V relating to managerial remuneration of the Act are not applicable to the Company and its subsidiaries incorporated in India for the year ended March 31, 2021 and

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
- i. The Consolidated financial statements disclose the impact of pending litigations on its Consolidated financial position of the Group, in its Consolidated financial statements – Refer Note 41 to the Consolidated financial statements;
  - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiaries, incorporated in India during the year ended March 31, 2021.

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

**per Rajeev Kumar**  
Partner  
Membership Number: 213803

Unique Document Identification Number (UDIN): 21213803AAAACZ7474

Place of Signature: Bengaluru  
Date: July 22,2021

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

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

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

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditor’s Responsibility**

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

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

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

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

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

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

### **Opinion**

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

### **Other Matters**

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

### **For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

**per Rajeev Kumar**

Partner

Membership Number: 213803

Unique Document Identification Number (UDIN): 21213803AAAACZ7474

Place of Signature: Bengaluru

Date: July 22, 2021

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

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Assets</b>				
<b>Non- current assets</b>				
Property, Plant and Equipment	4	66.23	200.01	309.55
Intangible assets	5	3.62	68.88	237.50
Goodwill	5	-	1,030.56	-
Right-of-use assets	6	83.86	690.87	408.68
Financial assets				
i. Loans	7	10.33	81.72	30.54
ii. Other financial assets	8	1.06	1.00	3.92
Assets for current tax	9	54.61	65.05	26.26
Other non-current assets	10	947.85	829.90	491.10
Deferred tax assets (net)	11	-	-	-
<b>Total non-current assets</b>		<b>1,167.56</b>	<b>2,967.99</b>	<b>1,507.55</b>
<b>Current assets</b>				
Inventories	13	149.34	465.88	599.85
Financial assets				
i. Investments	12	-	0.96	6.46
ii. Trade receivables	14	401.75	94.49	49.77
iii. Cash and cash equivalents	15	1,529.18	26.64	94.08
iv. Bank balance other than cash and cash equivalents	16	49.48	5.12	2.02
v. Loans	7	17.12	15.54	11.86
vi. Other financial assets	8	13.71	1.63	0.19
Other current assets	10	100.40	235.24	759.73
<b>Total current assets</b>		<b>2,260.98</b>	<b>845.50</b>	<b>1,523.96</b>
<b>Total assets</b>		<b>3,428.54</b>	<b>3,813.49</b>	<b>3,031.51</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Equity share capital	17	244.00	194.07	188.65
Instruments entirely in the nature of equity	18	712.50	-	-
Other equity	19	(6,485.68)	(3,289.67)	1,215.80
<b>Total equity</b>		<b>(5,529.18)</b>	<b>(3,095.60)</b>	<b>1,404.45</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Borrowings	20	1,313.95	1,857.34	0.44
ii. Lease liabilities	21	60.08	578.22	323.96
iii. Other financial liabilities	22	7.79	9.49	8.51
Long term provisions	23	66.72	32.38	17.42
<b>Total non-current liabilities</b>		<b>1,448.54</b>	<b>2,477.43</b>	<b>350.33</b>



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

	Notes	As at 31 March 2021	As at 31 March 2020	As at 1 April 2019
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings	20	4,850.23	61.06	24.90
ii. Lease liabilities	21	31.35	119.77	70.39
iii. Trade payables	24			
(A) Total outstanding due to micro enterprises and small enterprises		105.16	231.57	-
(B) Total outstanding due to creditors other than micro enterprises and small enterprises.		997.50	1,170.63	1,078.16
iv. Other financial liabilities	22	1,380.36	2,672.97	50.28
Short term provisions	23	90.23	21.58	7.18
Other current liabilities	25	54.35	154.08	45.82
<b>Total current liabilities</b>		<b>7,509.18</b>	<b>4,431.66</b>	<b>1,276.73</b>
<b>Total liabilities</b>		<b>8,957.72</b>	<b>6,909.09</b>	<b>1,627.06</b>
<b>Total equity and liabilities</b>		<b>3,428.54</b>	<b>3,813.49</b>	<b>3,031.51</b>

**Summary of significant accounting policies**

3

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's Registration Number : 101049W/E300004

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

**per Rajeev Kumar**

Partner

Membership Number: 213803

**Prashant Singh**

Managing Director

DIN :00568680

**Tushar Kumar**

Director

DIN : 01728877

**Ajinkya R Jain**

Company Secretary

Place: Bengaluru, India

Date: 22 July 2021

Place: Bengaluru, India

Date: 22 July 2021

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

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Income</b>			
Revenue from operations	26	3,739.21	4,555.53
Other income	27	88.95	37.06
<b>Total income (i)</b>		<b>3,828.16</b>	<b>4,592.59</b>
<b>Expenses</b>			
Purchase of traded goods	28	2,942.20	3,976.83
Decrease / (Increase) in inventories of traded goods	29	310.18	201.97
Employee benefits expense	30	3,171.97	2,537.96
Finance cost	31	579.37	125.49
Depreciation and amortisation	32	267.05	492.69
Impairment of Goodwill	33A	1,030.56	32.45
Impairment of Software acquired through business acquisition	33A	52.86	133.60
Other expenses	33	2,932.12	3,210.24
<b>Total expenses (ii)</b>		<b>11,286.31</b>	<b>10,711.23</b>
<b>(Loss) before tax [(iii)= (i)-(ii)]</b>		<b>(7,458.15)</b>	<b>(6,118.64)</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>(Loss) for the year</b>		<b>(7,458.15)</b>	<b>(6,118.64)</b>
<b>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>			
Re-measurement gains/ (losses) on defined benefit plans		(24.08)	(6.26)
Income tax effect		-	-
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>(24.08)</b>	<b>(6.26)</b>
<b>Total comprehensive (loss) for the year</b>		<b>(7,482.23)</b>	<b>(6,124.90)</b>
<b>(Loss) for the year</b>		<b>(7,458.15)</b>	<b>(6,118.64)</b>
Attributable to:			
Equity holders of the company		(7,458.15)	(6,118.64)
<b>Other comprehensive (loss) for the year</b>		<b>(24.08)</b>	<b>(6.26)</b>
Attributable to:			
Equity holders of the company		(24.08)	(6.26)
<b>Total comprehensive (loss) for the year</b>		<b>(7,482.23)</b>	<b>(6,124.90)</b>
Attributable to:			
Equity holders of the company		(7,482.23)	(6,124.90)
<b>(Loss) per equity share [nominal value of shares Rs.100 (31 March, 2020: Rs 100)]</b>			
Basic and Diluted (Rs.)	34	(3,181.85)	(3,162.74)

**Summary of significant accounting policies**

3

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants  
ICAI Firm's Registration Number : 101049W/E300004

**per Rajeev Kumar**

Partner  
Membership Number: 213803

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

**Prashant Singh**  
Managing Director  
DIN :00568680

**Tushar Kumar**  
Director  
DIN : 01728877

**Ajinkya R Jain**  
Company Secretary

Place: Bengaluru, India  
Date: 22 July 2021

Place: Bengaluru, India  
Date: 22 July 2021

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Cash flow from operating activities</b>		
<b>(Loss) before tax</b>	<b>(7,458.15)</b>	<b>(6,118.64)</b>
<b>Adjustments to reconcile (Loss) before tax to net cash flows:</b>		
Depreciation of property, plant and equipment and right-of-use assets	254.91	351.25
Amortisation of intangible assets	12.14	141.44
Profit on Sale of Property, plant and equipment	(4.61)	-
Share-based payment expense	1,888.18	849.74
Gain on sale of investment measured at fair value through profit and loss	(0.61)	(4.07)
Interest income	(38.67)	(18.60)
Impairment of E-commerce software	-	108.28
Impairment of Goodwill	1,030.56	32.45
Property, plant and equipment and right-of-use assets written off	21.95	1.31
Impairment of Software acquired through business acquisition	52.86	25.32
Fair value loss on investment measured at FVTPL	0.12	0.05
Concession in rental payments due to Covid-19	(22.48)	-
Net gain on account of early termination of leases	(56.83)	(10.29)
Impairment loss on trade receivables and advances	156.29	37.89
Security deposits written off	19.25	2.42
Loans and advances written off	2.22	32.75
Impairment loss allowance on security deposits	1.17	-
Finance costs	572.88	121.41
<b>Operating cash flow before working capital changes</b>	<b>(3,568.82)</b>	<b>(4,447.29)</b>
Movements in working capital:		
(Increase)/ decrease in Inventory	316.54	199.16
(Increase)/ decrease in trade receivables	(356.90)	(47.21)
(Increase)/ decrease in loans	84.84	(64.18)
(Increase)/ decrease in non-financial assets	(91.93)	148.45
(Increase)/ decrease in financial assets	(11.53)	(0.42)
Increase/ (decrease) in trade payables	(299.55)	111.27
Increase/ (decrease) in financial liabilities	(85.76)	199.60
Increase/ (decrease) in provisions	78.91	19.84
Increase/ (decrease) in other non-financial liabilities	(99.73)	100.37
	<b>(4,033.93)</b>	<b>(3,780.41)</b>
Income tax paid net of refund	10.44	(31.45)
<b>Net cash flows used in operating activities</b>	<b>(A) (4,023.49)</b>	<b>(3,811.86)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and right-of-use-assets	(37.67)	(87.31)
Purchase of intangible assets	(0.07)	(22.06)
Proceeds from sale of property, plant and equipment and intangible assets	50.99	7.77
Acquisition of a subsidiary, net of cash acquired	(28.68)	(72.77)
Redemption in bank deposit	(2.86)	-
Investment in bank deposit	(41.56)	1.21
Proceeds from sale of current investments	1.45	9.52
Interest received	2.27	5.07
<b>Net cash flows used in investing activities</b>	<b>(B) (56.13)</b>	<b>(158.57)</b>
<b>Cash flows from financing activities</b>		
Proceeds of long-term borrowings	695.57	1,634.63
Repayment of long-term borrowings	(0.44)	-
Proceeds of short-term borrowings	4,850.23	3.66
Repayment of short-term borrowings	(8.56)	-
Payment of principal portion of lease liabilities	(79.78)	(93.39)
Payment of interest portion of lease liabilities	(65.31)	(66.81)
Proceeds from issue of equity shares	(0.01)	775.11
Proceeds from issue of instruments entirely in the nature of equity	750.00	-
(Repayment)/Proceeds from issue of share warrants	(32.50)	32.50
Loan processing fees	(37.84)	(15.47)
Proceeds from issue of Optionally Convertible Redeemable Preference Shares	-	1,684.94
Interest paid	(489.20)	(52.19)
<b>Net cash flows from financing activities</b>	<b>(C) 5,582.16</b>	<b>3,902.99</b>
Net increase/(decrease) in cash and cash equivalent [(A) + (B) + (C)]	1,502.54	(67.44)
Cash and cash equivalents at the beginning of the year	26.64	94.08
<b>Cash and cash equivalents at the end of the year</b>	<b>1,529.18</b>	<b>26.64</b>

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.13	4.93
Balance with banks		
- on current account	29.05	21.71
Deposits with original maturity of less than three months	1,500.00	-
<b>Total cash and cash equivalents</b>	<b>1,529.18</b>	<b>26.64</b>
<b>Non- Cash financing and investing activities</b>		
Issuance of equity shares to acquire Metarain Distributors Private Limited (refer note 44A)	722.67	-
Acquisition of right-of-use assets (refer note 6)	-	599.48
Issuance of equity shares to Director against repayment of borrowings (refer note 20)	20.00	-

Refer note 20 for Change in liabilities arising from financing activities.

**Summary of significant accounting policies ( Refer note 3)**

The accompanying notes are an integral part of the Consolidated financial statements.

As per our report of even date

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

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

**per Rajeev Kumar**  
Partner  
Membership Number: 213803

**Prashant Singh**  
Managing Director  
DIN :00568680

**Tushar Kumar**  
Director  
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**Ajinkya R Jain**  
Company Secretary

Place: Bengaluru, India  
Date: 22 July 2021

Place: Bengaluru, India  
Date: 22 July 2021

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

**a) Equity share capital (refer note 17)**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>1 April 2019</b>
<b>Opening Balance</b>	194.07	188.65	188.65
Issued during the year	49.93	5.42	-
<b>Closing balance</b>	<b>244.00</b>	<b>194.07</b>	<b>188.65</b>

**b) Instruments entirely in the nature of equity (refer note 18)**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>1 April 2019</b>
<b>Compulsorily Convertible Debentures</b>			
<b>Opening Balance</b>	-	-	-
Issued during the year	712.50	-	-
<b>Closing balance</b>	<b>712.50</b>	<b>-</b>	<b>-</b>

**c) Other equity**

	<b>Attributable to the equity holders of the company</b>			<b>Total equity</b>
	<b>Reserves and Surplus</b>			
	<b>Securities premium (Note 19)</b>	<b>Retained earnings (Note 19)</b>	<b>Share options outstanding reserve (Note 19)</b>	
<b>As at 1 April 2019</b>	<b>7,378.24</b>	<b>(6,322.57)</b>	<b>160.13</b>	<b>1,215.80</b>
(Loss) for the year	-	(6,118.64)	-	(6,118.64)
Other comprehensive income/(loss)	-	(6.26)	-	(6.26)
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>(6,124.90)</b>	<b>-</b>	<b>(6,124.90)</b>
Issue of equity shares	769.69	-	-	769.69
Share-based payment expense (refer note 43)	-	-	849.74	849.74
<b>As at 31 March 2020</b>	<b>8,147.93</b>	<b>(12,447.47)</b>	<b>1,009.87</b>	<b>(3,289.67)</b>
(Loss) for the year	-	(7,458.15)	-	(7,458.15)
Other comprehensive income/(loss)	-	(24.08)	-	(24.08)
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>(7,482.23)</b>	<b>-</b>	<b>(7,482.23)</b>
Issue of equity shares	2,398.04	-	-	2,398.04
Share-based payments expense (refer note 43)	-	-	1,888.18	1,888.18
<b>As at 31 March 2021</b>	<b>10,545.97</b>	<b>(19,929.70)</b>	<b>2,898.05</b>	<b>(6,485.68)</b>

**Summary of significant accounting policies ( Refer note 3)**

The accompanying notes are an integral part of the Consolidated financial statements.  
As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants  
ICAI Firm's Registration Number : 101049W/E300004

**per Rajeev Kumar**  
Partner  
Membership Number: 213803

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

**Prashant Singh**  
Managing Director  
DIN :00568680

**Tushar Kumar**  
Director  
DIN : 01728877

**Ajinkya R Jain**  
Company Secretary

Place: Bengaluru, India  
Date: 22 July 2021

Place: Bengaluru, India  
Date: 22 July 2021

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

**1 Corporate Information**

The consolidated financial statements comprise financial statements of Medlife International Private Limited ("the company") and its subsidiaries (collectively, the Group) for the year ended 31 March 2021. The company is a private limited company domiciled in India and is incorporated on 11 November 2014 under the provisions of the Companies Act, 2013 vide CIN no. U24230BR2014PTC023149. The Group is principally engaged in the business of creating the next generation healthcare platform that would bring all stake holders on a single platform and will be one common point that links all aspects of a person's health care needs. The Group is engaged in trading of pharma and related products across India, provides Lab & E-consultation and technology platform services.

During the year ended 31 March 2021, API Holdings Private Limited ("PharmEasy" or "the Holding Company") has acquired 97.51% of equity shares of the Company on 22 January 2021 and additional 2.49% of equity shares on 25 January 2021. Accordingly, Medlife International Private Limited has become wholly owned subsidiary of API Holdings Private limited effective 25 January 2021. Post acquisition by PharmEasy, the Group has restructured its business activities by way of licensing the Medlife Platform to third party and consolidation of various fulfilment centers etc.

Subsequent to 31 March 2021, the Board of Directors of the Company vide resolution dated 07 April 2021 have approved a scheme of amalgamation between Medlife International Private Limited ('MLI' or 'the Transferor Company 1') and Evriksh Healthcare Private Limited ('Evriksh' or 'the Transferor Company 2', MLI and Evriksh together referred to as 'Transferor Companies') with API Holdings Private Limited ('API' or 'the Transferee Company') and their respective shareholders. Also the Board of Directors of the Company vide resolution dated March 25, 2021 have approved a scheme of amalgamation between Medlife Wellness Retail Private Limited ("MLW" or "Transferor Company 1"), Metarain Distributors Private Limited ("MYRA" or "Transferor Company 2") and Art and Health Private Limited ("ARZT" OR "Transferor Company 3") with Threpsi Solutions Private Limited ('The Transferee Company' or 'Threpsi') and their respective shareholders.

During the previous year ended 31 March 2020, effective 30 September 2019, the Company has restructured its business by way of transfer of its Retail E-pharmacy business to its wholly owned subsidiary, Medlife Wellness Retail Private Limited (Medlife Wellness), hereinafter referred to as the "Restructuring" to achieve amongst other aspects, segregation of the Company's business in to separate verticals to facilitate strategic investors. Post such Restructuring, the Company continues to directly hold 100% share in the profits and losses of Medlife Wellness and the entire economic interest as well as control and ownership of the Retail E-Pharmacy business remains with the company. Also, refer note 44C in this regard.

Information on the Group's structure is provided in Note 2(e) and information on other related party relationships of the Group is provided in Note 40. The Board of Directors of the Company have adopted and approved the preparation of Consolidated financial statements on going concern basis in their meeting held on July 22, 2021.

**1.1 Funding of operations**

During the year ended 31 March 2021, the Group has incurred total comprehensive loss of Rs 7,482.24 millions (31 March 2020: Rs 6,124.89 millions) and has accumulated loss of Rs. 19,929.69 millions as at 31 March 2021 (31 March 2020: Rs 12,447.46 millions) and the net worth of the Group has been fully eroded. The Holding Company has committed to provide financial and operational support to the Group for its continued operations in the foreseeable future. Further, the Group has outstanding borrowings of Rs 4,750.23 million as at 31 March 2021 to Holding Company and the Holding Company has agreed to defer the repayment unconditionally considering the approved schemes of amalgamation as detailed in the aforesaid Corporate information Para. Considering the aforesaid factors, management is confident of continuing the operations on going concern basis and no adjustment is required to be made to the carrying value of the assets and liabilities, including any reclassification thereof.

**1.2 Impact of Covid-19 Pandemic:**

The Group has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these Consolidated financial statements, in determining the possible impact from the COVID-19 pandemic. The Group has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these Consolidated financial statements and the Group will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

**2 Basis of preparation of Consolidated financial statements**

**a Basis of preparation**

Considering the effective date of acquisition by API Holdings Private Limited is as of 22 January 2021, the Group is mandated to adopt Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) with effect from 1 April 2020, being subsidiary of a Company which is required to prepare financial statements under Ind AS.

The Consolidated financial statements (CFS) of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS.

The Consolidated financial statement up to year ended 31 March 2020 were prepared in accordance with the accounting standards notified under Companies Accounting Standards) Rule, 2006 (as amended) and other relevant provisions of the Companies Act, 2013 ('Indian GAAP' or Previous GAAP).

These consolidated financial statements for the year ended 31 March 2021 are the first financials of group prepared under Ind AS. The date of transition is 1 April 2019. Refer note 45 for and explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Medlife International Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2021**

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

The consolidated financial statements have been prepared on an accrual basis under the historical cost convention except for the following that are measured at fair value as required by relevant :

- a) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
- b) Employee share based payments - equity settled transaction - refer note 3 (o)

**b Functional currency and presentation currency**

In these consolidated financial statements are presented in India Rupee (Rs), which is also functional currency of the Company. All the values are rounded off to the nearest millions (INR 000,000) unless otherwise indicated.

**c Use of estimates and judgements**

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Actual results may differ from these estimates.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding estimate. Changes in estimate are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Judgements:

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

- Note 3(c) and 3(d)- Useful life of property, plant and equipment and intangible assets;
- Note 3(g) - Lease classification and determination of lease term;
- Note 3(h) - Valuation of Financial instrument; and
- Note 3(n)- Measurement of defined benefit obligations: key actuarial assumptions.

Assumption and estimation uncertainties

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

- Note 3(e) - Impairment test of non-financial assets; key assumptions underlying recoverable amounts including the recoverability of expenditure on internally-generated intangible assets;
- Note 3(p)- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 3(h) - Impairment of financial assets
- Note 3(q) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and
- Note 3(i) - Fair value measurement

**d Current and non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**e Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2021. Control is achieved when the company 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.

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

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

## **Medlife International Private Limited**

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the company, i.e., year ended on 31 March. When the end of the reporting period of the company is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the company to enable the company to consolidate the financial information of the subsidiary, unless it is impracticable to do so

Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the companies investment in each subsidiary and the companies portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the holding company (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Profit or loss and each component of OCI are attributed to the equity holders of the company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the company are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value and recognises the fair value of the consideration received. Reclassifies previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

Refer note 40 for subsidiary companies which are included in the consolidation and the holding company's holdings therein.

### **3 Significant accounting policies**

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

#### **a Revenue recognition**

The Group derives revenue primarily from sale of Pharmaceutical and related products and rendering of pharmacy support services, business support services, lab test related services, commission from lab services and technology platform services. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services. Amounts disclosed as revenue are net of trade allowances, rebates and Goods and Services tax (GST), amounts collected on behalf of third parties and includes reimbursement of out-of-pocket expenses, with corresponding expenses included in cost of revenues.

Revenue from the rendering of services and sale of pharmaceutical and related products is recognised when the Group satisfies its performance obligations to its customers as below:

#### **Sale of Pharmaceutical and related products**

Revenue from sale of pharmaceutical and related products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. In determining the transaction price for rendering of services, the Group considers the effect of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customers, if any. Revenue is recognised net of trade and cash discounts. The Group collects Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue.

#### **Revenue from rendering services:**

Revenue from Pharmacy support services, business support services, Lab test services, Technology platform services and Commission from lab services are recognized as and when services are rendered as per terms of agreement i.e. at the point in time. The Group collects Goods and Service Tax (GST) on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Hence, it is excluded from revenue. In determining the transaction price for rendering of services, the Group considers the effect of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customers, if any. Revenue is recognised net of trade and cash discounts.

#### **Variable consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### **Contract balances**

**Trade receivables :** A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

**Contract assets:** The Group classifies its right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenues in excess of billings is recorded as unbilled revenue and is classified as a financial asset where the right to consideration is unconditional upon passage of time. Unbilled revenue which is conditional is classified as other current asset. Trade receivables and unbilled revenue is presented net of impairment.

**Contract liabilities:** A contract liability (which we referred to as Unearned Revenue) is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received.



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

**Interest income**

Interest income is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate, which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

**Dividend income**

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head 'other income' in the statement of profit and loss account.

**b Business Combination**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequently its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

**c Property, plant and equipment**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Group has elected to continue with the carrying value for all of its property, plant and equipment recognized as of April 01, 2019 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, borrowing cost if capitalisation criteria are met, directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management and initial estimate of decommissioning, restoring and similar liabilities.

Subsequent costs related to an item of property, plant and equipment are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised in statement of profit or loss during the reporting period when they are incurred.

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An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Depreciation is charged using the written down value method, over the estimated useful life of each asset as determined by the Management which is in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, depreciation method and residual values are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimated useful lives considered are as follows:

The estimates of useful lives of tangible assets are as follows:

Class of asset	Useful life as per	
	Schedule II	Useful life as per management
Furniture and fixtures*	10 years	2-10 years
Office equipment	5 years	5 years
Computer equipment*	6 years for servers 3 years for other than servers	3 years
Servers and networks	6 years	6 years
Vehicles	8-10 years	8-10 years

\*In respect of Furniture and fixtures and Computer equipment's the management basis internal technical assessment of usage pattern believes that the useful lives as mentioned above best represent the period over which management expects to use these assets. Hence the useful lives in respect of these assets are different from the useful lives as prescribed under part C of schedule II of the Companies Act 2013.

Leasehold improvements are amortised over the period of the lease or life of the asset whichever is less.

**d Intangible assets**

The Group has restated its business combination from 1 April 2019 resulting into restatements of Goodwill (Refer note 44). For all other intangible assets, the Group has elected to continue with the carrying value for all of its Intangible assets recognized as of April 01, 2019 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

**Goodwill**

Goodwill on acquisitions of business is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of a business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Group of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Group of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

**Other intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

An item of intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**Amortisation methods and periods**

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. The Group amortises intangible assets with a finite useful life over the following periods:

Asset	Life in Years
Computer software	3 years
E-commerce software	3 years
Product development	3 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Subsequent costs related to Intangible assets are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

**e Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment as at 31 March when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

**f Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**g Leases**

The Group has lease contracts for various items of buildings used in its operations. Lease terms generally ranges between 2 and 9 years.

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

**Group as lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2(e) for policy on impairment of non-financial assets.

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**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Lease and non-lease component**

As per Ind AS 116, "As a practical expedient, a lessee may elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component."

The Group have not opted for this practical expedient and have accounted for Lease component only.

**Covid-19-Related Rent Concessions**

"As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

The Group have opted for this practical expedient and have not accounted change in lease payments resulting from the Covid-19 related rent concession as a lease modification.

**Extension and termination option**

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

**h Financial Instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a) Financial assets**

**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
  - b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the profit and loss. The losses arising from impairment are recognised in the profit and loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 14.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Equity investments**

All equity investments in scope of Ind AS - 109 are measured at fair value. Equity instruments which are held for trading are classified as at Fair Value Through Profit and Loss (FVTPL). For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at Fair Value Through Other Comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

**Embedded Derivatives**

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

**Instrument entirely in the nature of equity**

An equity instrument that evidences a residual interest in the assets of an entity after deducting all of its liabilities. All instruments that meet the definition of 'Equity' as per Ind AS 32 in its entirety and when they do not have any component of liability, should be considered as having the nature of 'Equity'. Such instruments are the 'Instruments entirely in the nature of equity'.

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**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

**Reclassification of financial assets**

The Group determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Impairment of financial assets**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balance
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

**b) Financial Liabilities :**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings. The subsequent measurement of financial liabilities depends on their classification, which is described below.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss (FVTPL). Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

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**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 20.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**d) Offsetting of financial instruments**

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

**Optionally Convertible Redeemable Preference Shares**

Optionally Convertible Redeemable Preference Shares ('OCRPS') is classified as a liability based on the terms of the contract and in accordance with Ind AS - 32 (Financial instruments: Presentation). OCRPS issued by the Group classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such OCRPS is fair valued through the statement of profit and loss. On Conversion of CCPS from liability to equity, the CCPS is recorded at the fair value of OCRPS classified as equity and the difference in fair value is recorded as a gain or loss on modification in the statement of profit and loss.

**i Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**j Cash and cash equivalents**

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**k Foreign currency translation**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in the statement of profit or loss.

**l Inventories**

Traded goods, Packing material and Consumables are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods are determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

**m Investments**

All equity investments in scope of Ind AS 109 are measured at fair value. The Group may take an irrevocable election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of amounts from OCI to statement of Profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

**n Employee Benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current financial liabilities in the balance sheet.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

**Other long-term employee benefit obligations**

The liabilities for leave balance which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields on government bonds at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post-employment obligations**

The Group operates the following post-employment schemes:

- (a) defined benefit plans - gratuity, and
- (b) defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have term approximating the term of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Such accumulated re-measurement balances are never reclassified into the statement of profit and loss subsequently.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

**Defined contribution plan**

Retirement benefit in the form of provident fund scheme, Social security, National Insurance, Superannuation, Medicare schemes are the defined contribution plans. The Group has no obligation, other than the contribution payable. The Group recognizes contribution payable to these schemes as an expenditure, when an employee renders the related service.

**o Employee share based payments**

Certain employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.

**Equity-settled transactions:**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using a black Scholes model.

That cost is recognised, together with a corresponding increase in employees stock option reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.



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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**p Taxation**

Income tax comprises of current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in the other comprehensive income.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognised in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Minimum Alternate Tax (MAT)**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

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

**q Provisions and Contingent Liabilities**

**Provisions:** Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities:** A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

**r Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group has identified single reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Refer note 42 for segment information.

**s Earnings/(Loss) per share**

Basic earnings/(loss) per share is calculated by dividing the net profit or loss attributable to equity holders of the Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the company Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

**t Critical estimates and judgements**

The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods. The areas involving significant estimates or critical judgements are:

**(a) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The mortality rate is based on publicly available mortality table in India. The mortality tables tend to change only at interval in response to demographic changes. Further salary increases and gratuity increases are based on expected future inflation rates. Further details about the gratuity obligations are given in Note 35.

**(b) Deferred taxes**

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all the deductible temporary differences, carry forward of unused tax credits and unused tax losses, however the same is restricted to the extent of the deferred tax liabilities unless it is probable that sufficient taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. In the absence of reasonable certainty over recoverability of deferred taxes on carry forward losses no deferred tax assets have been recognised up to 31 March 2021 (refer No.11).

**(c) Impairment of Financial and Non-Financial Assets**

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. In case of non-financial assets company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

**(d) Fair Value Measurement**

For estimates relating to fair value of financial instruments refer note 36 of Consolidated financial statements.

**Medlife International Private Limited**

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

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

**u Indian Accounting Standards notified but not effective**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose Ind AS financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the Ind AS financial statements.

The amendments are extensive, and the Group will evaluate the same to give effect to them as required by law.

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**Medlife International Private Limited**

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

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

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

	<b>Computer Equipment</b>	<b>Servers and networks</b>	<b>Office equipment's</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross carrying amount</b>							
<b>Deemed cost</b>							
<b>As at 01 April 2019</b>	109.762	8.65	128.05	15.37	46.23	1.49	309.55
Additions	10.456	-	41.34	6.82	33.73	-	92.35
Acquired on acquisition (refer note 44)	5.224	-	4.53	5.28	0.89	0.25	16.17
Disposals	(0.22)	-	(10.58)	(0.21)	(1.32)	(0.06)	(12.39)
Adjustments (refer note (b) below)	14.435	-	(14.54)	1.64	(1.25)	-	0.29
<b>As at 31 March 2020</b>	<b>139.66</b>	<b>8.65</b>	<b>148.80</b>	<b>28.90</b>	<b>78.28</b>	<b>1.68</b>	<b>405.97</b>
Additions	5.986	-	19.17	4.02	-	-	29.18
Disposals	(43.28)	-	(97.00)	(17.58)	(33.07)	-	(190.93)
<b>As at 31 March 2021</b>	<b>102.37</b>	<b>8.65</b>	<b>70.97</b>	<b>15.34</b>	<b>45.21</b>	<b>1.68</b>	<b>244.22</b>
<b>Depreciation</b>							
<b>As at 01 April 2019</b>	-	-	-	-	-	-	-
Charge for the year	77.669	5.45	63.76	5.95	47.78	0.47	201.08
Acquired on acquisition (refer note 44)	3.47	-	2.74	2.18	0.67	0.23	9.29
Disposals	(0.05)	-	(3.20)	(0.03)	(1.32)	(0.02)	(4.62)
Adjustments (refer note (b) below)	4.337	-	(4.23)	0.30	(0.20)	-	0.21
<b>As at 31 March 2020</b>	<b>85.43</b>	<b>5.45</b>	<b>59.07</b>	<b>8.40</b>	<b>46.93</b>	<b>0.68</b>	<b>205.96</b>
Charge for the year	30.13	1.90	39.41	4.91	18.29	0.31	94.95
Disposals	(31.36)	-	(57.33)	(7.03)	(27.20)	-	(122.92)
<b>As at 31 March 2021</b>	<b>84.20</b>	<b>7.35</b>	<b>41.15</b>	<b>6.28</b>	<b>38.02</b>	<b>0.99</b>	<b>177.99</b>
<b>Net book value</b>							
<b>As at 01 April 2019</b>	<b>109.76</b>	<b>8.65</b>	<b>128.05</b>	<b>15.37</b>	<b>46.23</b>	<b>1.49</b>	<b>309.55</b>
<b>As at 31 March 2020</b>	<b>54.23</b>	<b>3.20</b>	<b>89.73</b>	<b>20.50</b>	<b>31.35</b>	<b>1.00</b>	<b>200.01</b>
<b>As at 31 March 2021</b>	<b>18.17</b>	<b>1.30</b>	<b>29.82</b>	<b>9.06</b>	<b>7.19</b>	<b>0.69</b>	<b>66.23</b>

(a) Assets are subject to a first charge to secure the borrowings - refer note 20 (a) & (c)

(b) Represents reclass of certain assets to appropriate category of assets. The impact on depreciation is not material.

**Medlife International Private Limited**

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

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

**5 Intangible Assets ( refer note (a) below)**

	Goodwill (refer note 1 below)	Other intangible assets			Total
		Software	E-commerce Software	Product development	
<b>Gross carrying amount</b>					
<b>Deemed cost</b>					
<b>As at 01 April 2019</b>	-	19.41	212.57	5.52	237.50
Additions	1,063.01	100.64	-	4.50	105.14
Acquired on acquisition (refer note 44)	-	1.40	-	-	1.40
Adjustments (refer note b below)	-	(0.29)	-	-	(0.29)
<b>As at 31 March 2020</b>	<b>1,063.01</b>	<b>121.16</b>	<b>212.57</b>	<b>10.02</b>	<b>343.75</b>
Additions	-	0.07	-	-	0.07
Disposals	-	(3.99)	-	(4.08)	(8.07)
<b>As at 31 March 2021</b>	<b>1,063.01</b>	<b>117.24</b>	<b>212.57</b>	<b>5.94</b>	<b>335.75</b>
<b>Amortisation</b>					
Charge for the year	-	27.13	104.29	10.02	141.44
Acquired on acquisition (refer note 44)	-	0.10	-	-	0.10
Adjustments (refer note b below)	-	(0.27)	-	-	(0.27)
<b>As at 31 March 2020</b>	<b>-</b>	<b>26.96</b>	<b>104.29</b>	<b>10.02</b>	<b>141.27</b>
Charge for the year	-	12.14	-	-	12.14
Disposals	-	(3.66)	-	(4.08)	(7.74)
<b>As at 31 March 2021</b>	<b>-</b>	<b>35.44</b>	<b>104.29</b>	<b>5.94</b>	<b>145.67</b>
<b>Impairment Loss</b>					
As at 01 April 2019	-	-	-	-	-
Charge for the year	32.45	25.32	108.28	-	133.60
<b>As at 31 March 2020</b>	<b>32.45</b>	<b>25.32</b>	<b>108.28</b>	<b>-</b>	<b>133.60</b>
Charge for the year	1,030.56	52.86	-	-	52.86
<b>As at 31 March 2021</b>	<b>1,063.01</b>	<b>78.18</b>	<b>108.28</b>	<b>-</b>	<b>186.46</b>
<b>Net book value</b>					
<b>As at 01 April 2019</b>	<b>-</b>	<b>19.41</b>	<b>212.57</b>	<b>5.52</b>	<b>237.50</b>
<b>As at 31 March 2020</b>	<b>1,030.56</b>	<b>68.88</b>	<b>-</b>	<b>-</b>	<b>68.88</b>
<b>As at 31 March 2021</b>	<b>-</b>	<b>3.62</b>	<b>-</b>	<b>-</b>	<b>3.62</b>

(a) Assets are subject to a first charge to secure the borrowings - refer note 20 (a) & (c)

(b) Represents reclass of certain assets to appropriate category of assets. The impact on depreciation is not material.

**Medlife International Private Limited**

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

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

**5 Intangible Assets - continued**

**Note 1:**

The Goodwill of Rs. 1030.56 millions relates to Business acquisition of Metarain Distributors Private Limited and Rs.32.45 millions to business acquired from Evriksh Healthcare Private Limited.. The Group has allocated the goodwill to these identified cash generating units. The Group tests whether goodwill has suffered any impairment on an annual basis. From the current and previous financial year, the recoverable amount of cash generating unit was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five year period.

As at 31 March, 2020, basis the valuation carried out by the management internally, the Group has made an impairment provision of Rs 32.45 millions towards the goodwill and impairment provision of Rs 25.32 millions towards software arising on consolidation of Evriksh Healthcare Private Limited.

During the year ended 31 March 2021, the management has performed internal assessment on the appropriateness of carrying value of goodwill and other intangibles arising on consolidation of the subsidiary, Metarain Distributors Private Limited. Considering the significant reduction in revenue from operations, increase in losses, loss of customers on account of external market factors and challenges in meeting the working capital requirements of the subsidiary, Metarain Distributors Private Limited, the Group has made an impairment provision of Rs 1,030.56 millions towards the goodwill arising on consolidation of Metarain Distributors Private Limited and impairment provision of Rs 52.86 millions towards software.

**6 Right-of-use assets**

	<b>Building</b>	<b>Computer equipment</b>	<b>Office equipment</b>	<b>Furniture and fixtures</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>As at 01 April 2019</b>	392.48	3.54	9.12	0.65	2.89	408.68
Additions	569.57	2.05	18.78	0.33	0.85	591.58
Acquired on acquisition (refer note 44)	7.90	-	-	-	-	7.90
Disposals	(165.81)	(0.28)	(0.42)	-	(0.61)	(167.12)
Depreciation	(133.07)	(3.28)	(11.24)	(0.25)	(2.33)	(150.17)
<b>As at 31 March 2020</b>	<b>671.07</b>	<b>2.03</b>	<b>16.24</b>	<b>0.73</b>	<b>0.80</b>	<b>690.87</b>
Disposals	(2.55)	-	-	-	-	(2.55)
Deletions	(431.70)	(1.07)	(10.73)	(0.58)	(0.42)	(444.50)
Depreciation	(152.95)	(0.97)	(5.52)	(0.14)	(0.38)	(159.96)
<b>As at 31 March 2021</b>	<b>83.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83.86</b>

(i) Refer note 21 for Lease liabilities and Movement in lease liabilities

**Medlife International Private Limited**  
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*(All amounts in Rs millions., unless otherwise stated)*

**7 Loans - refer note (a) below**

**Carried at amortised cost**

**Non-current**

Loans considered Good - Unsecured

Security deposit

Loans - credit impaired

Security deposit

Less: Allowance for credit impaired loans

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
	10.33	81.72	30.54
	-	0.18	-
	<b>10.33</b>	<b>81.90</b>	<b>30.54</b>
	-	(0.18)	-
	<b>10.33</b>	<b>81.72</b>	<b>30.54</b>

**Current**

Loans considered Good - Unsecured

Loan to employees

Security deposit

Loans - credit impaired

Security deposit

Less: Allowance for credit impaired loans

	0.12	0.39	3.38
	17.00	15.15	8.48
	1.17	-	-
	<b>18.29</b>	<b>15.54</b>	<b>11.86</b>
	(1.17)	-	-
	<b>17.12</b>	<b>15.54</b>	<b>11.86</b>

(a) No loans or other receivable are due from directors or other officers of the company either severally or jointly with any other person nor any loans or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

**8 Other financial assets**

**Amortised cost**

(unsecured, considered good, unless otherwise stated)

**Non-current**

Fixed deposit with maturity of more than 12 months

Margin money deposits - refer note (i) below

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
	-	-	3.92
	1.06	1.00	-
	<b>1.06</b>	<b>1.00</b>	<b>3.92</b>

(i) Margin money deposit is subject to first charge to secure the group's overdraft facilities from bank.

**Current**

Interest receivable

Unbilled revenue

Receivable on sale of asset

Other receivables

	0.74	0.19	0.19
	0.76	1.37	-
	12.20	-	-
	0.01	0.07	-
	<b>13.71</b>	<b>1.63</b>	<b>0.19</b>

**Medlife International Private Limited**  
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**9 Assets for current tax (net)**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
Income tax assets (net)	54.61	65.05	26.26
	<b>54.61</b>	<b>65.05</b>	<b>26.26</b>

**10 Other assets**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
<b>Non - current</b>			
Balances with government authorities (refer note (a) )	1,088.68	821.35	453.13
Less: Provision for GST credit	(143.44)	-	-
Capital advances	2.59	2.32	29.69
Advance for acquisition of Evriksh Healthcare Private Limited	-	-	8.28
Prepaid expenses	0.02	6.23	-
	<b>947.85</b>	<b>829.90</b>	<b>491.10</b>
<b>Current</b>			
Balances with government authorities (refer note (a) )	0.18	0.40	-
Prepaid expenses	23.40	45.57	26.37
Advance to Employees	0.02	0.48	-
Advance recoverable in cash or kind			
Unsecured, considered good	60.56	185.98	723.37
Unsecured, considered doubtful	232.36	5.18	-
Less: Allowance for credit impaired advances (refer note (b) below )	(232.36)	(5.18)	-
Other receivables	16.24	2.81	9.99
	<b>100.40</b>	<b>235.24</b>	<b>759.73</b>

(a)Balance with Government authorities includes net accumulated Goods and Service tax input credit of Rs. 945.24 millions (31 March 2020: Rs. 821.35 millions). The management is confident of utilisation of the said balances on account of the following:

- i) In respect of the aforesaid balance, the Group can utilise the same for payment of output tax liability without any time limit.
- ii) The Group has approved schemes of amalgamation as detailed in Corporate information para. Accordingly, management is confident of completing the aforesaid mergers in near future and consequent utilisation of GST balances.

(b) The Group has discontinued the business with most of its retail vendors since January 2021 and such retail vendors are incurring continuous business losses. Hence management has assessed recoverability at group level and made provision to the extent of non recoverability.



**Medlife International Private Limited**  
**Notes to the consolidated financial statements for the year ended 31 March 2021**  
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**11 Deferred tax assets (net)**

No deferred tax asset has been recognised in the absence of reasonable certainty that sufficient future taxable income will be available in the foreseeable future against which unabsorbed depreciation can be utilised.

**12 Investments**

Carried at fair value through statement of profit and loss

	Units in Millions 31 March 2021	Units in Millions 31 March 2020	Units in Millions 01 April 2019	31 March 2021	31 March 2020	01 April 2019
<b>Current</b>						
Kotak Money Market Fund Growth Regular Plan	-	*	*	-	0.09	0.09
Axis Liquid Fund - RegularGrowth - CFGP	-	*	*	-	0.78	0.73
Nippon India Prime Debt Fund- Growth Plan- Growth Option-IPGP	-	*	*	-	0.09	0.17
Aditya Birla Sun Life Mutual Fund	-	*	*	-	-	0.73
ICICI Prudential Mutual Fund	-	*	*	-	-	0.44
UTI Treasury Advantage Fund - Regular Growth Plan	-	*	*	-	-	1.46
IDFC Ultra Short Term Mutual Fund	-	*	*	-	-	0.47
Franklin India Liquid Fund - Super Institutional Plan - Growth	-	*	*	-	-	1.58
Tata Money Market Mutual Fund Regular Plan - Growth	-	*	*	-	-	0.79
				<b>-</b>	<b>0.96</b>	<b>6.46</b>

**Note:**

Aggregate book value of quoted investments	-	0.84	6.28
Aggregate market value of quoted investments	-	0.96	6.46

\* Units are not presented as they are below the rounding off norms adopted by the Group.

**13 Inventories**

Valued at lower of cost and net realisable value

	31 March 2021	31 March 2020	01 April 2019
Traded goods* [including stock in transit of Rs 2.46 millions (31 March 2020: Rs 24.76 millions and 31 March 2019: Rs 20.80 millions )]	163.38	490.89	585.89
Less: Provision for inventories	(24.44)	(41.77)	-
Packing materials	-	4.97	4.65
Consumables	10.40	11.79	9.31
	<b>149.34</b>	<b>465.88</b>	<b>599.85</b>

\*Represents Pharmaceutical and related products.

**14 Trade receivables**

Carried at amortised cost

	31 March 2021	31 March 2020	01 April 2019
Trade receivables	401.75	94.49	49.77
<b>Total trade receivables</b>	<b>401.75</b>	<b>94.49</b>	<b>49.77</b>
<b>Break-up for security details</b>			
Unsecured, considered good	401.76	94.48	53.97
Trade receivables - credit impaired	48.01	28.23	(2.10)
	<b>449.77</b>	<b>122.71</b>	<b>51.87</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>			
Trade receivables - credit impaired	(48.02)	(28.22)	(2.10)
<b>Trade receivables net of impairment</b>	<b>401.75</b>	<b>94.49</b>	<b>49.77</b>

(i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Trade receivables are non-interest bearing and are generally on terms of 7 to 30 days.

(iii) For balances with related parties, refer note 39.

**15 Cash and cash equivalents**

	31 March 2021	31 March 2020	01 April 2019
Balances with banks:			
- in current accounts	29.05	21.71	89.63
Cash on hand	0.13	4.93	4.45
Deposits with original maturity of less than three months	1,500.00	-	-
	<b>1,529.18</b>	<b>26.64</b>	<b>94.08</b>

**16 Bank balance other than cash and cash equivalents**

	31 March 2021	31 March 2020	01 April 2019
Other bank balances			
Deposits with remaining maturity for more than 3 months but less than 12 months	49.48	5.12	2.02
	<b>49.48</b>	<b>5.12</b>	<b>2.02</b>

**Medlife International Private Limited**  
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**17 Share Capital**

**Equity share capital**

**i) Authorised share capital**

**Equity share capital of Rs 100 each**

	Numbers	Amount
<b>As at 1 April 2019</b>	20,00,000	200.00
Increase during the year	2,80,000	28.00
<b>As at 31 March 2020</b>	<b>22,80,000</b>	<b>228.00</b>
Increase during the year	8,23,000	82.30
<b>As at 31 March 2021</b>	<b>31,03,000</b>	<b>310.30</b>

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

**Equity share capital of Rs 100 each, fully paid up**

	Numbers	Amount
<b>As at 1 April 2019</b>	18,86,525	188.65
Issued during the year	54,206	5.42
<b>As at 31 March 2020</b>	<b>19,40,731</b>	<b>194.07</b>
Issued during the year (refer note iv)	4,99,326	49.93
<b>As at 31 March 2021</b>	<b>24,40,057</b>	<b>244.00</b>

**(iii) Terms/ rights attached to equity shares**

The Group has only one class of equity shares having par value of Rs.100 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) During the year ended 31 March 2021, the company has converted 142,141 OCRPS of Rs. 100 each into 3,27,373 Equity shares of Rs. 100 each at a conversion price of Rs. 5,146.85 per share.

**(v) Shares held by holding company**

Out of equity shares issued by the company, shares held by its holding company are as below:

	31 March 2021 Rs. in millions	31 March 2020 Rs. in millions	1 April 2019 Rs. in millions
<b>API Holdings Private Limited, holding company</b>			
2.44 million (31 March 2020: Nil) equity shares	244.00	-	-

**(vi) Details of shareholders holding more than 5% shares in the company: -**

	31 March 2021		31 March 2020		1 April 2019	
	No of Shares	Holding percentage	No of Shares	Holding percentage	No of Shares	Holding percentage
<b>Equity shares of Rs 100 each fully paid</b>						
API Holdings Private Limited	24,40,056	100.00%	-	-	-	-
Mr. Prashant Singh	-	-	5,35,000	27.57%	5,35,000	28.36%
Mr. Tushar Kumar	-	-	5,35,000	27.57%	5,35,000	28.36%
M/s. Prasad Uno Family Trust	-	-	8,67,771	44.71%	8,16,525	43.28%

**(vii) Shares reserved for issue under options**

For details of shares reserved for issue under the Share based payment plan of the company, please refer note 43.

(viii) The company has not issued bonus shares or shares bought back during the period of five years immediately preceding the reporting date. Further during year end 31 March 2021, the Company has issued equity shares in the following manner:

(a) The company has issued 9,097 equity shares of Rs.100 each at a premium of Rs.4,337.44 in lieu of amount payable to Mr. Ananth Sankaranarayanan.

(b) The company has converted 142,141 OCRPS of Rs. 100 each into 3,27,373 Equity shares of Rs. 100 each at a conversion price of Rs. 5,146.85 per share.

(c) The company has issued 162,856 equity shares having face value of Rs. 100 each at a premium of Rs.4,337.44 to the erstwhile share holders of Metarain Distributors Private Limited as against consideration payable to them.

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**18 Instrument entirely in the nature of equity**

**Issued, subscribed and fully paid Compulsorily Convertible Debentures**

**0.0001% Compulsorily Convertible Debentures of INR 10,000,000 each**

**As at 1 April 2019**

Increase during the year

**As at 31 March 2020**

Increase during the year

**As at 31 March 2021**

	<b>Numbers</b>	<b>Amount Rs in millions</b>
	-	-
	-	-
	-	-
	75	712.50
	<b>75</b>	<b>712.50</b>

**(iii) Terms/ rights attached to Compulsorily Convertible Debentures**

The company has issued 50 CCD on 23 July 2020 and 25 CCD on 25 August 2020 of Rs. 10,000,000 each to Ivy Icon Solutions LLP. On the date of issue CCD carried coupon rate of 15.5% p.a. with the term of 36 months. CCD is convertible into equity shares at the fixed ratio of 1:1943 at the end of the term. These CCDs has been acquired by API Holdings Private Limited as part of the acquisition of the company. Post acquisition by API Holdings Private Limited the coupon rate have been changed to 0.0001% p.a. non-cumulative with effect from 22 January 2021.

**19 Other equity**

Securities premium account

Retained earnings

Share options outstanding reserve

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
	10,545.97	8,147.93	7,378.24
	(19,929.69)	(12,447.47)	(6,322.57)
	2,898.05	1,009.87	160.13
	<b>(6,485.68)</b>	<b>(3,289.67)</b>	<b>1,215.80</b>

**a) Securities premium**

Balance as per last financial statements

Add: Premium on issue of equity shares

**Closing balance**

	<b>31 March 2021</b>	<b>31 March 2020</b>
	8,147.93	7,378.24
	2,398.04	769.69
	<b>10,545.97</b>	<b>8,147.93</b>

**b) Retained earnings**

Balance as per last financial statements

Add: (Loss) for the year

Add: Other comprehensive income/(loss)

**Closing balance**

	(12,447.47)	(6,322.57)
	(7,458.15)	(6,118.64)
	(24.08)	(6.26)
	<b>(19,929.70)</b>	<b>(12,447.47)</b>

**c) Share options outstanding reserve**

Balance as per last financial statements

Add: Employee stock options expense, net (refer note 43)

**Closing balance**

	1,009.87	160.13
	1,888.18	849.74
	<b>2,898.05</b>	<b>1,009.87</b>

**Nature and purpose of other reserves**

**a) Securities premium**

Securities premium has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

**b) Retained earnings**

Retained earnings are the profits/(loss) that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

**c) Share options outstanding reserve**

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

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

**Carried at amortised cost**

**Non current**

**Secured**

Non convertible debentures (refer note (a) and (b) below)

Term Loan from NBFC (refer note (c) below)

Term loan from banks (refer note (d) below)

	31 March 2021	31 March 2020	01 April 2019
	1,313.95	1,063.95	-
	1,238.40	793.39	-
	-	0.44	1.25
	<b>2,552.35</b>	<b>1,857.78</b>	<b>1.25</b>
Less: Current maturity of aforesaid borrowings (refer note 22)	(1,238.40)	(0.44)	(0.81)
<b>Total non-current borrowings</b>	<b>1,313.95</b>	<b>1,857.34</b>	<b>0.44</b>

**Current**

**Unsecured**

Loan from Directors (refer note (e) below)

Loan from Shri Pack Private Limited (refer note (f) below)

Loan from Prashant Packaging Private Limited (refer note (f) below)

Loan from API Holdings (refer Note (g) below)

Share warrant liability (refer note (h) below)

**Total current borrowings**

	-	28.56	24.90
	52.50	-	-
	47.50	-	-
	4,750.23	-	-
	-	32.50	-
<b>Total current borrowings</b>	<b>4,850.23</b>	<b>61.06</b>	<b>24.90</b>

**Notes**

(a) During the year ended 31 March 2020, the company has issued non convertible debenture to Wilson Investment Managers of Rs. 1,063.95 million at interest rate of 14% p.a. with a term of 4 years from 17 December 2019. The debenture is secured against the assets of the company, personal guarantee given by promoters namely Mr.Prashanth Singh and Mr.Tushar Kumar ('Promoters') and corporate guarantee from Medlife Wellness. Interest is payable on quarterly basis and the loan is repayable on quarterly equated instalments during the last year of term, i.e. beginning from March 2023.

(b) During the year ended 31 March 2021, the company has issued compulsorily convertible debenture to Prasad Uno Family trust of Rs. 250 million at interest rate of 15.5% p.a. with a term of 36 months. The CCD was convertible at the end of the tenure to equity shares based on the fair market value of equity shares on the date of conversion. On 8 December 2020 CCDs are converted to non convertible debentures (NCDs) with similar terms and interest rate.

(c) The company has taken term loan of Rs.1,250 million (with out giving effect of loan processing transaction cost) from Hero Fin Corporation which carries interest rate from 12.75% to 14.25% p.a for a period of three years.The loan is secured against hypothecation of assets of the company, personal guarantee given by promoters and corporate guarantee given by 'Prasad Uno Family Trust'. Interest is payable on quarterly basis and 30% of the loan is repayable on completion of 1.5 years and remaining 70% of the loan is repayable at the end of the term.

(d) Term loan from bank is obtained for purchase of motor vehicle which carries interest rate of 9.71 % p.a. and is repayable in 60 monthly instalments. The loan is secured by hypothecation of motor vehicle. The loan is fully repaid in the current year.

(e) Consist of loan from Mr. Prashant Singh amounting to Rs 8.6 million carried interest @ 8% p.a. upto 31 December 2019, is interest free from 1 January 2020 and is repayable on demand and balance of Rs 20 million is interest free loan from Mr. Ananth Sankaranarayanan. During the year, the loan from Mr. Prashant Singh is fully repaid in cash and for Mr. Ananth Sankaranarayanan loan the company has issued 9,097 equity shares of Rs.100 each at a premium of Rs.4,337.44.

(f) Consist of loan from Shri Pack Private Limited amounting Rs. 52.5 million and from Prashant Packaging Private limited amounting to Rs. 47.5 million carried interest @ 8.5% p.a. and is repayable on 31 December 2021.

(g) The Group has taken loan from API holdings Private limited of Rs. 4750.2 million which carries interest rate of 8% p.a. and is repayable on demand.

(h) During the year ended 31 March 2019,the company has issued five share warrants at purchase price of each Rs. 6.5 millions and shall entitle the subscriber to purchase equity shares upon exercise at exercise price or subscription price.

The share warrants may be exercised at any time post determination of subscription price within a period of 6 years from the closing date i.e. date of allotment of initial shares and warrants to BCCL which is April 2019 ("Warrant Exercise Period"). Further, subscription price shall be price per share equivalent to conversion price of Rs 14,440 or price determined upon expiry of 18 months from the Closing date i.e. 01 October 2020.

During the year, the company has cancelled the share warrants with BCCL and settled the liability against the security deposits paid for advertisement services to BCCL.

The table below details change in the Group's liabilities arising from financing activities, including both cash and non-cash changes

	Non-current borrowings (including current maturities)	Current borrowings
<b>As at April 1, 2019</b>	<b>1.25</b>	<b>24.90</b>
Financing cash flows (net)	1,634.63	36.16
<b>Non cash movements:</b>		
Adjustment towards loan processing charges	(11.04)	-
Acquired on acquisition	232.94	-
<b>As at March 31, 2020</b>	<b>1,857.78</b>	<b>61.06</b>
Financing cash flows (net)	695.13	4,841.67
<b>Non cash movements:</b>		
Adjustment towards loan processing charges	(0.56)	-
Adjustment towards share warrants	-	(32.50)
Conversion of borrowing in to equity	-	(200.00)
<b>As at March 31, 2021</b>	<b>2,552.35</b>	<b>4,850.23</b>

**21 Lease liabilities**  
**Carried at amortised cost**

	31 March 2021	31 March 2020	01 April 2019
<b>Non current</b>			
Lease liabilities	91.43	697.99	394.35
	<b>91.43</b>	<b>697.99</b>	<b>394.35</b>
Less: Current maturity of lease liabilities	(31.35)	(119.77)	(70.39)
<b>Total non-current lease liability</b>	<b>60.08</b>	<b>578.22</b>	<b>323.96</b>
<b>Current</b>			
Lease liabilities	31.35	119.77	70.39
<b>Total current lease liability</b>	<b>31.35</b>	<b>119.77</b>	<b>70.39</b>

The effective interest rate for lease liabilities is 12.75%, with maturity between 2022-2027.

The effect of adoption of Ind AS 116 is as follows;

**A Impact on balance sheet (increase/(decrease))**

	31 March 2021	31 March 2020	01 April 2019
<b>Assets</b>			
Right to use assets - (refer note 6)	83.86	690.87	408.68
<b>Liability</b>			
Lease liabilities - (refer note 21C)	91.43	697.98	394.35

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

Depreciation and amortisation		(159.96)	(150.18)
Finance cost		(65.30)	(66.80)
Early termination of leases		11.26	10.29
Concession in rental payments due to Covid-19		22.47	-
		<b>(191.53)</b>	<b>(206.69)</b>

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

Operating lease payments		(145.08)	(160.20)
<b>Net cashflow from operating activities</b>		<b>(145.08)</b>	<b>(160.20)</b>
Payment of principal portion of lease liabilities		(79.78)	(93.39)
Payment of interest portion of lease liabilities		(65.31)	(66.81)
		<b>(145.09)</b>	<b>(160.20)</b>

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

	31 March 2021	31 March 2020
Balance at beginning of the year	697.98	394.35
Add: Additions on account of new leases	-	522.69
Add: Acquired on acquisition	-	7.88
Add: Finance cost incurred during the year - (refer note 32)	65.31	66.81
Less: Payment of lease liabilities	(145.08)	(160.22)
Less: Reduction in liability on account of rent concession	(22.48)	-
Less: Reduction in liability on account of lease modification	(3.01)	37.06
Less: Reduction in liability on account of termination of leases	(501.33)	(170.56)
<b>Balance at the end of the year</b>	<b>91.43</b>	<b>697.98</b>

(ii) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 and 31 March 2020:

	31 March 2021	31 March 2020
Less than one year	42.52	202.66
One to five years	68.81	685.69
<b>Total</b>	<b>111.33</b>	<b>888.35</b>

**22 Other financial liabilities**

	31 March 2021	31 March 2020	01 April 2019
<b>Non-current</b>			
<b>Unsecured</b>			
<b>Carried at amortised cost</b>			
Security deposits	7.79	9.49	8.51
	<b>7.79</b>	<b>9.49</b>	<b>8.51</b>
<b>Current</b>			
<b>Carried at amortised cost</b>			
Interest accrued but not due on borrowings	24.44	6.07	3.65
Employee related dues	112.05	216.48	9.79
Liability for capital goods	5.47	13.69	36.03
Current maturities of long-term borrowings	1,238.40	0.44	0.81
Other payables (refer note a below)	-	751.35	-
	<b>1,380.36</b>	<b>988.03</b>	<b>50.28</b>

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**Carried at fair value through profit or loss**

	-	1,684.94	-
Optionally Convertible Redeemable Preference Shares (refer note 17 and note (b) below)			
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>1,684.94</b>	<b>-</b>
<b>Total other financial liabilities</b>	<b>1,388.15</b>	<b>2,682.46</b>	<b>58.79</b>

(a) During the year ended 31 March 2021, Out of remaining consideration payable of Rs.751.35 million for the acquisition of Metarain Distributors Private Limited, Rs.28.67 million was settled in cash and for balance, the company has issued 162,856 equity shares at a conversion price of Rs. 4437.44 per share.

(b) During the year ended 31 March 2020, the company has issued 142,141 OCRPS of Rs. 100 each at a price of Rs.11,854 by way of conversion of loan from Prasad Uno Family Trust amounting to Rs.1684.94 millions. OCRPS shall participate in surplus funds and surplus assets and profits at the time of winding up , shall not have any voting rights and carry cumulative dividend @ 0.001% p.a.

(i) OCRPS shall be redeemed at the option of the holder and shall be redeemed at fair market value prevailing at the time of redemption within maximum term of 20 years.

(ii) OCRPS shall be converted into equity shares at the option of the holder and shall be converted at a price which shall be lower of the following:

- Fair market value at which the convertible securities or equity shares were allotted by the company immediately preceding the allotment of OCRPS; or
- Fair market value at which the convertible securities or equity shares would be allotted by the company immediately following the allotment of OCRPS.

During the year ended 31 March 2021, the company has converted the Optionally Convertible Redeemable Preference Shares 142,141 of Rs. 100 each into 3,27,373 Equity shares of Rs. 100 each at a conversion price of Rs. 5146.85 per share.

**23 Provisions**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
<b>Non-current</b>			
Provision for gratuity - refer note 35	66.72	32.38	17.42
	<b>66.72</b>	<b>32.38</b>	<b>17.42</b>
<b>Current</b>			
Provision for gratuity - refer note 35	0.55	1.02	0.13
Provision for compensated absence	89.68	20.56	7.05
	<b>90.23</b>	<b>21.58</b>	<b>7.18</b>

**24 Trade payables - refer note (a) below**

**Carried at amortised cost**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
Total outstanding dues of micro enterprises and small enterprises - refer note below	105.16	231.57	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	997.50	1,170.63	1,078.16
	<b>1,102.66</b>	<b>1,402.20</b>	<b>1,078.16</b>

(a) For balances with related parties, refer note 39.

Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises development (MSMED) Act, 2006

<b>Particular</b>	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:			
Principal amount due to micro and small enterprises	80.21	221.27	-
Interest due on the above	14.65	10.30	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	14.65	10.30	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	10.30	-	-

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors/ suppliers.

**25 Other liabilities**

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>01 April 2019</b>
<b>Current</b>			
Statutory dues payable	54.19	72.84	45.36
Contract Liability (refer note below)	0.16	81.24	0.46
	<b>54.35</b>	<b>154.08</b>	<b>45.82</b>

Consist of contract liability relating to services of Rs.0.16 millions (31 March 31 2020 : Rs.0.20 millions) and relating to goods of Rs. Nil ( 31 March 2020 : Rs. 81.04 millions and 01 April 2019 : Rs 0.46 millions). Contract liabilities are recognised as revenue when the Group meets the performance obligations under the respective revenue contracts i.e. transfers control of the related goods or services to the customer.

**26 Revenue from customers**

	For the year ended	
	31 March 2021	31 March 2020
Sale of products	3,301.00	4,182.77
Sale of service		
Commission income	6.49	19.18
Income from lab tests	359.67	333.95
License fees	32.32	6.49
Others	39.73	13.15
	<b>3,739.21</b>	<b>4,555.53</b>

**26.1 Disaggregated revenue information**

Segment	March 31, 2021	March 31, 2020
India	3,739.21	4,555.53
Outside India	-	-
<b>Total revenue from operations</b>	<b>3,739.21</b>	<b>4,555.53</b>

**Timing of revenue recognition**

Goods transferred at a point in time	3,301.00	4,182.77
Services transferred at a point of time	438.21	372.76
	<b>3,739.21</b>	<b>4,555.53</b>

**26.2 Contract balances**

	As at		
	31 March 2021	31 March 2020	01 April 2019
Trade receivables	401.75	94.49	49.77
Contract liability	0.16	81.24	0.46
Contract assets	0.76	1.37	-

	31 March 2021	31 March 2020
Amounts included in contract liabilities at the beginning of the year	81.24	0.46
Performance obligations satisfied in the current year	(81.24)	(0.46)
Advances received for sale of goods and services	0.16	81.24
	<b>0.16</b>	<b>81.24</b>

**26.3 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

	31 March 2021	31 March 2020
Revenue as per contract price	4,652.21	6,335.53
Discount	(913.00)	(1,780.00)
<b>Revenue from operations</b>	<b>3,739.21</b>	<b>4,555.53</b>

**27 Other income**

	31 March 2021	31 March 2020
Interest income on:		
Deposits with bank	2.82	0.56
Income tax refund	1.38	0.65
Interest income - others	-	4.51
Financial instrument measured at amortised cost	35.85	13.53
	<b>40.05</b>	<b>19.24</b>
Gain on sale of investments measured at FVTPL	0.61	4.07
Net gain on account of early termination of leases	10.28	10.29
Profit on Sale of Property, plant and equipment	4.61	-
Liabilities no longer required written back	6.10	0.90
Concession in rental payments due to Covid-19	22.48	-
Other non-operating income	4.82	7.66
	<b>48.90</b>	<b>17.82</b>
	<b>88.95</b>	<b>37.06</b>

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**28 Purchase of traded goods**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Purchase of Pharmaceutical and related goods	2,942.20	3,976.83
	<b>2,942.20</b>	<b>3,976.83</b>

**29 (Increase) / decrease in inventories of traded goods**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Inventories at the end of the year		
Traded Goods	138.94	449.12
Inventories at the beginning of the year		
Traded Goods	449.12	585.90
Acquired on acquisition of entities	-	65.19
<b>(Increase) / decrease in inventories</b>	<b>310.18</b>	<b>201.97</b>

**30 Employee benefits expense**

	<b>31 March 2021</b>	<b>31 March 2020</b>
Salaries, wages and bonus	1,192.01	1,534.98
Contribution to provident fund and other funds (refer note 35)	51.84	97.29
Employee stock compensation expense (refer note 43)*	1,888.18	849.74
Gratuity expense (refer note 35)	15.83	8.95
Staff welfare expenses	24.11	47.00
	<b>3,171.97</b>	<b>2,537.96</b>

\* During the year 31 March 2021 the company has accelerated vesting to certain key employees which resulted in significant increase in employee stock compensation expense.

**31 Finance costs**

	<b>For the year ended</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Bank charges	2.10	2.75
Interest expense on:		
Borrowings	507.57	54.61
Lease liability	65.31	66.80
Others	4.39	1.33
	<b>579.37</b>	<b>125.49</b>

**32 Depreciation and amortisation expense**

	<b>31 March 2021</b>	<b>31 March 2020</b>
Depreciation of property, plant and equipment (refer note 4)	94.95	201.08
Amortisation of intangible assets (refer note 5)	12.14	141.44
Depreciation of right-of-use assets (refer note 6)	159.96	150.17
	<b>267.05</b>	<b>492.72</b>



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**33 Other expenses**

	<b>31 March 2021</b>	<b>31 March 2020</b>
Power and fuel	29.77	43.96
Subcontracting charges	155.20	207.20
Repair and Maintenance		
- Buildings	14.20	12.50
- Others	45.07	36.49
Rent expenses - refer note (iii) below	19.90	42.30
Advertising and business promotion expenses	749.89	1,297.32
Communication costs	268.05	204.48
Legal and professional fees - refer note (ii) below	496.38	381.99
Rates and taxes - refer note (iv) below	311.07	66.19
Office & security expenses	40.98	66.50
Travelling and conveyance	14.47	54.77
Printing and stationery	24.65	25.42
Delivery charges	265.15	347.21
Sales Commission	35.97	57.88
Consumption of packing materials and consumables	198.63	219.48
Payment gateway charges	41.67	38.95
Recruitment expenses	2.79	10.70
Payments to auditors (refer note (i) below)	7.00	4.04
Fair value loss on investment measured at FVTPL	0.12	0.05
Corporate support service expenses	1.41	9.21
Security deposits written off	19.25	2.42
Loans and advances written off	2.22	32.75
Impairment loss allowance on trade receivables	49.64	37.46
Impairment loss allowance on advances	106.65	0.43
Impairment loss allowance on security deposits	1.17	-
Property, plant and equipment written off	21.95	-
Miscellaneous expenses	8.87	10.54
	<b>2,932.12</b>	<b>3,210.24</b>

**(i) Payment to auditors (excluding taxes):**

	<b>31 March 2021</b>	<b>31 March 2020</b>
As auditor:		
Audit Services	7.00	4.00
Reimbursement of expenses	-	0.04
	<b>7.00</b>	<b>4.04</b>

(ii) During the year, ended 31 March 2021 as detailed in note 1, API Holdings Private limited has acquired 100% equity shares of the company effective January 22, 2021. In this regard, the company has incurred various costs amounting to Rs 218.98 million which are included in legal and professional charges.

(iii) Rent expense recorded under other expenses are lease rental for short-term leases made for lease arrangements.

(iv) During the year, the company has made provision of Rs 239.12 millions towards shortage in GST credit balances between books and GST returns which is included in Rates and taxes.

**34 Loss per equity share ['EPS']**

The following reflects the income and share data used in the basic and diluted EPS computations:

	<b>31 March 2021</b>	<b>31 March 2020</b>
(Loss) after tax attributable to equity holders of the Group (a) (Rs in millions)	(7,458.15)	(6,118.64)
Weighted average number of shares outstanding during the year for basic EPS (b)	23,43,968	19,34,604
Basic and Diluted (Loss)/Earning per share (in Rs.) (a/b)	(3,181.85)	(3,162.74)

\*During the year ended 31 March 2021 and 31 March 2020, the effects of potential equity shares are anti-dilutive, hence, the same has been ignored for calculating dilutive loss per share.

**33A Impairment of Goodwill and Software**

	<b>31 March 2021</b>	<b>31 March 2020</b>
Impairment of E-commerce software (refer note (a) below)	-	108.28
Impairment of Software acquired through business acquisition (refer note (b) and (c) below)	52.86	25.32
	<b>52.86</b>	<b>133.60</b>

	<b>31 March 2021</b>	<b>31 March 2020</b>
Impairment of Goodwill (refer note (b) and (c) below)	1,030.56	32.45
	<b>1,030.56</b>	<b>32.45</b>

(a) During the year ended 31 March 2020, the company has assessed the recoverable amount of its internally developed E-Commerce Software considering the Functional, Technological and Economical obsolescence factors. Accordingly, the management has impaired its E-Commerce Software based on the expert valuation report obtained by the company.

(b) During the year ended 31 March 2021, the management has performed internal assessment on the appropriateness of carrying value of goodwill and other intangibles arising on consolidation of the subsidiary, Metarain Distributors Private Limited. Considering the significant reduction in revenue from operations, increase in losses, loss of customers on account of external market factors and challenges in meeting the working capital requirements of the subsidiary, Metarain Distributors Private Limited, the Group has made an impairment provision of Rs 1,030.56 millions towards the goodwill and impairment provision of Rs 52.86 millions towards software arising on consolidation of Metarain Distributors Private Limited.

(c) As at 31 March 2020, basis the valuation carried out by the management internally, the Group has made an impairment provision of Rs 32.45 millions towards the goodwill and impairment provision of Rs 25.32 millions towards software arising on consolidation of Evriksh Healthcare Private Limited.

**35 Employee benefits plan**

**(i) Defined contribution plans - Provident Fund**

The Group makes contributions for qualifying employees to Provident Fund, ESI and labour welfare fund. During the year, the Group recognised Rs. 47.02 millions (31 March 2020 : Rs 89.31 millions) towards Provident fund contributions, Rs 4.72 millions (31 March 2020 : Rs 7.82 millions) towards Employee State Insurance scheme contributions and Rs. 0.10 millions (31 March 2020 : Rs 0.16 millions) towards Labour Welfare fund.

**(ii) Defined benefit plans (unfunded):**

The Group provides for gratuity for employees in India as per the Payment of Gratuity (Amendment) Act, 2018. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The plan is not funded by the Group.

Gratuity is a defined benefit plan and Group is exposed to the Following Risks:

Interest risk	The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.
Liquidity risk	This is the risk that the Group is not able to meet the short-term gratuity pay-outs. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
Salary escalation risk	The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
Demographic risk	The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions made.
Regulatory risk	Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity pay-outs (e.g. Increase in the maximum limit on gratuity of Rs. 2 millions).

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

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

	<b>Defined benefit obligation (A)</b>	<b>Fair value of plan assets (B)</b>	<b>Net amount in millions (A-B)</b>
<b>As at 01 April 2019</b>	<b>17.55</b>	<b>-</b>	<b>17.55</b>
<b>Amount recognised in statement of profit and loss</b>			
Current Service cost	6.89	-	6.89
Net interest expense/(income)	2.06	-	2.06
<b>Total amount recognised in statement of profit and loss</b>	<b>8.95</b>	<b>-</b>	<b>8.95</b>
<b>Benefits paid</b>	<b>(2.00)</b>	<b>-</b>	<b>(2.00)</b>
<b>Remeasurement</b>			
Actuarial changes arising from changes in demographic assumptions	(2.78)	-	(2.78)
Actuarial changes arising from changes in financial assumptions	6.93	-	6.93
Experience adjustments	2.11	-	2.11
<b>Total amount recognised in other comprehensive income</b>	<b>6.26</b>	<b>-</b>	<b>6.26</b>
	-	-	-
Contributions by employer	-	-	-
Defined benefit obligation for subsidiaries acquired during the year	2.64	-	2.64
	-	-	-
<b>As at 31 March 2020</b>	<b>33.40</b>	<b>-</b>	<b>33.40</b>

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

	Defined benefit obligation (A)	Fair value of plan assets (B)	Net amount in millions (A-B)
<b>As at 01 April 2020</b>	<b>33.40</b>	-	<b>33.40</b>
Current Service cost	13.54	-	<b>13.54</b>
Net interest expense/(income)	2.29	-	<b>2.29</b>
<b>Total amount recognised in profit or loss</b>	<b>15.83</b>	-	<b>15.83</b>
<b>Benefits paid</b>	(6.04)	-	<b>(6.04)</b>
<b>Remeasurement</b>			
Actuarial changes arising from changes in demographic assumptions	(16.29)	-	<b>(16.29)</b>
Actuarial changes arising from changes in financial assumptions	56.15	-	<b>56.15</b>
Experience adjustments	(15.78)	-	<b>(15.78)</b>
<b>Total amount recognised in other comprehensive income</b>	<b>24.08</b>	-	<b>24.08</b>
<b>As at 31 March 2021</b>	<b>67.27</b>	-	<b>67.27</b>

**35 Employee benefits plan (continued)**

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

	31 March 2021	31 March 2020	1 April 2019
Discount rate	6.40%	6.84 - 6.87%	7.78-7.79%
Future salary increases	10% - 15% for the first five year and 7% - 15% thereafter	8% - 10% for the first five year and 7% - 8% thereafter	6% - 10% for the first five year and 6% - 7% thereafter
Normal retirement age	58 years	58 years	58 years
Attrition / withdrawal rates based on age (per annum)			
Upto 39 years	10.00%	6.25 - 10.71%	3.41-6.25%
40 to 44 years	10.00%	4.17 - 7.14%	2.27-4.17%
45 to 49 years	10.00%	2.08 - 3.57%	2.00-2.08%
50 and above years	10.00%	1.04-1.79%	1.00-1.04%
Mortality	100-105% of Indian Assured Lives Mortality (2012-14)	100% Indian Assured Lives Mortality (2012-14)	100% Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumptions are as shown below:

Sensitivity Level	31 March 2021		31 March 2020		
	Defined benefit obligation on increase/decrease in assumptions				
	Increase	Decrease	Increase	Decrease	
Discount rate	1% increase / decrease	58.00	(78.68)	60.70	(38.10)
Future salary increase	1% increase / decrease	77.55	(58.62)	54.72	(29.52)
Attrition rate	50% increase / 50% decrease	45.43	(117.74)	81.52	(38.64)
Mortality rate	10% up/10% down	67.16	(67.38)	56.86	(33.40)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

Expected contributions to defined benefits plan for the year ended 31 March 2021 is Rs. 0.55 millions (31 March 2020 : Rs. 1.02 millions and 31 March 2019: Rs 0.13 millions). The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13-16 years (31 March 2020: 12-15 years, 31 March 2019: 19-20 years). The expected maturity analysis of undiscounted gratuity is as follows:

	31 March 2021	31 March 2020	1 April 2019
Within the next 12 months	0.55	1.02	0.13
Between 2 and 5 years	10.03	9.72	2.73
Between 6 and 10 years	22.50	15.15	5.60
Beyond 10 years	182.07	86.34	85.50

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

36 Fair value measurement

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

	31 March 2021	31 March 2020	1 April 2019
<b>Measured at fair value through statement of profit and loss (FVTPL)</b>			
Investment in mutual funds	-	0.96	6.46
<b>Total financial assets measured at FVTPL</b>	<b>-</b>	<b>0.96</b>	<b>6.46</b>
<b>Measured at amortised cost</b>			
Security deposits	27.33	96.87	39.02
Loans to employees	0.12	0.39	3.38
Other financial assets	14.77	2.63	4.11
Trade receivables	401.75	94.49	49.77
Cash and cash equivalents	1,529.18	26.64	94.08
Bank balance other than cash and cash equivalents	49.48	5.12	2.02
<b>Total financial assets measured at amortised cost</b>	<b>2,022.63</b>	<b>226.14</b>	<b>192.38</b>
<b>Total financial assets</b>	<b>2,022.63</b>	<b>227.10</b>	<b>198.84</b>

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

	31 March 2021	31 March 2020	1 April 2019
<b>Measured at fair value designated through statement of profit and loss (FVTPL)</b>			
Optionally Convertible Redeemable Preference Shares	-	1,684.94	-
Share warrant liability	-	32.50	-
<b>Total financial liabilities measured at FVTPL</b>	<b>-</b>	<b>1,717.44</b>	<b>-</b>
<b>Measured at amortised cost</b>			
Borrowings	6,164.18	1,885.90	25.34
Lease liability	91.43	697.99	394.35
Security Deposits	7.79	9.49	8.51
Other financial liabilities	1,380.36	988.03	50.28
Trade payables	1,102.65	1,402.19	1,078.16
<b>Total financial liabilities measured at amortised cost</b>	<b>8,746.41</b>	<b>4,983.60</b>	<b>1,556.64</b>
<b>Total financial liabilities</b>	<b>8,746.41</b>	<b>6,701.04</b>	<b>1,556.64</b>

The fair value of assets and liabilities measured at amortised cost is same as carrying value as per books.

36 Fair value measurement - continued

iii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)	Total
<b>31 March 2021</b>				
<b>Financial assets and liabilities measured at fair values</b>				
<b>Measured at fair value through statement of profit and loss (FVTPL)</b>				
Investment in mutual funds	-	-	-	-
<b>Total financial asset measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Measured at fair value through statement of profit and loss (FVTPL)</b>				
Optionally Convertible Redeemable Preference Shares	-	-	-	-
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>31 March 2020</b>				
<b>Financial assets and liabilities measured at fair values</b>				
<b>Measured at fair value through statement of profit and loss (FVTPL)</b>				
Investment in mutual funds	0.96	-	-	<b>0.96</b>
<b>Total financial asset measured at fair value</b>	<b>0.96</b>	<b>-</b>	<b>-</b>	<b>0.96</b>
<b>Measured at fair value through statement of profit and loss (FVTPL)</b>				
Optionally Convertible Redeemable Preference Shares	-	-	1,684.94	<b>1,684.94</b>
Share warrant liability	-	-	32.50	-
<b>Total financial liabilities measured at fair value</b>	<b>-</b>	<b>-</b>	<b>1,717.44</b>	<b>1,684.94</b>
<b>1 April 2019</b>				
<b>Financial assets and liabilities measured at fair values</b>				
<b>Assets measured at fair value through statement of profit and loss (FVTPL)</b>				
Investment in mutual funds	6.46	-	-	<b>6.46</b>
<b>Total financial asset measured at fair value</b>	<b>6.46</b>	<b>-</b>	<b>-</b>	<b>6.46</b>
<b>Liabilities measured at fair value through statement of profit and loss (FVTPL)</b>				
Optionally Convertible Redeemable Preference Shares	-	-	-	-
<b>Total financial liabilities measured at Fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Notes:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- In respect of investments in mutual funds, the fair value represents net assets value (NAV) as stated by the fund house in their published statements.
- The management assessed that cash and cash equivalent, trade receivables, trade payables, other financial assets-others (current), other financial liability (current), lease liabilities (current) and loans to employees approximates their fair value largely due to short-term maturities of these instruments.
- The Optionally convertible redeemable preference shares held by Prasad Uno Family Trust is classified as liability and carried at fair value through profit and loss. The Group has valued the instrument by using the discounted cash flow approach.
- The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate prevailing respective period end. Subsequently, these are carried at amortized cost. The carrying amount approximate to fair value and difference between carrying value and their fair value is insignificant.

For financial assets carried at fair value, their carrying amount are equal to their fair value.

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**37 Financial risk management**

The Group's principal financial liabilities comprise of borrowings, lease obligation, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include security deposits, investments, trade and other receivables and cash and cash equivalents that is derived directly from its operations.

The Group's activities exposes it to market risk, liquidity risk and credit risk. The Group's risk management is carried out by the management under the policies approved of the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Group. These risks are identified on a continuous basis and assessed for the impact on the financial performance. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments.

**i. Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All financial assets or liabilities are either non-interest bearing or are at a fixed interest rate and carried at amortised cost. Thus, the Group does not foresee any interest rate risk on these items.

**ii. Price risk**

The Group exposure to price risk arises for investment in mutual funds held by the Group. To manage its price risk arising from investments in mutual funds, the Group diversifies its portfolio.

**Sensitivity:**

The sensitivity of profit or loss to change in Net assets value (NAV) as at year end for investment in mutual funds.

	(Rs. In millions)	
	Impact on profit before tax	
	31 March 2021	31 March 2020
NAV increases by 5%	-	0.005
NAV decreases by 5%	-	(0.005)

**2. Credit risk**

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (primarily deposits with banks and investments in mutual funds)

**i) Trade receivables**

Trade receivables are typically unsecured and derived from revenue from contracts with customers. Customer credit risks is managed by each business units subject to Group's policy and procedures which involves credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credits in the normal course of business. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience with customers. Ageing of trade receivables and the provision in books for trade receivables:

	0-180 days	181-365 days	More than 365 days	Total	
<b>As at 31 March 2021</b>					
Trade receivables	365.39	-	75.49	8.88	449.76
Allowance for expected loss	(38.88)	-	(0.34)	(8.79)	(48.01)
<b>Net Trade receivables</b>	<b>326.51</b>	<b>75.15</b>	<b>0.09</b>	<b>401.75</b>	
<b>As at 31 March 2020</b>					
Trade receivables	116.21	-	2.10	4.42	122.73
Allowance for expected loss	(22.82)	-	(1.00)	(4.42)	(28.24)
<b>Net Trade receivables</b>	<b>93.39</b>	<b>1.10</b>	<b>-</b>	<b>94.49</b>	
<b>As at 1 April 2019</b>					
Trade receivables	47.95	-	3.92	-	51.87
Allowance for expected loss	(0.96)	-	(1.14)	-	(2.10)
<b>Net Trade receivables</b>	<b>46.99</b>	<b>2.78</b>	<b>-</b>	<b>49.77</b>	
<b>Reconciliation of loss allowance</b>					
				<b>31 March 2021</b>	<b>31 March 2020</b>
Opening balance				28.23	2.10
Allowance made during the year (net)				49.64	26.13
Bad debts during the period				(29.84)	-
<b>Closing balance as at March, 31</b>				<b>48.03</b>	<b>28.23</b>

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

Credit risk from balances with the banks, loans, investments in mutual funds and other financial assets are managed by the Group based on the Group policy and is managed by the Group's Treasury Team. Investment of surplus fund is made only with approved counterparties. The Group's maximum exposure to credit risk is the carrying amount of such assets as disclosed in note 37 above.

**3. Liquidity risk**

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its position and maintains adequate source of financing.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

<b>Particulars</b>	<b>On demand</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>Total</b>
<b>As at 31 March 2021</b>				
Borrowings (including current maturities)	4,850.23	1,238.40	1,313.95	<b>7,402.58</b>
Lease liabilities	-	31.35	60.08	<b>91.43</b>
Trade payables	-	1,102.66	-	<b>1,102.66</b>
Security Deposits	-	-	7.79	<b>7.79</b>
Other current financial liabilities #	-	439.88	332.68	<b>772.56</b>
	<b>4,850.23</b>	<b>2,812.29</b>	<b>1,714.50</b>	<b>9,377.02</b>
<b>As at 31 March 2020</b>				
Borrowings (including current maturities)	61.06	0.44	1,857.34	<b>1,918.84</b>
Lease liabilities	-	119.77	578.22	<b>697.99</b>
Trade payables	-	1,402.20	-	<b>1,402.20</b>
Optionally Convertible Redeemable Preference Shares	1,684.94	-	-	<b>1,684.94</b>
Security Deposits	-	-	9.49	<b>9.49</b>
Other current financial liabilities #	-	1,239.13	512.77	<b>1,751.90</b>
	<b>1,746.00</b>	<b>2,761.54</b>	<b>2,957.82</b>	<b>7,465.36</b>
<b>As at 01 April 2019</b>				
Borrowings (including current maturities)	24.90	0.81	0.44	<b>26.15</b>
Lease liabilities	-	70.39	323.96	<b>394.35</b>
Trade payables	-	1,078.16	-	<b>1,078.16</b>
Non-current financial liability	-	-	8.51	<b>8.51</b>
Other current financial liabilities #	-	49.56	-	<b>49.56</b>
	<b>24.90</b>	<b>1,198.92</b>	<b>332.91</b>	<b>1,556.73</b>

# Includes future interest payable on outstanding borrowings

### 38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, Compulsorily Convertible Debentures, Optionally Convertible Redeemable Preference Shares, securities premium and all other equity reserves. The primary objective of the Group's capital management is to maintain a strong capital base to ensure sustained growth in business and to maximize the shareholders value. The capital management focuses to maintain an optimal structure that balances growth and maximizes shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. The Group's gearing ratio, which is net debt divided by total capital plus net debt is as below:

Particulars	31 March 2021	31 March 2020	1 April 2019
Borrowings (including current maturities)	7,402.58	1,918.84	26.15
Less : Cash and cash equivalents	(1,529.18)	(26.64)	(94.08)
<b>Net (cash and cash equivalents)/debt (A)</b>	<b>5,873.40</b>	<b>1,892.20</b>	<b>(67.93)</b>
Equity	(5,529.18)	(3,095.60)	1,404.45
Optionally Convertible Redeemable Preference Shares	-	1,684.94	-
<b>Total equity capital (B)</b>	<b>(5,529.18)</b>	<b>(1,410.66)</b>	<b>1,404.45</b>
<b>Total debt and equity (C)=(A)+(B)</b>	<b>344.22</b>	<b>481.54</b>	<b>1,336.52</b>
<b>Gearing ratio (A)/(C)</b>	<b>1706.3%</b>	<b>392.9%</b>	<b>-5.1%</b>

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2021, 31 March 2020 and 1 April 2019.

The Group has not defaulted in any of the loan covenants for all the reporting periods.



**39 Related Party Disclosure**

**(i) List of related parties and relationship**

<b>Holding company</b>	API Holdings Private Limited (w.e.f 22 January 2021)
<b>Key management personnel (KMP)</b>	Prashant Singh, Director Tushar Kumar, Director Saurabh Vishnu Agarwal, Whole-time director and Chief Financial Officer (resigned w.e.f 10 October 2020) Ananth Sankaranarayanan, Director and Chief Executive Officer (w.e.f. 1 August 2019) (resigned w.e.f 22 January 2021) Gopalkrishnan Ramachandran, Whole-time company secretary (w.e.f. 23 May 2019) and (resigned w.e.f 31 March, 2021) Ajinkya R Jain, Whole-time company secretary (w.e.f. 01 April 2021)

**Enterprises where KMP or their relatives exercise significant influence (where transactions have taken place)**

Tulip Lab Private Limited  
Prashant Packaging Private Limited  
Prashant Packaging Industries  
Safelife Enterprises Private Limited  
Rajani Paper Products  
Shri Pack Private Limited  
Chiron International Limited, Mauritius  
Prasid Uno Family Trust (upto 21 January 2021)  
Ascent Wellness and Pharma Solutions Private Limited (w.e.f. 22 January 2021)  
Aryan Wellness Private Limited (w.e.f. 22 January 2021)  
D C Agencies Private Limited (w.e.f. 22 January 2021)  
Desai Pharma Distributors Private Limited (w.e.f. 22 January 2021)  
Eastern Agencies Healthcare Private Limited (w.e.f. 22 January 2021)  
VPI Medisales Private Limited (w.e.f. 22 January 2021)  
Mahaveer Medi Sales Private Limited (w.e.f. 22 January 2021)  
Threpsi Solutions Private Limited (w.e.f. 22 January 2021)  
Arzt And Health Private Limited (w.e.f. 22 January 2021)  
Instinct Innovations Private Limited (w.e.f. 22 January 2021)  
Swifto Services Private Limited(w.e.f. 22 January 2021)  
Venkatesh Medico Private Limited (w.e.f. 22nd January 2021)

**a) The following table is the summary of transactions with related parties by the Group:**

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Sale of products (net of sales returns) :</b>		
Threpsi Solutions Private Limited	294.51	-
Safelife Enterprises Private Limited	(11.90)	26.72
Tulip Lab Private Limited	(1.55)	10.82
	<b>281.06</b>	<b>37.54</b>
<b>Purchase of Traded goods :</b>		
Tulip Lab Private Limited	13.18	25.03
Safelife Enterprises Private Limited	119.71	730.93
Prashant Packaging Private Limited	-	2.67
Prashant Packaging Industries	7.78	24.76
Rajani Paper Products	12.10	15.52
Eastern Agencies Healthcare Private Limited	1.80	-
Ascent Wellness and Pharma Solutions Private	2.61	-
D C Agencies Private Limited	5.11	-
Desai Pharma Distributors Private Limited	1.57	-
Mahaveer Medi Sales Private Limited	17.54	-
Threpsi Solutions Private Limited	6.33	-
Venkatesh Medico Private Limited	0.15	-
Aryan Wellness Private Limited	1.40	-
	<b>189.28</b>	<b>798.91</b>
<b>Sale of Property, Plant &amp; Equipment :</b>		
Threpsi Solutions Private Limited	10.59	-
Arzt And Health Private Limited	0.49	-
	<b>11.08</b>	<b>-</b>
<b>Rent expenses :</b>		
Tulip Lab Private Limited	4.63	4.64
	<b>4.63</b>	<b>4.64</b>
<b>Interest expense on Borrowings :</b>		
Prasid Uno Family Trust	14.45	-
Prashant Packaging Private Limited	3.28	-
Shri Pack Private Limited	3.63	-
Prashant Singh	-	1.50
API Holdings Private Limited	14.29	-
	<b>35.65</b>	<b>1.50</b>

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

**Legal and professional fees:**

API Holdings Private Limited	61.12	-
Threpsi Solutions Private Limited	8.24	-
	<b>69.36</b>	<b>-</b>

**Delivery charges:**

Swifto Services Private Limited	34.28	-
	<b>34.28</b>	<b>-</b>

**Guarantee fees:**

Chiron International Pvt Ltd	-	2.06
	<b>-</b>	<b>2.06</b>

**Managerial remuneration\* :**

Saurabh Vishnu Agarwal	5.68	9.31
Ananth Sankaranarayanan	25.23	21.67
Gopalkrishnan Ramachandran	6.57	5.84
	<b>37.48</b>	<b>36.82</b>

\*The remuneration to the KMP does not include provision made for gratuity ,leave encashment as they are determined on actuarial basis for the Company as a whole and ESOP cost .

**Trade advances taken :**

Prashant Packaging Private Limited	20.00	20.00
Shri Pack Private Limited	25.00	20.00
	<b>45.00</b>	<b>40.00</b>

**Trade advances converted to loan during the year :**

Prashant Packaging Private Limited	40.00	-
Shri Pack Private Limited	45.00	-
	<b>85.00</b>	<b>-</b>

**Rental deposit given:**

Tulip Lab Private Limited	-	0.08
	<b>-</b>	<b>0.08</b>

**Rental deposit repaid:**

Tulip Lab Private Limited	0.08	-
	<b>0.08</b>	<b>-</b>

**Borrowings taken during the year :**

Prashant Packaging Private Limited	7.50	-
Shri Pack Private Limited	7.50	-
Prasid Uno Family Trust	250.00	-
Prashant Singh	9.50	-
Ananth Sankaranarayanan	-	20.00
API Holdings Private Limited	4,750.22	-
	<b>5,024.72</b>	<b>20.00</b>

**Borrowings repaid during the year :**

Prashant Singh	18.06	16.34
Ananth Sankaranarayanan*	20.00	-
	<b>38.06</b>	<b>16.34</b>

\* During the aforesaid loan converted in to equity shares.

**Issue of OCRPS (including securities premium)\***

Prasid Uno Family Trust	-	1,684.94
* During the previous year, loan payable to Prasid Uno Family Trust was converted into OCRPS	-	-
	<b>-</b>	<b>1,684.94</b>

**Issue of Equity shares (including securities premium)\***

Prasid Uno Family Trust	1,684.94	739.99
Ananth Sankaranarayanan	40.37	34.97
	<b>1,725.31</b>	<b>774.96</b>

\* During the year, the company has issued equity shares against conversion of OCRPS pertaining to Prasid Uno Family Trust and against amount payable to Ananth Sankaranarayanan.

**Issue of Compulsorily Convertible Debentures (CCD)**

API Holdings Private Limited ( 75 Debentures at a face value of Rs. 10,000,000 each )	750.00	-
	<b>750.00</b>	<b>-</b>

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

**Trade Payables:**

	31 March 2021	31 March 2020	1 April 2019
Tulip Lab Private Limited	4.32	26.63	-
Prashant Packaging Private Limited	1.40	2.56	4.00
Prashant Packaging Industries	16.74	28.00	15.57
Rajani Paper Products	8.02	11.18	3.89
Chiron International Pvt Ltd	2.06	2.06	-
Safelife Enterprises Private Limited	-	39.61	0.36
Eastern Agencies Healthcare Private Limited	0.36	-	-
Mahaveer Medi Sales Private Limited	4.78	-	-
Ascent Wellness and Pharma Solutions Private	0.15	-	-
Venkatesh Medico Private Limited	0.16	-	-
API Holdings Private Limited	0.85	-	-
	<b>38.84</b>	<b>110.04</b>	<b>23.82</b>

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

**Trade Receivables and Other assets:**

Safelife Enterprises Private Limited	-	29.29	0.36
Prasid Uno Family Trust	-	0.16	-
Prashant Packaging Private Limited	-	-	4.00
Prashanth Packaging Industries	-	-	15.57
Rajani Paper Products	-	-	3.89
Threpsi Solutions Private Limited	196.02	-	-
Arzt And Health Private Limited	0.10	-	-
Instinct Innovations Private Limited	0.12	-	-
	<b>196.24</b>	<b>29.45</b>	<b>23.82</b>

**Advances recoverable in cash or kind:**

Threpsi Solutions Private Limited	14.85	-	-
Prashanth Packaging Private Limited	0.02	-	-
Tulip Lab Private Limited	0.27	-	13.24
Safelife Enterprises Private Limited	4.84	-	-
	<b>19.98</b>	<b>-</b>	<b>13.24</b>

**Security deposit receivable :**

Tulip Lab Private Limited	0.60	0.68	0.68
	<b>0.60</b>	<b>0.68</b>	<b>0.68</b>

**Borrowings payable:**

Prashant Singh	-	8.56	-
Ananth Sankaranarayanan	-	20.00	-
Prasid Uno Family Trust	250.00	-	-
Shri Pack Private Limited	52.50	-	-
Prashanth Packaging Private Limited	47.50	-	-
API Holdings Private Limited	4,750.22	-	-
	<b>5,100.22</b>	<b>28.56</b>	<b>-</b>

**Interest accrued but not due on borrowings:**

Shri Pack Private Limited	3.36	-	-
Prashanth Packaging Private Limited	3.03	-	-
	<b>6.39</b>	<b>-</b>	<b>-</b>

**Advance from customers payable:**

Prashanth Packaging Private Limited	-	20.00	-
Shri Pack Private Limited	-	20.00	-
	<b>-</b>	<b>40.00</b>	<b>-</b>

**Payable to key management personnel:**

Saurabh Vishnu Agarwal	0.15	0.53	-
Ananth Sankaranarayanan	-	21.67	-
Gopalkrishnan Ramachandran	0.11	-	-
	<b>0.26</b>	<b>22.20</b>	<b>-</b>

**Medlife International Private Limited**

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

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

**40 Interest in other entities**

**a) Subsidiaries**

The Group's subsidiary is set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of entity	Principle activity	Place of business / Country of Incorporation	Ownership interest held by the group %	Ownership interest held by the group %	Ownership interest held by the group %
			31 March 2021	31 March 2020	1 April 2019
Metarain Distributors Private Limited	E-commerce	India	100	100	-
Evriksh Healthcare Private Limited	E-commerce	India	100	100	-
Medlife Wellness Retail Private Limited	E-commerce	India	100	100	100

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

As at 31 March 2021	Net assets ( total assets minus total liabilities )		Share in profit or loss		Share in other comprehensive income/(loss) ("OCI/OCL")		Share in total comprehensive income/(loss) ("TCI/ TCL")	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
<b>The company</b>								
Medlife International Private Limited	-2%	102.21	57%	(4,225.13)	80%	(19.30)	57%	(4,244.43)
<b>Subsidiary</b>								
Metarain Distributors Private Limited	10%	(533.32)	18%	(1,317.27)	-3%	0.82	18%	(1,316.45)
Evriksh Healthcare Private Limited	0%	(19.75)	0%	0.19	0%	-	0%	0.19
Medlife Wellness Retail Private Limited	58%	(3,223.38)	37%	(2,769.99)	23%	(5.60)	37%	(2,775.59)
Other adjustments (including Intercompany eliminations)	34%	(1,854.95)	-12%	854.05	0%	-	-12%	854.05
<b>Total</b>	<b>100%</b>	<b>(5,529.18)</b>	<b>100%</b>	<b>(7,458.15)</b>	<b>100%</b>	<b>(24.08)</b>	<b>100%</b>	<b>(7,482.23)</b>

**Medlife International Private Limited**

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

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

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

	Net assets ( total assets minus total liabilities )		Share in profit or loss		Share in other comprehensive income/(loss) ("OCI/OCL")		Share in total comprehensive income/(loss) ("TCI/ TCL")	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or loss	Amount	As a % of Consolidated OCI	Amount	As a % of Consolidated TCI	Amount
<b>The company</b>								
Medlife International Private Limited	29.28%	(906.37)	64.28%	(3,933.31)	39.46%	(2.47)	64.26%	(3,935.78)
<b>Subsidiary</b>								
Metarain Distributors Private Limited	33.98%	(1,051.75)	9.62%	(588.40)	-24.76%	1.55	9.58%	(586.85)
Evriksh Healthcare Private Limited	0.64%	(19.94)	0.16%	(9.99)	0.00%	-	0.16%	(9.99)
Medlife Wellness Retail Private Limited	67.03%	(2,074.91)	72.59%	(4,441.21)	85.30%	(5.34)	72.60%	(4,446.55)
Other adjustments	-30.93%	957.37	-46.65%	2,854.28	0.00%	-	-46.60%	2,854.28
<b>Total</b>	<b>100%</b>	<b>(3,095.60)</b>	<b>100%</b>	<b>(6,118.63)</b>	<b>100%</b>	<b>(6.26)</b>	<b>100%</b>	<b>(6,124.89)</b>

**41 Commitments and Contingent Liabilities**

**i) Capital Commitments**

Capital commitments towards purchase of capital assets (net of capital advances)

	31 March 2021	31 March 2020	1 April 2019
	-	2.91	19.23

**ii) Contingent liabilities**

- a) Income tax matters as at 31 March 2021: Nil (31 March 2020 : Rs. 19.42 million, 01 April 2019 : Nil)  
b) GST matters as at 31 March 2021: Nil (31 March 2020 : Rs. 26.62 million, 01 April 2019 : Nil)  
c) Other matters as at 31 March 2021: Nil (31 March 2020 : Rs. 0.7 million, 01 April 2019 : Nil)

**42 Segment Information**

**A. Description of segments and principal activities:**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the company is identified as the Chief Operating Decision Maker ("CODM"). CODM evaluates the performance of the Company based on the single operative segment for the purpose of allocation resources and evaluating financial performance.

The group's business activity falls within a single business segment i.e., sale of pharmaceutical & related products and related ancillary activities.

**B. Entity-wide disclosures**

i) The amount of revenue from external customers broken down by location of customers is shown below:

	<u>31 March 2021</u>	<u>31 March 2020</u>
India	3,739.21	4,555.53
Rest of the world	-	-
	<u>3,739.21</u>	<u>4,555.53</u>

ii) The break-up of non-current assets by location of assets is shown below:

India	1,167.56	2,967.99
Rest of the world	-	-
	<u>1,167.56</u>	<u>2,967.99</u>

Non-current assets for this purpose consists of Property, plant and equipment and intangible assets

iii) Revenue from customers of the Group which is individually more than 10 percent of the Group's total revenue

	<u>For the year ended</u>	
	<u>31 March 2021</u>	<u>31 March 2020</u>
Green Apple Exim Private Limited	1,053.63	344.91
Balaji Agencies	397.25	73.43

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

**43 Share based payments**

**Employee Share Option Scheme (ESOP)**

**Medlife Employee Stock Option Plan 2017 :**

On 14 January 2017, the shareholders approved the "Medlife Employee Stock Option Plan 2017" (ESOP 2017) for issue of stock options to the key employees of the company. According to the ESOP 2017, the employee selected will be entitled to eligible options, subject to satisfaction of the prescribed vesting conditions as per ESOP 2017. The other relevant terms of the grant are as below:

For every option granted under ESOP 2017, the holder is entitled thereof with an option to apply for and be issued one equity share of the holding company at an exercise price as determined by the Board while granting the options. However, no option can have the exercise price less than face value of the shares, which is presently at ₹ 100 per share. The equity shares covered under these options vest over a period ranging from twelve to sixty months from the date of grant. The exercise can be made only in the event of occurrence of a liquidation event, or at such other time and in such manner as determined by the Board.

**2019 CEO ESOP Scheme:**

On 30 July 2019, the board of directors approved the Equity Settled "2019 CEO ESOP SCHEME" for issue of stock options to CEO of the Company Mr. Ananth Sankaranarayanan. According to the scheme, the CEO will be entitled to options, subject to satisfaction of the prescribed vesting conditions.

Key features of these plans are provided in the below table:

Key Terms	ESOP 2017	CEO ESOP Scheme
Class of Share	Equity Shares	Equity Shares
Vesting Pattern	One to five years	One year
Exercise Price	Exercisable at the exercise price of Rs 100 per option or FMV as approved by the board	

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

	31 March 2021	31 March 2020
Employee stock compensation expense (refer note 30)	1,888.18	849.74

**Movement in stock options during the year ended 31 March 2021**

	ESOP Plan 2017		2019 CEO ESOP Scheme	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	81,885	100	1,16,875	100
Granted during the year	31,338	100	1,04,567	100
Exercised during the year	-		-	
Forfeited during the year	32,406	100	-	
Outstanding options as at the end of the year	80,817	100	2,21,442	100
Weighted Average Remaining Contractual Life	3.08 years			

**Movement in stock options during the year ended 31 March 2020**

	ESOP Plan 2017		2019 CEO ESOP Scheme	
	No. of options	WAEP	No. of options	WAEP
Outstanding at the beginning of the year	41,196	100	-	-
Granted during the year	51,716	100	1,16,875	100
Exercised during the year	-	-	-	-
Forfeited during the year	11,027	100	-	-
Outstanding options as at the end of the year	81,885	100	1,16,875	100
Weighted Average Remaining Contractual Life	4.08 years			

The weighted average fair value of the options granted during the year is ranging from Rs.3,766.52 to Rs.4,552.57 (31 March 2020: from Rs.10,589.93 to Rs.10,594.49 )

The weighted average share price during the year is ranging from Rs 3,850.11 to Rs 4,632.17 ( 31 March 2020: Rs 10,668.60)

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

	31 March 2021	31 March 2020
Expected dividend yield	0.00%	0.00%
Expected Annual Volatility of Shares	32.97%-34.14%	32.33%-32.99%
Risk-free interest rate (%)	4.76%-5.70%	5.87-6.42%
Exercise price (INR)	100.00	100.00
Expected life of the options granted (in years)	3.08 - 4 years	4.09-4.67 years

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.



**Medlife International Private Limited**

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

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

**44 Business acquisitions**

- A. During the year ended 31 March 2020, the company has entered into an Share purchase agreement dated 25 September 2019 with the shareholders of Metarain Distributors Private Limited ("Metarain Distributors") to acquire 100% shareholding for a purchase consideration of Rs 7,88.50 millions of which Rs 37.14 millions was paid on 19 December 2019 and balance consideration of Rs 75.13 million is payable to erstwhile shareholders of Metarain Distributors and is carried as liability which will be paid as per the terms and conditions mentioned in the aforesaid share purchase agreement as of 31 March 2020. Further, the company has acquired control over Board of Metarain Distributors effective December 19, 2019 and accordingly, the financial statements of Metarain Distributors has been consolidated effective 19 December 2019 resulting in Goodwill of Rs 1030.56 millions.

During the current year, the Company has settled aforesaid liability by issue of equity shares amounting to Rs 75.13 millions and by cash Rs 28.69 millions

The following table presents the purchase consideration, fair value of asset acquired and goodwill recognised on the date of control (i.e. 19 December 2019).

**Fair value recognised on acquisition**

	<b>Amount (millions)</b>
Property, plant and equipment	6.76
Intangible assets	58.33
Loans	8.30
Right-of-use assets	7.04
Income Tax asset	6.37
Other assets	24.66
Inventory	65.19
Trade receivables	33.98
Cash and cash equivalent	2.95
Bank balance other than above	1.29
Other financial asset	0.19
Lease liabilities	(7.02)
Provisions	(3.26)
Trade payables	(209.57)
Other financial liabilities	(8.02)
Other current liabilities	(1.47)
Borrowing	(227.79)
<b>Total fair value of net assets/(liabilities) acquired (A)</b>	<b>(242.07)</b>
<b>Total Purchase consideration transferred (B)</b>	<b>788.49</b>
<b>Goodwill arising on acquisition (C)- (A-B)</b>	<b>1,030.56</b>

	<b>Amount (millions)</b>
<b>Purchase consideration</b>	
Equity Shares (face value of Rs.100 each)	722.67
Cash consideration	65.82
<b>Total purchase consideration</b>	<b>788.49</b>

- B. The Company entered into an Share purchase agreement dated 10 December 2018 with the shareholders of Evriksh Healthcare Private Limited ("Evriksh Healthcare") to acquire 100% shareholding for a purchase consideration of Rs 46.90 millions subject to conditions mentioned therein. The Company has paid the consideration on 07 May 2019 and acquired the control. Accordingly, the financial statements of Evriksh Healthcare has been consolidated effective 07 May 2019 resulting in Goodwill of Rs. 32.45 millions.

The following table presents the purchase consideration, fair value of asset acquired and goodwill recognised on the date of control (i.e. 07 May 2019).

**Fair value recognised on acquisition**

	<b>Amount (millions)</b>
Property, plant and equipment	0.14
Intangible Asset	26.04
Right-of-use assets	0.86
Long-term loans and advances	0.09
Income tax assets (net)	0.97
Trade receivables	0.99
Cash & Cash Equivalents	0.04
Bank balance other than cash and cash equivalents	0.10
Other assets	0.83
Borrowings	(5.15)
Lease liabilities	(0.86)
Trade Payables	(3.12)
Other financial liabilities	(0.05)
Other current liabilities	(6.42)
<b>Total fair value of net assets acquired (A)</b>	<b>14.46</b>
<b>Total Purchase consideration transferred (B)</b>	<b>46.90</b>
<b>Goodwill arising on acquisition (C)</b>	<b>32.44</b>

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

<b>Purchase consideration</b>	<b>Amount (millions)</b>
Cash	46.90
<b>Total purchase consideration</b>	<b>46.90</b>

- C. The Group had entered into Business Transfer agreement with Medlife Wellness Retail Private Limited on 24 September 2019 to sell its assets and liabilities that constitute a business for a consideration of Rs. 194.69 millions effective from 30 September 2019.

The following table presents the purchase consideration, fair value of asset acquired and goodwill recognised on the date of control (i.e. 30 September 2019).

**Fair value recognised on acquisition**

	<b>Amount (millions)</b>
Property, plant and equipment	116.30
Intangible assets	55.40
Financial assets - loans	17.28
Other Non-current assets	7.15
Inventories	280.56
Other current financial assets	1.18
Other current assets	882.90
Long-term provisions	(20.13)
Financial liabilities - borrowings	(200.00)
Trade payables	(930.75)
Other current financial liabilities	(11.90)
Other current liabilities	(3.29)
<b>Total fair value of net assets acquired (A)</b>	<b>194.70</b>
<b>Fair value of purchase consideration (B)</b>	<b>194.70</b>
<b>Goodwill arising on acquisition (C)- (A-B)</b>	<b>-</b>

<b>Purchase consideration</b>	<b>Amount (millions)</b>
Cash consideration	194.70
<b>Total purchase consideration</b>	<b>194.70</b>

#### **45 Adoption of Ind AS**

##### **A. First time adoption**

These financial statements, for the year ended 31 March 2021, are the first financial statements, the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2020, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for the year ended on 31 March 2021, together with the comparative period data as at and for the year ended 31 March 2020, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at 1 April 2019, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2019 and the financial statements as at and for the year ended 31 March 2020.

##### **B. Exemptions applied**

Ind AS 101 allows first-time adopters certain exemptions and certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions and optional exemptions :

###### **Deemed cost**

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all its property, plant and equipment as recognised in the consolidated financial statements as at the date of the transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible assets'. Accordingly the Group has elected to measure all its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### **C. Mandatory Exceptions**

###### **Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the Group's choice, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

###### **Classification and measurement of financial assets**

Ind AS 101 requires an Group to assess classifications and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has assessed the same accordingly.

###### **Estimates**

The Group estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2019, are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transitions as these were not required under previous GAAP :

- Investment in mutual funds carried at Fair value through profit or loss.
- Impairment of financial assets based on expected credit loss method
- CCPS recorded at Fair value

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

**D. Reconciliation of total equity between previous GAAP and Ind AS**

**1. Equity reconciliation**

	Notes	31 March 2020	1 April 2019
<b>Equity as reported under previous GAAP</b>		<b>(1,357.65)</b>	<b>1,406.98</b>
<b>Ind AS adjustments</b>			
Fair value adjustments:			
Investment in mutual funds	(a)	0.11	0.16
Security deposits	(c)	(2.92)	(0.59)
Optionally convertible redeemable preference shares issued by the Group	(b)	(1,684.92)	-
Allowance of expected credit losses on trade receivables	(d)	0.87	(2.10)
Net adjustments on account of application of "Ind AS 116-Leases"	(e)	(26.75)	-
Adjustment towards loan processing charges	(f)	15.48	-
Reclassification of Share warrants to Liability		(32.50)	-
Amortisation of intangible assets identified in business combination of Metarain Distributors Private Limited	(h)	(5.47)	-
Impact of business combination and impairment of Evriksh Healthcare Private Limited	(i)	(2.16)	-
Others		0.31	-
		<b>(1,737.95)</b>	<b>(2.53)</b>
<b>Equity as per Ind AS</b>		<b>(3,095.60)</b>	<b>1,404.45</b>

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

	Notes	Year ended 31 March 2020
<b>(Loss) after tax as per previous GAAP</b>		<b>(6,257.19)</b>
<b>Ind AS adjustments</b>		
Fair value adjustments:		
Investment in mutual funds	(a)	(0.05)
Security deposits	(c)	(2.33)
Allowance of expected credit losses on trade receivables	(d)	2.97
Net adjustments on account of application of "Ind AS 116-Leases"	(e)	(26.75)
Adjustment towards loan processing charges	(f)	15.48
Adjustment on account of Employees stock option expense	(g)	150.33
Amortisation of intangible identified in business combination of Metarain Distributors Private Limited	(h)	(5.47)
Impact of business combination and impairment of Evriksh Healthcare Private Limited	(i)	(2.16)
Remeasurement of employee benefit obligation	(j)	6.26
Others		0.28
		<b>138.56</b>
<b>Net (loss) after tax as per IND AS</b>		<b>(6,118.63)</b>
Other comprehensive income (net of tax)	(j)	(6.26)
<b>Total comprehensive income/(loss) as per IND AS</b>		<b>(6,124.89)</b>

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

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

	<b>As per Previous GAAP</b>	<b>Ind AS adjustments</b>	<b>As per Ind AS</b>
Net cash flow used in operating activities	(3,954.15)	142.29	(3,811.86)
Net cash flows used in investing activities	(181.69)	23.12	(158.57)
Net cash flows from financing activities	4065.42	(162.43)	3,902.99
Cash and cash equivalents at the beginning of the year	97.06	(2.98)	94.08
<b>Cash and cash equivalents at the end of the year</b>	<b>26.64</b>	<b>-</b>	<b>26.64</b>

**45 Adoption of Ind AS (continued)**

**Notes to reconciliations between previous GAAP and Ind AS**

**a) Fair value of investment**

Under previous GAAP, the Group were carrying their current investment at the lower of carrying amount and face value. Under Ind AS, these investments are required to be measured at fair value. The resulting change in fair value is recognised in retained earnings at the date of transition i.e. 1 April 2019 and subsequently in the statement of profit and loss account.

**b) Optionally Convertible redeemable preference shares**

Under the previous GAAP, optionally convertible redeemable preference shares ('OCRPS') issued to the investors were classified as equity and carried at transaction value. The Group had issued optionally convertible redeemable preference shares to the investors. The terms of the instrument provided the holder an option to convert the instrument and also a right to put back the instrument to the Group and required to repay the capital amount at the end of twenty years if the holder chooses not to exercise the conversion option. On such occurrence, the Group will be obliged to buyback OCRPS at a price equal the fair value of equity shares at redemption. The instrument is assessed to be a financial liability with an embedded derivative liability in the form of settlement option. This instrument is issued during FY 2019-20, at initial recognition it is recorded at its fair value and difference between its fair value and the carrying amount as per previous GAAP is recognised in the retained earnings. The Group has reclassified OCRPS from equity to liability.

**c) Security deposits**

Under previous GAAP, interest free security deposits are recognised at their transaction value. Under Ind AS 109, these deposits are initially recognised at fair value and subsequently measured at amortised cost at the end of each reporting period. Accordingly, the difference between transaction value and fair value of these deposits is recognised as Right-of-use assets and is amortised over the period of the lease term. Further, interest is accrued on the present value of these security deposits.

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

Under previous GAAP, the Group has created provision for impairment of receivables and unbilled revenue based on the incurred loss model. Under Ind AS, impairment loss has been determined as per Expected credit loss (ECL) model. The difference between the provision amount as per previous GAAP and Ind AS - ECL is recognised as retained earnings on date of transition and subsequently in the statement of profit and loss account.

**e) Lease**

Leases Ind AS - 116 is applied with Modified retrospective approach as per para D9B (b) (ii) of Ind AS 101 wherein , the Group has identified leases since the inception of all lease contracts and measures the lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to Ind AS and measured the right-of-use asset at the date of transition to Ind AS an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet immediately before the date of transition to Ind AS.

The Group also applied the available practical expedients wherein it:

The Group has used a single discount rate of 12.75% to a portfolio of leases with reasonably similar characteristics The Group has elected to apply short term lease exemption to leases for which the lease term ends within 12 months of the date of initial application. The Group has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

**f) Impact due to EIR adjustment on borrowings**

Under previous GAAP, transaction costs incurred on borrowings was charged to statement of profit and loss in financial year 2019-20 while under Ind AS, such costs are included in the initial recognition amount of borrowings and recognised as interest expense using effective interest method over the tenure of the borrowings.

**g) Employee stock option expense**

Under the previous GAAP, the Group had accounted the employee stock option (ESOP) equity settled plan under Intrinsic Value method. On transition to Ind AS, for all the options outstanding against such ESOP plans as at transition date, the Group has performed the fair value of options under Black -Scholes model and accordingly differential accumulated cost between intrinsic value method and fair value method till the transition date has been adjusted in retained earnings. Subsequently, it has been adjusted in the statement of profit or loss.

**Medlife International Private Limited**

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

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

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

The Group has acquired control on Metarain Distributors Private Limited with effect from 19 December 2019. Under IGAAP difference between the net asset acquired and consideration is recognised as goodwill. As per Ind AS 103, Business Combinations the Group has performed Purchase Price Allocation on the date of control wherein goodwill amount is reduced and intangible is recognised of INR 58.33 millions on the date of acquisition. The Group has amortised the intangible based on the assessment of the useful life and recognised an expense of INR 16.42 millions for the year ended 31 March 2020.

**i) Impact of business combination and impairment of Evriksh Healthcare Private Limited**

The Group has acquired control on Evriksh Healthcare Private Limited with effect from 7 May 2019. Under IGAAP the group has fully impaired the goodwill. The Group has performed Purchase Price Allocation on date of control and identified the goodwill of INR 32.45 millions and intangible of INR 24.74 millions. The goodwill and the intangible asset have been fully impaired during the year ended 31 March 2020. There is an additional impairment of INR 2.17 millions on account of GAAP difference pertaining to leases on the date of control.

**j) Remeasurement of defined benefit obligation**

Under previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability which is recognized in other comprehensive income in the respective periods.

**k) Retained earnings**

Retained earnings as at 1 April 2019 has been adjusted consequent to above Ind AS adjustments.

- 46 The comparatives given in the Consolidated financial statements have been compiled after making necessary Ind AS adjustments to the respective audited Consolidated financial statements under Previous GAAP to give a true and fair view in accordance with Ind AS.

As per our report of even date

**For S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm's Registration Number : 101049W/E300004

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

**per Rajeev Kumar**

Partner

Membership Number: 213803

**Prashant Singh**

Managing Director

DIN :00568680

**Tushar Kumar**

Director

DIN : 01728877

**Ajinkya R Jain**

Company Secretary

Place: Bengaluru, India

Date: 22 July 2021

Place: Bengaluru, India

Date: 22 July 2021

## **INDEPENDENT AUDITOR’S REPORT**

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

#### **Opinion**

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

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

#### **Basis of Opinion**

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

#### **Management’s Responsibility for the Special Purpose Interim Ind AS Consolidated Financial Statements**

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

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

judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibility**

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Interim Ind AS Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the Group has internal financial controls with reference to the Special Purpose Interim Ind AS Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Interim Ind AS Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Special Purpose Interim Ind AS Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the



financial statements of such entities included in the Special Purpose Interim Ind AS Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Special Purpose Interim Ind AS Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

#### **Other matter**

- a. The Special Purpose Interim Ind AS Consolidated Financial Statements also includes the Group's share of net loss after tax of Rs. (0.29) crores and total comprehensive income Rs. (0.29) crores for the quarter ended June 30, 2021 and for the period from April 1, 2021 to June 30, 2021, as considered in the Special Purpose Interim Ind AS Consolidated Financial Statements, in respect of one associate, whose unaudited interim standalone financial results have not been reviewed by us. These unaudited interim standalone financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this, associate, is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above.
- b. We did not audit the financial statements of one subsidiary included in the Special Purpose Interim Ind AS Consolidated Financial Statements, the subsidiary, the financial statements of which have not been audited by their auditor, whose financial results reflect total assets of Rs. 0.004 million as at June 30, 2021 and total revenue of Rs. Nil, total net profit after tax of Rs. Nil and total comprehensive income of Rs. Nil for the quarter ended June 30, 2021 and for the period from April 01, 2021 to June 30, 2021, as considered in the Special Purpose Interim Ind AS Consolidated Financial Statements, based on their financial results which have not been audited by their auditor. According to the information and explanations given to us by the Management, these financial results are not material to the Group.
- c. The comparative financial information for the year ended March 31, 2021 of Special Purpose Interim Ind AS Consolidated Financial Statements is audited by the predecessor auditors and who have expressed an unmodified opinion on those consolidated financial statements, vide their audit report dated May 8, 2021.
- d. On account of our appointment as auditor subsequent to June 30, 2021, it was impracticable for us to attend the physical verification of inventory carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items", which includes inspection of supporting documentation relating to purchases, results of cyclical count performed by the Management through the period and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence over the existence of inventory amounting to Rs. 269.10 millions as on June 30, 2021.

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

**Restriction on Distribution and use**

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

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

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

Vaijayantimala Belsare  
Partner  
Membership No. 049902  
UDIN: 21049902AAAABO2376

Place: Mumbai  
Date : October 27, 2021

**Annexure A**

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

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

# Thyrocare Technologies Limited

## Consolidated Balance Sheet

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

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

As per our report of even date attached

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

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

Mumbai, 27 October 2021

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

**Dhaval Shah**                      **Dharmil Sheth**  
Director                              Director  
DIN - 07485688                      DIN - 06999772

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

# Thyrocare Technologies Limited

## Consolidated Statement of Profit and Loss

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

Significant accounting policies

2-3

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

As per our report of even date attached

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

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

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Dhaval Shah**  
Director  
DIN - 07485688

**Dharmil Sheth**  
Director  
DIN - 06999772

Mumbai, 27 October 2021

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

# Thyrocare Technologies Limited

## Consolidated Statement of Cash Flows

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

## Consolidated Statement of Cash Flows (Continued)

for the period ended 30 June 2021

### Notes to cash flow statement

- 1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7, "Statement of cash flows".
- 2 Reconciliation of cash and cash equivalents with the balance sheet:

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

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

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

Significant accounting policies

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

As per our report of even date attached.

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

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

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Dhaval Shah**  
Director  
DIN - 07485688

**Dharmil Sheth**  
Director  
DIN - 06999772

Mumbai, 27 October 2021

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

# Thyrocare Technologies Limited

## Consolidated Statement of Changes in Equity for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### a. Equity share capital

	Note	Amount
Balance as at the 1 April 2020		528.40
Changes in equity share capital during the year	18	0.30
<b>Balance as at the 31 March 2021</b>		<b>528.70</b>
Balance as at the 1 April 2021		528.70
Changes in equity share capital during the period	18	-
<b>Balance as at the 30 June 2021</b>		<b>528.70</b>

### b. Other equity

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

Significant accounting policies

2-3

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

As per our report of even date attached

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

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

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Dhaval Shah**                      **Dharmil Sheth**  
Director                                      Director  
DIN - 07485688                      DIN - 06999772

Mumbai, 27 October 2021

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



# Thyrocare Technologies Limited

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

### 1. Reporting entity

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

### 2. Basis of preparation

#### A. Statement of compliance

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

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

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

# Thyrocare Technologies Limited

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

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

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

### **B. Functional and presentation currency**

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

### **C. Basis of measurement**

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

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

### **D. Use of estimates and judgments**

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### **Judgements**

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

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 K – Revenue recognition at a point in time

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

### **Assumptions and estimation uncertainties**

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

Note 3 E - Impairment testing for goodwill generated on consolidation

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

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

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

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

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

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

### **E. Measurement of fair values**

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

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

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Note 4C – investment property;
- Note 34 – share-based payment arrangements; and
- Note 35 – financial instruments.

### **F. Principles of consolidation and equity accounting**

#### ***(i) Business combinations***

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

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

#### ***(ii) Subsidiaries***

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

*Consolidation procedure :*

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

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

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

### *(iii) Non-controlling interests (NCI)*

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

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

### *(iv) Loss of control*

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

### *(v) Equity accounted investees*

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

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

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

### *(vi) Transactions eliminated on consolidation*

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

## **3. Significant accounting policies**

### **A. Segment reporting**

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### **B. Current/ non-current classification**

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

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

#### *Assets*

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

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

All other assets are classified as non-current.

#### *Liabilities*

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

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

All other liabilities are classified as non-current.

#### ***Operating Cycle***

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

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

### **C. Foreign currency**

#### ***Foreign currency transactions***

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### D. Financial instruments

#### (i) Recognition and initial measurement

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

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

#### (ii) Classification and subsequent measurement

##### *Financial assets*

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

##### *Financial assets: Business model assessment*

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

*Financial assets: Subsequent measurement and gains and losses*

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

*Financial liabilities: Classification, subsequent measurement and gains and losses*

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

### **(iii) Derecognition**

*Financial assets*

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

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

*Financial liabilities*

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### (iv) *Offsetting*

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

### **E. Impairment of Goodwill**

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

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

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

#### *Discount rates*

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

#### *Growth rates*

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

### **F. Property, plant and equipment**

#### *(i) Recognition and measurement*

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

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

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

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

#### *(ii) Transition to Ind AS*

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

### *(iii) Subsequent expenditure*

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

### *(iii) Depreciation*

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

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

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

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

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

### *(iv) Reclassification to investment property*

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

## **G. Other Intangible assets**

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

The estimated useful lives are as follows:

- Softwares - 5 years
- Trademark – 5 years

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

### H. Inventories

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

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

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

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

### I. Impairment

#### (i) *Impairment of financial assets*

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

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

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

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

### *Impairment of investments in associates*

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

### *Write-off*

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

### *(ii) Impairment of non-financial assets*

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

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

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

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

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

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

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

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

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

An analysis of the single amount into the revenue, expenses and pre-tax profit or loss of discontinued operations, the related income tax expense as required by Ind AS 12 and the gain or loss recognised on

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation along with the related income tax expense thereon as required by Ind AS 12 may be presented in the notes or in the Consolidated Statement of Profit and Loss.

### **K. Employee benefits**

#### *(i) Short-term employee benefits*

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

#### *(ii) Share-based payment transactions*

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

#### *(iii) Defined contribution plans*

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

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

#### *(iv) Defined benefit plans*

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

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

### (v) Other long-term employee benefits

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

### (vi) Termination benefits

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

## L. Provisions (other than for employee benefits)

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

## M. Revenue from operations

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

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

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

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

### Contract liabilities

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

### N. Leases

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

#### *Policy applicable from 1 April 2019*

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

### (i) *As a lessee*

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

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

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

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

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

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

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease,

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

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

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

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

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

### *Short-term leases and leases of low-value assets*

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

### **(ii) As a lessor**

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

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

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

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

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

### Amounts recognized in the statement of profit and loss

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

### Amount recognized in the statement of cash flows:

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### (iii) Other leases

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

### Equipment placement arrangements

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

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

### Change in accounting policies

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

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

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

#### A. Definition of a lease

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

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

#### B. As a lessee

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

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

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

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

### C. As a lessor

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

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

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

### O. Recognition of dividend income, interest income or expense

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

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

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to :

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### P. Income tax

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

### (i) *Current tax*

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

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

### (ii) *Deferred tax*

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

## **Q. Discontinued operations**

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (continued)

for the period ended 30 June 2021

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

### R. Events after reporting date

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

### S. Subsequent events

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

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

### T. Social Security Code

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



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## Notes to the Special Purpose Interim Ind AS consolidated financial statements

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*for the period ended 30 June 2021*

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

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as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

4 Property, plant and equipment, capital work-in-progress and investment property

See accounting policies in Note 3 F

A	Balance as at 1 April 2021		Addition	Gross block		Disposal		Reclassification to assets held for sale/Reclassification to Right-of-use assets/ Other adjustments		Balance as at 30 June 2021		Balance as at 1 April 2020		Accumulated depreciation/ amortisation expense for the period		On disposals		Transfer on reclassification to assets held for sale*/Right-of-use assets		Net block		
	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Property, plant and equipment																						
Freehold Land	70.90	-	-	-	-	-	-	-	-	70.90	-	-	-	-	-	-	-	-	-	70.90	70.90	
	166.20	-	-	-	-	(65.30)	-	-	-	70.90	-	-	-	-	-	-	-	-	-	70.90	166.20	
Buildings/ Premises	469.40	-	-	-	-	-	-	-	-	469.40	4.70	97.90	83.80	20.60	4.70	(6.50)	-	-	-	366.80	371.50	
	483.40	-	-	(14.00)	-	-	-	-	-	469.40	-	-	-	-	-	-	-	-	-	371.50	398.60	
Plant and Equipment	1,383.70	64.30	64.30	-	-	-	-	-	-	1,448.00	37.50	710.60	573.30	166.50	37.50	(29.20)	-	-	-	699.90	673.10	
	1,289.40	152.10	152.10	(57.80)	-	-	-	-	-	1,383.70	10.60	126.60	95.60	10.60	-	-	-	-	710.60	673.10	716.10	
Furniture and Fixtures	247.60	5.60	5.60	-	-	-	-	-	-	253.20	34.10	95.60	34.10	34.10	-	-	-	-	137.20	116.00	121.00	
	197.20	57.70	57.70	(7.30)	-	-	-	-	-	247.60	0.20	1.90	1.90	0.20	-	-	-	-	126.60	121.00	101.60	
Vehicles	4.30	-	-	-	-	-	-	-	-	3.90	3.90	3.00	3.00	1.10	0.20	-	-	-	1.80	2.10	2.40	
	6.70	-	-	-	-	-	-	-	-	4.30	1.10	3.00	3.00	1.90	-	-	-	-	1.90	2.40	3.70	
Office equipment	95.30	3.00	3.00	-	-	-	-	-	-	98.30	3.90	52.70	38.90	3.90	-	-	-	-	56.60	41.70	42.60	
	66.40	31.00	31.00	(2.10)	-	-	-	-	-	95.30	15.20	38.90	38.90	15.20	(1.40)	-	-	-	52.70	42.60	27.50	
Computers printers and scanners	59.80	1.80	1.80	-	-	-	-	-	-	61.60	1.30	48.00	48.00	1.30	-	-	-	-	49.30	12.30	11.80	
	51.00	8.80	8.80	-	-	-	-	-	-	59.80	11.90	36.10	36.10	11.90	-	-	-	-	48.00	11.80	14.90	
<b>Total</b>	<b>2,331.00</b>	<b>74.70</b>	<b>74.70</b>	<b>(0.40)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,405.30</b>	<b>58.20</b>	<b>1,037.70</b>	<b>830.70</b>	<b>58.20</b>	<b>(0.20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,095.60</b>	<b>1,309.70</b>	<b>1,293.30</b>	
	2,260.30	249.60	249.60	(63.60)	-	-	-	-	-	2,331.00	249.40	830.70	830.70	249.40	(42.40)	-	-	-	1,037.70	1,293.30	1,429.60	
<b>B Capital work-in-progress</b>	<b>82.80</b>	<b>65.90</b>	<b>65.90</b>	<b>(74.30)</b>	<b>74.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	49.40	293.10	293.10	(259.70)	82.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Figures in italic pertain to previous year.

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(All amounts in Rs millions, unless otherwise stated)

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

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

Note

\* Assets held for sale

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

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

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

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Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

5 Other intangible assets and right-of-use assets

See accounting policy in Note 3 G

A	Intangible assets	Balance as at		Addition		Gross block		Disposal		Reclassification to		Balance as at		Accumulated depreciation/		On disposals		Transfer on		Balance as at		Net block	
		1 April 2021	1 April 2020	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Computer software	12.80	12.80	-	-	12.80	-	-	-	-	-	11.80	-	-	11.80	-	-	-	-	-	1.00	1.00	1.00
	Trademark	14.60	14.60	-	-	14.60	-	-	-	-	-	6.00	0.40	-	6.40	0.50	-	-	-	-	8.20	8.60	8.60
	Total intangible assets	27.40	27.40	-	-	27.40	-	-	-	-	-	17.80	0.40	-	18.20	1.50	-	-	-	-	9.20	9.60	9.60
		27.40	27.40	-	-	27.40	-	-	-	-	-	15.80	2.00	-	17.80	2.00	-	-	-	-	9.60	11.60	11.60
B	Right of use assets (net off investment in sub-leases)																						
	Leasehold Land	157.00	157.00	-	-	157.00	-	-	-	-	-	6.00	0.70	-	6.70	6.00	-	-	-	-	150.30	151.00	151.00
	Buildings	108.60	108.60	12.70	-	121.30	-	-	-	-	-	3.00	7.90	-	42.60	3.00	-	-	-	-	78.70	73.90	73.90
	Plant and machinery	110.70	110.70	57.90	-	168.60	-	-	-	-	-	31.80	34.40	(31.50)	34.70	34.40	-	-	-	-	73.90	78.90	78.90
		32.60	32.60	153.80	-	186.40	-	-	-	-	-	32.60	5.70	(32.60)	5.70	5.70	-	-	-	-	148.10	148.10	148.10
		32.60	32.60	-	-	32.60	-	-	-	-	-	18.60	14.00	-	32.60	14.00	-	-	-	-	-	-	-
	Total	298.20	298.20	166.50	-	464.70	-	-	-	-	-	73.30	14.30	(32.60)	55.00	14.30	-	-	-	-	377.10	377.10	377.10
		300.30	300.30	57.90	-	358.20	-	-	-	-	-	53.40	51.40	(31.50)	73.30	51.40	-	-	-	-	224.90	224.90	224.90

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	30 June 2021	31 March 2021
<b>6 Equity accounted investees</b>		
<i>See accounting policy in Note 2(F)(v)</i>		
<b>Interest in associates</b>		
Equity shares (unquoted)	208.10	211.00
429,185 (31 March 2020 : 429,185) equity shares of Equinox Laboratories Private Limited		
	208.10	211.00
<b>Associates</b>		
<b>Equinox Laboratories Private Limited (Equinox)</b>		
The Group had acquired 30% stake in Equinox Laboratories Private Limited (Equinox) vide the terms of the Share Subscription and Shareholder's agreement and Business Transfer agreement executed on 15 December 2017 and 3 January 2018 respectively, partially by subscribing to 214,592 equity shares of Equinox in cash and partially by subscribing to 214,593 equity shares of Equinox for consideration other than cash i.e. by transferring Thyrocare Technologies Limited Water Testing Business on a slump sale basis. Equinox is domiciled in India and engaged in the business of testing and analysis of food, water and air samples.		
Ownership interest	30%	30%
Carrying amount of assets and liabilities of the associate entity as per its standalone financial statements:		
Non-current assets	246.20	221.50
Current assets	51.20	65.60
Non-current liabilities	(15.10)	(13.20)
Current liabilities	(41.70)	(23.60)
Net assets (100%)	240.60	250.30
Group's share of net assets (based on carrying amount as per associate's financial statements)	72.18	75.10
Revenue	23.90	92.90
Profit	(9.60)	(2.50)
Other comprehensive income	-	0.00*
Total comprehensive income	(9.60)	(2.50)
Group's share of Profit (30%)	(2.90)	(0.75)
Group's share of OCI (30%)	-	0.00*
<b>Group's share of total comprehensive income</b>	(2.90)	(0.75)
<i>* amount less than Rs. 1 Lakh</i>		
<b>Reconciliation of investments in associates</b>		
Opening balance	211.00	211.70
Share of (loss)/profit	(2.90)	(0.70)
Share of other comprehensive income	-	-
Closing balance	208.10	211.00

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

	30 June 2021	31 March 2021
<b>7 Investments</b>		
<b>Current investments</b>		
Investments in Mutual Funds (Quoted) measured at FVTPL		
596,157,929 units (31 March 2021 : 596,157,929 units) of ABSL Corporate Fund - Growth	52.50	51.70
2,681,594,421 units (31 March 2021 : 2,681,594,421 units) of ABSL Short Term Fund - Growth - Direct	104.70	103.10
12008,244 units (31 March 2021 : 12008,244 units) of Aditya Birla Sunlife Savings Fund -Direct Plan	5.20	5.10
20,704,832 units (31 March 2021 : 20,704,832 units) of Axis Treasury Advantage Fund - Direct Growth	52.00	51.40
428728,842 units (31 March 2021 : 428728,842 units) of HDFC Ultra Short Term Fund	5.20	5.10
3473855,434 units (31 March 2021 : Nil units) of ICICI Ultra Short Term Fund - Growth	80.40	-
1,022,348,239 units (31 March 2021 : 1,022,348,239 units) of Unifi Capital Fund	209.00	204.80
Nil units (31 March 2021 : 272,165.84 units) of ABSL Liquid Fund - Growth - Direct	-	90.20
Nil units (31 March 2021 : 110,477,286 units) of ABSL Low Duration Fund - Growth	-	61.00
Nil units (31 March 2021 : 29,736,361 units) of HDFC Liquid Fund - Direct Growth	-	120.30
Nil units (31 March 2021 : 3,820,652,296 units) of HDFC Low Duration Fund - Direct Growth	-	181.80
Nil units (31 March 2021 : 296,094,166 units) of ICICI Prudential Liquid Fund	-	90.20
Nil units (31 March 2021 : 191,133,461 units) of ICICI Prudential Savings Fund	-	80.20
	<b>509.00</b>	<b>1,044.90</b>
Aggregate amount of quoted investments - At cost	445.00	985.00
Aggregate amount of quoted investments - At market value	509.00	1,044.90
<b>8 Loans</b>		
<i>(unsecured, considered good unless otherwise stated)</i>		
<b>A. Non-current loans and advances</b>		
Security deposits		
To related parties	-	1.20
To parties other than related parties	-	27.70
	<b>-</b>	<b>28.90</b>
<b>B. Current loans and advances</b>		
Security deposits		
To related parties	-	0.20
To parties other than related parties	-	5.60
Loans and advances to employees	0.20	0.20
	<b>0.20</b>	<b>6.00</b>
<b>9 Financial assets</b>		
Security deposits		
To related parties	1.40	-
To parties other than related parties	35.70	-
Bank balance in deposit accounts * (with maturity period exceeding 12 months from the reporting date)	30.80	30.80
	<b>67.90</b>	<b>30.80</b>

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 10 Recognised deferred tax assets and liabilities

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

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

#### B. Movement in temporary differences

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

as at 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

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

*Figures in italic pertains to previous year.*

## 15 Cash and bank balances

### Cash and cash equivalents

Cash on hand	0.60	0.60
Balances with banks		
in current accounts	448.20	131.40
	<u>448.80</u>	<u>132.00</u>

### Other bank balances

in deposit accounts * (with original maturity period exceeding 3 months but maturing within 12 months from reporting date)	25.30	25.30
	<u>474.10</u>	<u>157.30</u>

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



# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements *(Continued)*

as at 30 June 2021

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

### 16 Other financial assets - current

Security deposits		
To related parties	-	-
To parties other than related parties	<b>0.30</b>	-
Other receivables	-	60.50
Interest accrued on deposits	<b>0.90</b>	0.20
	<b>1.20</b>	<b>60.70</b>

### 17 Other current assets

Advances for supply of goods and services	<b>36.20</b>	16.00
Prepaid expenses	<b>10.40</b>	12.50
	<b>46.60</b>	<b>28.50</b>

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

### 18 Share capital

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

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

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

\* amount less than Rs. 1 Lakh

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

#### Rights, preferences and restrictions attached to equity shares

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

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

#### Employee stock option plan

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

#### Equity shares bought back

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

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

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

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

### 18 Share capital (Continued)

#### Shareholding of promoters

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

#### Shares reserved for issue under options

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

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

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

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

- b. During the years 31 March 2016 and 31 March 2015, the Company allotted 3,187,562 and 691,295 equity shares of INR 10 each fully paid up respectively, to the equity shareholders of Nuclear Healthcare Limited (NHL) in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of INR 295.95 per share to acquire 100% shares and make it a subsidiary.
- c. During the previous five years, the Group has not issued any bonus shares.

### 19 Other equity

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

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

### 19 Other equity (Continued)

#### Capital reserve

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

#### Securities premium

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

#### Share option outstanding account

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

#### General reserve

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

#### Capital redemption reserve

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

#### Dividends

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

	30 June 2021	31 March 2021
Interim dividend Nil (31 March 2021 : INR 10 per equity share)	-	528.40
Final dividend of previous financial year 31 March 2021 : INR 15 per equity share (31 March 2020 : INR Nil per equity share)	793.10	-
After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities in the respective years. Dividends would attract dividend distribution tax when declared or paid. However, with the abolition of dividend distribution tax effective April 01, 2020, dividends will be taxable in the hands of recipient and hence Dividend Distribution Tax is not applicable.		
Nil (31 March 2021 : INR 15 per equity share)	-	793.10

30 June 2021

31 March 2021

### 20 Lease liabilities

Non-current lease liabilities	216.40	54.50
Current lease liabilities	23.40	30.40
	<u>239.80</u>	<u>84.90</u>

### 21 Other financial liabilities

#### Current

Security deposits received		
from related parties	10.00	-
from parties other than related parties	126.20	102.80
Employees dues	61.50	68.90
Creditors for capital goods	18.80	61.40
Unclaimed dividend	1.10	1.20
	<u>217.60</u>	<u>234.30</u>

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

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)  
30 June 2021 31 March 2021

### 22 Provisions

See accounting policy in Note 3 K and 3 L

#### A Non-current provisions

Provision for employee benefits:		
Provision for compensated absences	70.00	93.70
Provision for gratuity (refer note 34)	44.30	42.10
	<u>114.30</u>	<u>135.80</u>

#### B Current provisions

Provision for CSR spending	4.90	21.90
Provision for employee benefits:		
Provision for compensated absences	13.70	11.10
Provision for gratuity (refer note 34)	3.30	0.90
	<u>21.90</u>	<u>33.90</u>

### 23 Trade payables

Trade Payables		
- total outstanding dues of micro enterprises and small enterprises and (See Note 39 (a))	15.60	5.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	179.00	244.80
	<u>194.60</u>	<u>250.10</u>

#### Trade payables ageing schedule

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

Figures in italic pertains to previous year.

### 24 Current tax liabilities (net)

See accounting policy in Note 3 P

Provision for current tax (net of advance tax and tax deducted at source)	140.00	25.70
	<u>140.00</u>	<u>25.70</u>

### 25 Other current liabilities

Contract liabilities - Advance from customers	93.50	86.00
Advance received towards consideration for sale of capital assets held for sale (Refer Note 4C)	297.00	272.00
Statutory dues *	10.80	18.60
	<u>401.30</u>	<u>376.60</u>

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

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

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

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

	Period ended 30 June 2021	Year ended 31 March 2021
<b>28 a. Cost of materials consumed</b>		
Opening stock	230.20	202.40
Add: Purchases	559.00	1,655.50
	<u>789.20</u>	<u>1,857.90</u>
Less: Closing stock	265.30	232.60
<b>Cost of material consumed</b>	<u>523.90</u>	<u>1,625.30</u>
<i>Material consumed comprises:</i>		
Reagents/ Diagnostics material	389.00	1,384.90
Radiopharmaceuticals	2.10	9.60
Consumables - laboratory	23.60	202.60
Consumables - processing	109.20	28.20
	<u>523.90</u>	<u>1,625.30</u>
<b>28 b. Purchases of stock-in-trade</b>		
Point of Care Testing devices and strips	18.70	10.90
	<u>18.70</u>	<u>10.90</u>
<b>28 c. Changes in inventories of stock-in-trade</b>		
<u>Inventories at the end of the period:</u>		
Point of Care Testing devices and strips	3.90	1.00
	<u>3.90</u>	<u>1.00</u>
<u>Inventories at the beginning of the period:</u>		
Point of Care Testing devices and strips	3.50	3.80
	<u>3.50</u>	<u>3.80</u>
<b>Net change</b>	<u>(0.40)</u>	<u>2.80</u>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus	117.20	459.20
Contributions to provident and other funds	10.10	37.00
Employees stock compensation expense	3.50	16.80
Gratuity	3.20	5.20
Compensated absences	-	40.10
Staff welfare expenses	5.10	22.40
	<u>139.10</u>	<u>580.70</u>

# Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

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

### Notes:

#### (i) Payments to the auditors comprises \*

Statutory audit and limited review fees	0.90	4.40
Tax audit fees	-	0.20
Reimbursement of out of pocket expenses	0.50	0.00*
[Payment to auditors is inclusive of GST, as applicable]		
	<b>1.40</b>	<b>4.60</b>

\* amount less than Rs. 1 Lakh

### 31 Income tax

See accounting policy in Note 3 P

#### A. Amount recognised in profit or loss

##### Current tax

Current period (a)	180.60	441.40
Changes in estimates related to prior periods (b)	-	1.10

##### Deferred tax (c)

Attributable to -

Origination and reversal of temporary differences	(1.20)	(49.30)
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##### Tax expense (a)+(b)+(c)

	<b>179.40</b>	<b>393.20</b>
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#### B. Amount recognised in other comprehensive income

Re-measurement gains/ (losses) on defined benefit plans	(0.50)	(4.80)
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##### Tax expense in other comprehensive income

	<b>(0.50)</b>	<b>(4.80)</b>
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#### C. Reconciliation of effective tax rate

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



# Thyrocare Technologies Limited

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 33 Operating segments

#### A. Basis for segmentation

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

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

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

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

#### B. Information about reportable segments

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 34 Employee benefits

#### A. Defined contribution plans

The Group makes Provident Fund, ESIC and Maharashtra Labour Welfare Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised Rs. 8.00 millions (31 March 2021 : Rs. 29.90 millions) for Provident Fund contributions and Rs. 2.00 millions (31 March 2021 : INR 6.60 millions) for ESIC contributions in the Statement of Profit and Loss during the year (See note 29). The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The Group does not expect any further liability other than the specified contributions.

#### B. Defined benefit plans

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

- Gratuity

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 35 Share-based payments

See accounting policy in Note 3 K

#### A. Description of share-based payment arrangements

During the year, the Company has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2021” (ESOS2021) vide authorisation of shareholders in the annual general meeting held on 26 June 2021. The options may be exercised either fully or partially in four equal instalments.

The employees were identified as those who had completed two years of service as on the date of sanction of the scheme, subject to their continuous service till the vesting period.

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

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

The key details of the various schemes are as under:

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 35 Share-based payments (Continued)

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

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

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

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

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

#### Fair Value of the option as at the grant date

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

## Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

#### 36 Financial instruments - Fair values and risk management

##### A. Accounting classifications and fair values

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

##### B. Measurement of fair values

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

The fair value of investment in mutual funds is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted investments/units of mutual fund scheme are based on net asset value at the reporting date as published by the mutual fund.

## Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

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

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

	30 June 2021	31 March 2021				
	Total	Quoted prices in active markets (Level 1)	Level 3	Total	Quoted prices in active markets (Level 1)	Level 3
Security Deposits	22.30	-	22.30	20.80	-	20.80
Investment in Mutual funds (Refer Note 7)	509.00	509.00	-	1,044.90	1,044.90	-
Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.						

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

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

Description of significant unobservable inputs to valuation:

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

## Thyrocare Technologies Limited

### Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

##### C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (C) (i));
- liquidity risk (see (C) (ii));
- market risk (see (C) (iii)).

##### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

##### Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the management.

##### Security deposits

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

The Group limits its exposure to credit risk from trade receivables by establishing a credit limit that is linked to either category of the customer or the security deposits paid by the customer to avail the services.

In monitoring customer credit risk, customers are compared according to their credit characteristics, including whether they are individuals or legal entities, their geographic locations, industry, trading history with the Group and existence of previous financial difficulties, if any.

##### Investments

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

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

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



## Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

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

##### C. Financial risk management (continued)

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

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

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

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

##### iii. Liquidity risk

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

Exposure to liquidity risk

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

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

##### iv. Market risk

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

Currency risk

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

Exposure to currency risk

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

## Thyrocare Technologies Limited

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

(All amounts in Rs millions, unless otherwise stated)

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

##### C. Financial risk management (continued)

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

##### Sensitivity analysis

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

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

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 38 Related parties

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

#### B. Transactions with key management personnel

##### i. Key management personnel compensation

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

\* Amount less than Rs. 1 lakh

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

##### ii. Transactions with key management personnel including directors

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

### 38 Related parties (Continued)

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

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

#### Notes :

- The key management personnel, or their related parties, hold position in other entities that result in them having control or significant influence over these entities. These entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were at arm's length and in the normal course of the business.
- Sumathi Memorial Trust, a charitable trust managed by the promoters of the Company as trustees, in tie up with other NGO subsidised the cost of PETCT scans for the cancer patients who can not afford the cost of the PETCT scan, by direct payment to the Company towards PETCT scans of such cancer patients.

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

#### a. Due to Micro and Small Enterprises

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

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

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

#### c. Details of interests in subsidiaries and associates

##### Subsidiaries

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

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

##### Associates

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

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the Special Purpose Interim Ind AS consolidated financial statements (Continued)

for the period ended 30 June 2021

(All amounts in Rs millions, unless otherwise stated)

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

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

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

As per our report of even date attached

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

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

**Vaijayantimala Belsare**  
Partner  
Membership No: 049902

**Dhaval Shah**  
Director  
DIN - 07485688

**Dharmil Sheth**  
Director  
DIN - 06999772

Mumbai, 27 October 2021

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

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of Thyrocare Technologies Limited**

#### **Report on the Audit of Consolidated Financial Statements**

##### **Opinion**

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

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

##### **Basis for Opinion**

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

##### **Key Audit Matters**

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



## Independent Auditors' Report (Continued)

### Thyrocare Technologies Limited

#### Key Audit Matters (Continued)

##### Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p><b>Impairment testing of goodwill</b> Refer note 2D, 3E and 4D of consolidated financial statement</p>	
<p>The consolidated balance sheet of the Group includes goodwill that has arisen as a result of a past acquisition of a subsidiary company in the Group, Nueclear Healthcare Limited ('NHL').</p> <p>Group is required to test goodwill for impairment annually, or more frequently when there is an indication, the cash generating unit to which goodwill has been allocated may be impaired. The process of annual impairment testing of goodwill involves estimating the recoverable value of the cash generating unit (CGU) using Discounted Cash flow model (DCF) and comparing it with the carrying value of the CGU. The valuation process is complex and involves significant judgment in considering various forward-looking assumptions and estimates. There is inherent uncertainty involved in forecasting and discounting future cashflows, including the possible effects of COVID-19 pandemic, which are the basis of the assessment of recoverability.</p> <p>Considering the complexities, the magnitude of potential impact and the judgement involved, we have identified impairment testing of goodwill as a key audit matter.</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>▪ Assessed Group's evaluation of identification of cash generating units and allocation of goodwill to the respective CGUs;</li> <li>▪ Obtained the Group's assessment of the recoverable value of the CGU basis the valuation prepared by Group and assumptions used to determine the recoverable value;</li> <li>▪ Tested the arithmetical accuracy of the cash flow projections and impairment assessment made by the Group;</li> <li>▪ Involved valuation specialist to test the appropriateness of the valuation model and the critical judgements made by the Group;</li> <li>▪ Assessed and challenged the Group's assumptions used in impairment analysis, such as projected EBITDA and revenue growth rate, terminal growth rate and discount rate, including considering impact of Covid-19 by: <ul style="list-style-type: none"> <li>- comparing the same to externally derived data and industry comparators, where available;</li> <li>- performing sensitivity analysis around the key assumptions including forecasted revenue, costs, discount rates, etc., to ascertain the extent to which adverse changes, both individually or in aggregate, could impact the analysis;</li> <li>- Assessing the accuracy of prior period forecasts of the CGU with the actual financial performance;</li> </ul> </li> </ul> <p>This was based on our knowledge of the Group and the markets in which the CGU operates.;</p> <ul style="list-style-type: none"> <li>▪ Evaluated impairment assessment of goodwill performed by the Group;</li> <li>▪ Assessed the adequacy of disclosures in the consolidated financial statements.</li> </ul>

## Independent Auditors' Report (Continued)

### Thyrocare Technologies Limited

#### Key Audit Matters (Continued)

##### Description of Key Audit Matter (Continued)

The key audit matter	How the matter was addressed in out audit
<p data-bbox="199 546 794 667"><b>Recognition of revenue from sale of testing services</b> See note 2D, 3M and 26 to the consolidated financial statements</p> <p data-bbox="199 674 794 1066">One of the streams of revenue Group earns is from sale of testing services. Revenue from sale of testing services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests. We have identified recognition of revenue from sale of testing services as a key audit matter because revenue is a key performance indicator. In addition, there is a risk that revenue could be recognized at a time which is different from transfer of control due to pressure to achieve performance targets and meeting external expectations at the year end.</p>	<p data-bbox="817 674 1423 801">In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul data-bbox="817 837 1423 1879" style="list-style-type: none"> <li data-bbox="817 837 1423 1003">▪ Obtained an understanding of the systems, processes and controls implemented by the Company and evaluated the design and implementation of internal controls for measuring and recording revenue;</li> <li data-bbox="817 1003 1423 1294">▪ Tested the design, implementation and operating effectiveness of the Company's key general Information Technology (IT) controls, key IT applications/ manual controls including testing of controls relating to timing of revenue recognition, by involving IT specialists. This includes access controls, program change controls, program development controls and IT operation controls;</li> <li data-bbox="817 1294 1423 1460">▪ For selected samples of transactions (using statistical sampling), we inspected when the testing samples are processed for requisitioned diagnostic tests and matched it with the timing of recognition of revenue;</li> <li data-bbox="817 1460 1423 1559">▪ Tested the reconciliation of revenue recorded as per the billing system to the revenue recorded as per the accounting system;</li> <li data-bbox="817 1559 1423 1724">▪ Performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year (and before and after the financial year end) and traced to the underlying documentation;</li> <li data-bbox="817 1724 1423 1787">▪ Assessed manual journals posted to revenue to identify unusual items;</li> <li data-bbox="817 1787 1423 1879">▪ Assessed the adequacy of disclosures in respect of revenue in the consolidated financial statements.</li> </ul>

## **Independent Auditors' Report (*Continued*)**

### **Thyrocare Technologies Limited**

#### **Other Information**

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

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

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

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

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

The respective Board of Directors of the companies included in the Group and of its associate, is responsible for overseeing the financial reporting process of each company.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

financial statements.

## **Independent Auditors' Report (*Continued*)**

### **Thyrocare Technologies Limited**

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (*Continued*)**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## **Independent Auditors' Report (Continued)**

### **Thyrocare Technologies Limited**

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) The financial information of a Trust (Thyrocare ESOP Trust) whose financial information reflect total assets of Rs. 0.00 crore\* as at 31 March 2021, total revenues of Rs. NIL and net cash flows amounting to Rs. NIL for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 0.07 crores for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of its associate, whose financial statements have not been audited by us or by other auditors. These financial information/financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this Trust and its associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid Trust and associate, is based solely on such financial information/financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

\* less than Rs. 1 lakh

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

## **Independent Auditors' Report (*Continued*)**

### **Thyrocare Technologies Limited**

#### **Report on Other Legal and Regulatory Requirements**

- (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditor on separate financial statements of such associate as were audited by other auditor, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company and its subsidiary company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and subsidiary and the report of the statutory auditor of its associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary and associate incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the associate, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its associate. Refer Note 37 to the consolidated financial statements.
  - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.

**Independent Auditors' Report (Continued)**  
**Thyrocare Technologies Limited**

**Report on Other Legal and Regulatory Requirements (Continued)**

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company or associate incorporated in India during the year ended 31 March 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Audit Report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such associate company incorporated in India which not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary company and associate company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and associate company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Mumbai  
8 May 2021

Amar Sunder  
Partner  
Membership No. 078305  
ICAI UDIN: 21078305AAAAAX8360

# Thyrocare Technologies Limited

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Thyrocare Technologies Limited for the year ended 31 March 2021**

**Report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

## **Opinion**

In conjunction with our audit of the consolidated financial statements of Thyrocare Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021 we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiaries and its associate, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note").

## **Management's Responsibility for Internal Financial Controls**

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.



# Thyrocare Technologies Limited

## Annexure A to the Independent Auditor's report on the consolidated financial statements of Thyrocare Technologies Limited for the year ended 31 March 2021 (*Continued*)

### Auditor's Responsibility (*Continued*)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant associate company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

# Thyrocare Technologies Limited

## Annexure A to the Independent Auditor's report on the consolidated financial statements of Thyrocare Technologies Limited for the year ended 31 March 2021 (*Continued*)

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one associate company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

Mumbai  
8 May 2021

Amar Sunder  
Partner  
Membership No. 078305  
ICAI UDIN: 21078305AAAAAX8360

# Thyrocare Technologies Limited

## Consolidated Balance Sheet

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Note	31 March 2021	31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	129.31	142.96
Capital work-in-progress	4	8.28	4.93
Goodwill	4D	100.28	100.28
Other intangible assets	5A	0.97	1.16
Right-of-use assets	5B	22.49	24.69
Equity accounted investees	6	21.10	21.17
Financial assets			
Loans	8	2.89	4.26
Other financial assets	9	3.08	2.82
Deferred tax assets	10	5.63	2.03
Other tax assets	11	10.40	9.43
Other non-current assets	12	3.23	4.90
<b>Total non-current assets</b>		<b>307.66</b>	<b>318.63</b>
<b>Current assets</b>			
Inventories	13	23.36	20.62
Financial assets			
Investments	7	104.49	69.03
Trade receivables	14	44.68	16.30
Cash and cash equivalents	15	13.20	8.71
Other bank balances	15	2.53	2.36
Loans	8	0.60	0.66
Other financial assets	16	6.07	0.04
Other current assets	17	2.84	3.13
Assets held for sale	4	40.36	31.14
<b>Total current assets</b>		<b>238.13</b>	<b>151.99</b>
<b>Total assets</b>		<b>545.80</b>	<b>470.63</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	18	52.87	52.84
Other equity	19	374.41	313.81
<b>Equity attributable to owners of the Company</b>		<b>427.28</b>	<b>366.65</b>
<b>Non-controlling interests</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>427.28</b>	<b>366.65</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	20	-	2.50
Lease liabilities	21A	5.45	5.69
Provisions	22A	13.58	8.16
Deferred tax liabilities	10	4.39	6.19
<b>Total non-current liabilities</b>		<b>23.42</b>	<b>22.54</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	23		
- total outstanding dues of micro enterprises and small enterprises and		0.53	0.70
- total outstanding dues of creditors other than micro enterprises and small enterprises		24.48	21.16
Lease liabilities	21A	3.04	4.25
Other financial liabilities	21B	23.43	22.18
Current tax liabilities (net)	24	2.57	0.75
Provisions	22B	3.39	1.01
Other current liabilities	25	37.66	31.64
<b>Total current liabilities</b>		<b>95.10</b>	<b>81.69</b>
<b>Total equity and liabilities</b>		<b>545.80</b>	<b>470.88</b>
Significant accounting policies	2-3		

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Amar Sunder**

Partner

Membership No: 078305

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

For and on behalf of the Board of Directors of

**Thyrocare Technologies Limited**

CIN - L85110MH2000PLC123882

**Ramjee D**

Company Secretary

Membership No - F2966

8 May 2021

Mumbai

8 May 2021

# Thyrocare Technologies Limited

## Consolidated Statement of Profit and Loss

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	26	494.62	434.26
Other income	27	12.43	6.67
<b>Total income</b>		<b>507.05</b>	<b>440.93</b>
<b>Expenses</b>			
Cost of materials consumed	28a.	162.53	114.92
Purchases of stock-in-trade	28b.	1.09	2.25
Changes in inventories of stock-in-trade	28c.	0.28	(0.08)
Employee benefits expense	29	58.07	48.92
Finance cost		0.87	1.85
Depreciation and amortisation expense	4,5	30.28	31.91
Other expenses	30	101.39	94.68
<b>Total expenses</b>		<b>354.51</b>	<b>294.45</b>
<b>Profit before share of profit of associate, exceptional items and tax</b>		<b>152.54</b>	<b>146.48</b>
Share of (loss)/ profit of associate	6	(0.07)	0.51
<b>Profit before exceptional items and tax</b>		<b>152.47</b>	<b>146.99</b>
<i>Exceptional items</i>			
Impairment of Goodwill	39e.	-	(6.58)
<b>Profit before tax</b>		<b>152.47</b>	<b>140.41</b>
<b>Tax expense:</b>			
Current tax	31	44.25	42.75
Deferred tax		(4.93)	9.26
<b>Total Tax Expense</b>		<b>39.32</b>	<b>52.01</b>
<b>Profit for the year</b>		<b>113.15</b>	<b>88.40</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)		(1.87)	0.16
Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability/(asset)	10,31	0.48	(0.04)
<b>Other comprehensive income for the year, net of tax</b>		<b>-1.39</b>	<b>0.12</b>
<b>Total comprehensive income for the year</b>		<b>111.76</b>	<b>88.52</b>
<b>Earnings per share [Nominal value of Rs. 10 each]:</b>			
(a) Basic (INR)	32(i)	21.41	16.74
(b) Diluted (INR)	32(ii)	21.37	16.71

Significant accounting policies

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Amar Sunder**

Partner

Membership No: 078305

**Dr. A Velumani**

Managing Director

DIN - 00002804

For and on behalf of the Board of Directors of

**Thyrocare Technologies Limited**

CIN - L85110MH2000PLC123882

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

Mumbai

8 May 2021

**Ramjee D**

Company Secretary

Membership No - F2966

8 May 2021

# Thyrocare Technologies Limited

## Consolidated Statement of Cash Flows

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>A. Cash flows from operating activities</b>		
Net profit before exceptional items, share of profit of associate and income tax	152.54	146.48
<i>Adjustments for:</i>		
Depreciation and amortisation	30.28	31.91
Net (gain) on investments	(3.68)	(4.78)
Net (gain) on liquidation of associate - Thyrocare International Holding Company Limited	-	(0.03)
(Profit)/ Loss on sale of property, plant and equipment	(4.20)	(0.01)
Allowance for credit impaired	0.43	1.89
Share issue expenses	0.02	-
Finance cost	0.87	1.85
Employee stock compensation expense	1.68	2.00
Interest income	(0.79)	(0.70)
	<u>24.61</u>	<u>32.13</u>
Operating profit before working capital changes	177.15	178.61
<i>Adjustments for :</i>		
(Increase) in Inventories	(2.74)	(2.54)
(Increase) in Trade receivables	(28.81)	(6.03)
Decrease/ (Increase) in Loans and advances	1.54	(0.71)
(Increase) in Other assets	(4.14)	(0.71)
Increase in Trade payables	3.15	14.35
Increase in Other liabilities	7.17	27.47
Increase in Provisions	5.93	1.95
	<u>(17.90)</u>	<u>33.78</u>
Cash generated from operations	159.25	212.39
Taxes paid (net of refunds)	(43.21)	(44.51)
<b>Net cash flows generated from operating activities (A)</b>	<u>116.04</u>	<u>167.88</u>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment, additions to capital work in progress and capital advances	(28.26)	(9.90)
Proceeds from sale of property, plant and equipment	5.31	0.02
Proceeds from sale of business undertaking	4.25	-
Proceeds from liquidation of associate - Thyrocare International Holding Company Limited	-	0.03
Purchase of current investments	(136.00)	(132.84)
Proceeds from sale of current investments	104.21	142.90
Dividend received	-	0.34
Investment in term deposits	(0.11)	-
Interest received	0.37	0.40
<b>Net cash (used) in/ from investing activities (B)</b>	<u>(50.23)</u>	<u>0.95</u>
<b>C. Cash flows from financing activities</b>		
Proceeds from issue of equity shares	0.03	0.04
Share issue expenses	(0.02)	-
Unsecured loan taken from related party	(2.50)	-
Payment towards principal portion of lease liabilities	(5.55)	(4.39)
Payment towards interest portion of lease liabilities	(0.55)	(1.26)
Dividend paid on equity shares	(52.84)	(131.96)
Tax paid on dividend	-	(27.04)
Interest paid	(0.14)	(0.17)
<b>Net cash used in financing activities (C)</b>	<u>(61.57)</u>	<u>(164.78)</u>
<b>Net Increase in Cash and cash equivalents (A+B+C)</b>	<u>4.24</u>	<u>4.05</u>
Cash and cash equivalents at the beginning of the year	8.96	4.91
<b>Cash and cash equivalents at the end of the year</b>	<u>13.20</u>	<u>8.96</u>

# Thyrocare Technologies Limited

## Consolidated Statement of Cash Flows (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### Notes to cash flow statement

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7, "Statement of cash flows".
- Reconciliation of cash and cash equivalents with the balance sheet:

Particulars	31 March 2021	31 March 2020
Cash and cash equivalents (refer note 15)	13.20	8.71
<b>Balance as per statement of cash flows</b>	<b>13.20</b>	<b>8.71</b>

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

Particulars	Lease liabilities	Total
<b>Balance at 1 April 2020</b>	-	<b>2.50</b>
Balances recognised during the year on transition to Ind AS 116	13.38	<b>13.38</b>
<b>Changes from financing cash flows</b>		
Repayment of lease liabilities - principal portion	(4.39)	<b>(4.39)</b>
Payment of interest on lease liabilities	(1.26)	<b>(1.26)</b>
Repayment of borrowings	-	-
Payment of interest on borrowings	-	<b>(0.20)</b>
<b>Total changes from financing cash flows</b>	<b>(5.65)</b>	<b>(5.84)</b>
<b>Other changes</b>		
Additional lease liabilities recognised during the year	0.95	<b>0.95</b>
Interest expense	1.26	<b>1.46</b>
<b>Balance at 31 March 2020</b>	<b>9.94</b>	<b>12.44</b>
<b>Balance at 1 April 2020</b>	9.94	<b>12.44</b>
<b>Changes from financing cash flows</b>		
Repayment of lease liabilities - principal portion	(5.55)	<b>(5.55)</b>
Payment of interest on lease liabilities	(0.55)	<b>(0.55)</b>
Repayment of borrowings	-	<b>(2.50)</b>
Payment of interest on borrowings	-	<b>(0.14)</b>
<b>Total changes from financing cash flows</b>	<b>(6.10)</b>	<b>(8.75)</b>
<b>Other changes</b>		
Additional lease liabilities recognised/ (derecognised) during the year	4.09	<b>4.09</b>
Interest expense	0.55	<b>0.69</b>
<b>Balance at 31 March 2021</b>	<b>8.49</b>	<b>8.49</b>

Significant accounting policies

The accompanying notes form an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**Thyrocare Technologies Limited**

CIN - L85110MH2000PLC123882

**Amar Sunder**

Partner

Membership No: 078305

**Dr. A Velumani**

Managing

DIN - 00002804

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

Mumbai

8 May 2021

**Ramjee D**

Company Secretary

Membership No - F2966

8 May 2021

# Thyrocare Technologies Limited

## Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### a. Equity share capital

	Note	Amount
Balance as at the 1 April 2019		52.80
Changes in equity share capital during 2019-20	18	0.04
<b>Balance as at the 31 March 2020</b>		<b>52.84</b>
Changes in equity share capital during 2020-21	18	0.03
<b>Balance as at the 31 March 2021</b>		<b>52.87</b>

### b. Other equity

	Note	Reserves and surplus					Retained earnings	Total
		Capital reserve	Securities premium	Share options outstanding	General reserve	Capital redemption reserve		
Balance as at 1 April 2019		31.71	65.08	3.89	9.17	0.96	271.52	382.33
<b>Total comprehensive income for the year ended 31 March 2020</b>								
Profit for the year		-	-	-	-	-	88.40	88.40
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	0.12	0.12
Total comprehensive income		-	-	-	-	-	88.52	88.52
<b>Transaction with owners recorded directly in equity</b>								
<i>Contributions by and distributions to owners</i>								
Exercise of employee stock options	19(b)	-	2.16	-	-	-	-	2.16
Employee stock option compensation expense for the year	19(c)	-	-	2.00	-	-	-	2.00
Final/Interim dividend on equity shares	19(f)	-	-	-	-	-	(132.00)	(132.00)
Dividend distribution tax	19(f)	-	-	-	-	-	(27.04)	(27.04)
Transfer to securities premium account on exercise of stock option	19(c)	-	-	(2.16)	-	-	-	(2.16)
Total contributions by and distributions to owners		-	2.16	(0.16)	-	-	(159.04)	(157.04)
<b>Balance as at the 31 March 2020</b>		<b>31.71</b>	<b>67.24</b>	<b>3.73</b>	<b>9.17</b>	<b>0.96</b>	<b>201.00</b>	<b>313.81</b>
Balance as at 1 April 2020		31.71	67.24	3.73	9.17	0.96	201.00	313.81
<b>Total comprehensive income for the year ended 31 March 2021</b>								
Profit for the year		-	-	-	-	-	113.15	113.15
Remeasurement of defined benefit liability/(asset)		-	-	-	-	-	(1.39)	(1.39)
Total comprehensive income		-	-	-	-	-	111.76	111.76
<b>Transaction with owners recorded directly in equity</b>								
<i>Contributions by and distributions to owners</i>								
Exercise of employee stock options	19(b)	-	2.47	-	-	-	-	2.47
Employee stock option compensation expense for the year	19(c)	-	-	1.68	-	-	-	1.68
Interim dividend on equity shares	19(f)	-	-	-	-	-	(52.84)	(52.84)
Transfer to securities premium account on exercise of stock option	19(c)	-	-	(2.47)	-	-	-	(2.47)
Total contributions by and distributions to owners		-	2.47	(0.80)	-	-	(52.84)	(51.17)
<b>Balance as at the 31 March 2021</b>		<b>31.71</b>	<b>69.71</b>	<b>2.94</b>	<b>9.17</b>	<b>0.96</b>	<b>259.92</b>	<b>374.41</b>

Significant accounting policies

2-3

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**Thyrocare Technologies Limited**

CIN - L85110MH2000PLC123882

**Amar Sunder**

Partner

Membership No: 078305

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

Mumbai

8 May 2021

**Ramjee D**

Company Secretary

Membership No - F2966

8 May 2021

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements

for the year ended 31 March 2021

### 1. Reporting entity

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

### 2. Basis of preparation

#### A. Statement of compliance

These consolidated Ind AS financial statements (hereinafter referred to as 'consolidated financial statements') have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on 23 May 2020.

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

#### B. Functional and presentation currency

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

#### C. Basis of measurement

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

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

#### D. Use of estimates and judgments

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

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



# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### ***Judgements***

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

Note 3 E - Impairment testing for goodwill generated on consolidation

Note 3 K – Revenue recognition at a point in time

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

### ***Assumptions and estimation uncertainties***

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

Note 3 E - Impairment testing for goodwill generated on consolidation

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

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

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

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

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

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

### **E. Measurement of fair values**

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

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

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

- Note 4C – investment property;
- Note 34 – share-based payment arrangements; and
- Note 35 – financial instruments.

### **F. Principles of consolidation and equity accounting**

#### ***(i) Business combinations***

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

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

#### ***(ii) Subsidiaries***

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

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

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### *Consolidation procedure :*

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group.

### *(iii) Non-controlling interests (NCI)*

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

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

### *(iv) Loss of control*

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

### *(v) Equity accounted investees*

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

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

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

### *(vi) Transactions eliminated on consolidation*

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

## **3. Significant accounting policies**

### **A. Segment reporting**

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

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### **B. Current/ non-current classification**

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

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

#### *Assets*

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

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

All other assets are classified as non-current.

#### *Liabilities*

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

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

All other liabilities are classified as non-current.

#### ***Operating Cycle***

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

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

### **C. Foreign currency**

#### ***Foreign currency transactions***

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

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### D. Financial instruments

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

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

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

#### (ii) *Classification and subsequent measurement*

##### *Financial assets*

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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

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

##### *Financial assets: Business model assessment*

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

*for the year ended 31 March 2021*

particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### *Financial assets: Subsequent measurement and gains and losses*

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

### *Financial liabilities: Classification, subsequent measurement and gains and losses*

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

#### **(iii) Derecognition**

##### *Financial assets*

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

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

##### *Financial liabilities*

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

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### (iv) *Offsetting*

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

### **E. Impairment of Goodwill**

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

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

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

#### *Discount rates*

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

#### *Growth rates*

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

### **F. Property, plant and equipment**

#### (i) *Recognition and measurement*

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

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

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

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

#### (ii) *Transition to Ind AS*



# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

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

### *(iii) Subsequent expenditure*

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

### *(iii) Depreciation*

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

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

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

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

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

### *(iv) Reclassification to investment property*

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

## **G. Other Intangible assets**

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

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

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

The estimated useful lives are as follows:

- Softwares - 5 years
- Trademark – 5 years

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

### **H. Inventories**

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

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

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

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

### **I. Impairment**

#### **(i) Impairment of financial assets**

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or - the disappearance of an active market for a security because of financial difficulties.

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

*for the year ended 31 March 2021*

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

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

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

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

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

### *Impairment of investments in associates*

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

### *Write-off*

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

### *(ii) Impairment of non-financial assets*

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

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

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

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

*for the year ended 31 March 2021*

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

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

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

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

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

Non-current assets, or disposal groups comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any resultant loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, and biological assets, which continue to be measured in accordance with the Group's other accounting policies. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

### **K. Employee benefits**

#### *(i) Short-term employee benefits*

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

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### *(ii) Share-based payment transactions*

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

### *(iii) Defined contribution plans*

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

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

### *(iv) Defined benefit plans*

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

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

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

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

### *(v) Other long-term employee benefits*

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

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

### (vi) *Termination benefits*

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

### L. Provisions (other than for employee benefits)

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

### M. Revenue from operations

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

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

Revenue stream	Nature and timing of satisfying performance obligations, including significant payment terms	Revenue recognition under Ind AS 115
Sale of services	Customers obtain control of the service at the time of receipt of relevant test reports. Customers generally pay upfront before availing diagnostic services or before undergoing scans and in case of tie-up customers, the credit period offered generally ranged from 15 days to 30 days. The Group generally does not have refund/warranty obligations.	Revenue from sale of testing and imaging services is recognized at a point in time once the testing samples are processed for requisitioned diagnostic tests.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

Sale of goods and consumables	Customer obtains control of goods and consumables when the goods are delivered to the customer's premise or other agreed upon delivery point where the customer takes control of the goods. The credit period offered to customers generally ranged from 30 days to 90 days. The Group does not have refund/warranty obligations.	Revenue is recognized at a point in time when the goods and consumables are delivered at the agreed point of delivery which generally is the premises of the customer.
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Income from technical assistance and trade mark assignment is recognised once the Group's right to receive the revenue is established by the reporting date. Income from technical assistance and trademark is recognised as an agreed percentage of the turnover of the respective entities, as per the terms of the respective agreements.

### Contract liabilities

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

### N. Leases

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

#### *Policy applicable from 1 April 2019*

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either, throughout the period of use:
  - o the Group has the right to operate the asset; or
  - o the Group designed the asset in a way that predetermines how and for what purpose it will be used.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

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

(i) *As a lessee*

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

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

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.



# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property, separately, in *Note 5B 'Right of use long term leases (net of net investment in sub-leases)'* and lease liabilities in *Note 21A 'Other financial liabilities - Non-current'* and *Note 21B 'Other financial liabilities - Current'*, in the statement of financial position.

However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a singly lease component.

### *Short-term leases and leases of low-value assets*

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term-leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **(ii) As a lessor**

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As a part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use assets arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease otherwise it is classified as finance lease.

In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from Ind AS 116. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset

In case of sublease, finance lease receivable is netted off from the value of Right of Use asset.in *Note 5B*.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### Maturity Analysis of Lease liabilities as at 31 March 2021 on an undiscounted basis:

Particulars	As at 31 March 2021 in Rs. crore	As at 31 March 2020 in Rs. crore
Less than one year	3.78	4.43
One to five years	5.86	5.54
More than five years	0.08	1.00
<b>Total</b>	<b>9.72</b>	10.97

### Lease liabilities recorded in the Balance sheet as at 31 March 2021

Particulars	As at 31 March 2021 in Rs. crore	As at 31 March 2020 in Rs. crore
Non-current portion	5.45	5.69
Current portion	3.04	4.25
<b>Total</b>	<b>8.49</b>	<b>9.94</b>

### Amounts recognized in the statement of profit and loss

Particulars	As at 31 March 2021 in Rs. crore	As at 31 March 2020 in Rs. crore
Interest expense on leases (recorded under Finance Cost in the statement of profit and loss)	0.69	1.31
Depreciation on right-of-use assets for the year (refer note 5B for further details)	5.06	5.04
Expenses relating to short term leases recorded in Note 30 under Rent	1.23	1.19

### Amount recognized in the statement of cash flows:

Particulars	As at 31 March 2021 in Rs. crore	As at 31 March 2020 in Rs. crore
Total cash outflow on account of leases	6.10	6.84

### (iii) *Other leases*

The Group entered into lease with the landlord for land at central processing laboratory premises about 10 years ago. The lease premium paid on transfer of lease rights in favor of the Group, is capitalised in the books and amortised over the period of the lease.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

### *Equipment placement arrangements*

The Group uses testing equipment (analysers) under a number of reagent rental arrangements. Some of these arrangements provide the Group with option to purchase the equipment at the end of lease term at mutually negotiated price as well as an obligation to purchase the equipment at stipulated price in the event of premature termination.

Some of these arrangements are not in the legal form of lease, but a portion of the cost paid to the vendors for is considered to contain a lease element due to the nature of the contractual terms.

### **Change in accounting policies**

Except for the changes below, the Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements.

The Group applied *Ind AS 116* with a date of initial application of 1 April 2019. As a result, the Group has changed its accounting policy for lease contracts as detailed below.

The Group applied *Ind AS 116* using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019. The details of the changes in accounting policies are disclosed below.

#### **A. Definition of a lease**

Previously, the Group determined at contract inception whether an arrangement is or contains a lease. Under *Ind AS 116*, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained earlier in this Note K.

On transition to *Ind AS 116*, the Group elected to apply the practical expedient to grandfather the assessment of which transaction are leases. It applied *Ind AS 116* only to contracts that were previously identified as leases. Contracts that were not identified as leases under *Ind AS 17* were not reassessed for whether there is a lease. Therefore, the definition of a lease under *Ind AS 116* was applied only to contracts entered into or changed on or after 1 April 2019.

#### **B. As a lessee**

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under *Ind AS 116*, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on balance sheet.

The Group decided to apply recognition exemption to short-term leases of machinery and lease of IT equipment.

##### **(i) Leases classified as operating leases under *Ind AS 17***

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at 1 April 2019. Right-of-use assets are measured at either :

- their carrying amount as if *Ind AS 116* had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

- an amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach for all other leases.

The Group used the following practical expedients when applying *Ind AS 116* to leases previously classified as operating leases under *Ind AS 17*.

- applied a single discount rate to a portfolio of leases with similar characteristics.
- applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

### C. As a lessor

The Group is not required to make any adjustments on transition to *Ind AS 116* for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with *Ind AS 116* from the date of initial application.

Under *Ind AS 116*, the Group is required to assess the classification of a sub-lease with reference to the right-of-use asset, not the underlying asset. On transition, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under *Ind AS 17*. The Group concluded that the sub-lease is a finance lease under *Ind AS 116*.

The Group applied *Ind AS 115 Revenue from contracts with customers* to allocate consideration in the contract to each lease and non-lease component.

### D. Impacts on financial statements

On transition to *Ind AS 116*, the Group recognized INR 14.33 crore of additional right-of-use assets, INR 14.33 crore of additional lease liabilities.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 10.5%.

Particulars	Amount in Rs. crore
Operating lease commitments as at 31 March 2019 as per <i>Ind AS 17</i>	17.82
Add: Commitments towards reagent equipment placement arrangements (to the extent of lease element)	3.25
Less: Recognition exemption for short-term leases	(0.64)
Less: Impact of discounting on date of initial application of <i>Ind AS 116</i>	(3.92)
Lease liabilities recognised in the balance sheet on transition to <i>Ind AS 116</i> as at 1 April 2019 (before netting impact of sub-leases)	13.38

### O. Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

for the year ended 31 March 2021

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to :

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### **P. Income tax**

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### **(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets — unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*continued*)

*for the year ended 31 March 2021*

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

### **Q. Events after reporting date**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### **R. Recent Accounting Developments**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing Indian Accounting Standards (Ind AS). There is no such notification which would have been applicable from 1 April 2020.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 4 Property, plant and equipment, capital work-in-progress and investment property

See accounting policies in Note 3 F

	Gross block				Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 1 April 2020 <i>Balance as at 1 April 2019</i>	Accumulated depreciation and impairment losses			Net block		
	Balance as at 1 April 2020 <i>Balance as at 1 April 2019</i> <i>(deemed cost)</i>	Addition	Disposal	Reclassification to assets held for sale/Reclassification on to Right-of- use assets/ Other adjustments			Depreciation/ amortisation expense for the year	On disposals	Transfer on reclassification to assets held for sale*/right-of-use assets	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 31 March 2020 <i>Balance as at 31 March 2019</i>
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A Property, plant and equipment</b>												
Leasehold Land	-	-	-	-	-	-	-	-	-	-	-	-
	<i>19.35</i>	-	-	<i>(19.35)</i>	-	<i>0.97</i>	-	-	<i>(0.97)</i>	-	-	<i>18.38</i>
Freehold Land	<b>16.62</b>	-	-	<b>-9.53</b>	<b>7.08</b>	-	-	-	-	-	<b>7.08</b>	<b>16.62</b>
	<i>16.62</i>	-	-	-	<i>16.62</i>	-	-	-	-	-	<i>16.62</i>	<i>16.62</i>
Buildings/ Premises	<b>48.34</b>	-	<b>(1.40)</b>	-	<b>46.93</b>	<b>8.38</b>	<b>2.06</b>	<b>(0.65)</b>	-	<b>9.79</b>	<b>37.14</b>	<b>39.96</b>
	<i>60.04</i>	-	-	<i>(11.70)</i>	<i>48.34</i>	<i>8.00</i>	<i>2.37</i>	-	<i>(1.99)</i>	<i>8.38</i>	<i>39.96</i>	<i>52.04</i>
Plant and Equipment	<b>128.94</b>	<b>15.21</b>	<b>(5.78)</b>	-	<b>138.36</b>	<b>57.33</b>	<b>16.65</b>	<b>(2.92)</b>	-	<b>71.06</b>	<b>67.30</b>	<b>71.61</b>
	<i>121.99</i>	<i>7.04</i>	-	<i>(0.09)</i>	<i>128.94</i>	<i>39.58</i>	<i>17.75</i>	-	-	<i>57.33</i>	<i>71.61</i>	<i>82.41</i>
Furniture and Fixtures	<b>19.72</b>	<b>5.77</b>	<b>(0.73)</b>	-	<b>24.76</b>	<b>9.56</b>	<b>3.41</b>	<b>(0.31)</b>	-	<b>12.66</b>	<b>12.10</b>	<b>10.16</b>
	<i>17.67</i>	<i>2.05</i>	-	-	<i>19.72</i>	<i>6.45</i>	<i>3.11</i>	-	-	<i>9.56</i>	<i>10.16</i>	<i>11.22</i>
Vehicles	<b>0.67</b>	-	<b>(0.24)</b>	-	<b>0.43</b>	<b>0.30</b>	<b>0.11</b>	<b>(0.22)</b>	-	<b>0.19</b>	<b>0.24</b>	<b>0.37</b>
	<i>0.68</i>	<i>0.07</i>	<i>(0.08)</i>	-	<i>0.67</i>	<i>0.23</i>	<i>0.14</i>	<i>(0.07)</i>	-	<i>0.30</i>	<i>0.37</i>	<i>0.45</i>
Office equipment	<b>6.64</b>	<b>3.10</b>	<b>(0.21)</b>	-	<b>9.53</b>	<b>3.89</b>	<b>1.52</b>	<b>(0.14)</b>	-	<b>5.27</b>	<b>4.26</b>	<b>2.75</b>
	<i>5.42</i>	<i>1.22</i>	-	-	<i>6.64</i>	<i>2.50</i>	<i>1.39</i>	-	-	<i>3.89</i>	<i>2.75</i>	<i>2.92</i>
Computers printers and scanners	<b>5.10</b>	<b>0.88</b>	-	-	<b>5.98</b>	<b>3.61</b>	<b>1.19</b>	-	-	<b>4.80</b>	<b>1.18</b>	<b>1.49</b>
	<i>4.03</i>	<i>1.07</i>	-	-	<i>5.10</i>	<i>2.29</i>	<i>1.32</i>	-	-	<i>3.61</i>	<i>1.49</i>	<i>1.74</i>
<b>Total</b>	<b>226.03</b>	<b>24.95</b>	<b>(8.36)</b>	<b>(9.53)</b>	<b>233.09</b>	<b>83.07</b>	<b>24.94</b>	<b>(4.24)</b>	-	<b>103.78</b>	<b>129.31</b>	<b>142.96</b>
<i>Total</i>	<i>245.80</i>	<i>11.45</i>	<i>(0.08)</i>	<i>(31.14)</i>	<i>226.03</i>	<i>60.02</i>	<i>26.08</i>	<i>(0.07)</i>	<i>(2.96)</i>	<i>83.07</i>	<i>142.96</i>	<i>185.78</i>
<b>B Capital work-in-progress</b>	<b>4.94</b>	<b>29.31</b>	<b>(25.97)</b>	<b>8.28</b>							<b>8.28</b>	-
	<i>1.47</i>	<i>15.41</i>	<i>(11.94)</i>	<i>4.94</i>							<i>4.93</i>	-

Figures in italic pertains to previous year.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 4 Property, plant and equipment, capital work-in-progress and investment property (Continued)

	Gross block				Accumulated depreciation and impairment losses					Net block		
	Balance as at 1 April 2020 Balance as at 1 April 2019 (deemed cost) Rs.	Addition Rs.	Disposal Rs.	Reclassification to assets held for sale Rs.	Balance as at 31 March 2021 Balance as at 31 March 2020 Rs.	Balance as at 1 April 2020 Balance as at 1 April 2019 Rs.	Depreciation/ amortisation expense for the year Rs.	On disposals Rs.	Transfer on reclassification to assets held for sale** Rs.	Balance as at 31 March 2021 Balance as at 31 March 2020 Rs.	Balance as at 31 March 2021 Balance as at 31 March 2020 Rs.	Balance as at 31 March 2020 Balance as at 31 March 2019 Rs.
<b>C Assets held for sale *</b>												
Leasehold Land	7.23	-	-	-	7.23	0.33	-	-	-	0.33	6.90	6.90
	4.44	2.79	-	-	7.23	0.22	-	-	0.11	0.33	6.90	4.22
Freehold Land	9.53	-	-	-	9.53	-	-	-	-	-	9.53	-
	-	-	-	-	-	-	-	-	-	-	-	-
Buildings/ Premises	28.17	0.06	-0.74	-	27.50	3.92	-	-0.35	-	3.57	23.93	24.25
	16.47	11.70	-	-	28.17	1.93	-	-	1.99	3.92	24.25	14.54
<b>Total assets held for sale</b>	<b>44.93</b>	<b>0.06</b>	<b>-0.74</b>	<b>-</b>	<b>44.25</b>	<b>4.25</b>	<b>-</b>	<b>-0.35</b>	<b>-</b>	<b>3.90</b>	<b>40.36</b>	<b>31.14</b>
	20.91	14.49	-	-	35.40	2.15	-	-	2.10	4.25	31.14	18.76

#### Note

##### \* Assets held for sale

The Company has reclassified certain building premises to assets held for sale in previous years as the Company has already received advances towards sale consideration for building premises. The procedural formalities for effecting the transfer could not be completed before 31 March 2021. The sale of these assets held for sale is expected to be completed before 31 March 2022.

**4D.** The Group tested the goodwill on consolidation for impairment as at 31 March 2021. The Group prepared its cash flow forecasts based on the most recent financial forecasts approved by management with projected revenue growth rates ranging from 10% to 15% over a 10 year forecast period which in Management's assessment was the most appropriate period to consider given the inherent nature of the business which involves a significant initial gestation period before centres reach break-even and the growth potential in the industry that exists considering various factors including the past experience. Growth rate used for extrapolation of cash flows beyond the period covered by the forecasts is 3%. The rates used to discount the forecasted cash flows is 13.46%. Management believes that any reasonable possible change to the discount rate or revenue growth rate could have an impact on the recoverable amount, however, Management believes the assumptions considered represent Management's best estimate as at 31 March 2021.

Particulars	As at 31 March 2021	As at 31 March 2020
Goodwill	100.28	100.28



# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 5 Other intangible assets and right-of-use assets

See accounting policy in Note 3 G

A	Intangible assets	Gross block				Accumulated depreciation and impairment losses					Net block		
		Balance as at 1 April 2020 <i>Balance as at 1 April 2019 (deemed cost)</i>	Addition	Disposal	Reclassification to assets held for sale	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 1 April 2020 <i>Balance as at 1 April 2019</i>	Depreciation/ amortisation expense for the year	On disposals	Transfer on reclassification to assets held for sale**	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 31 March 2020 <i>Balance as at 31 March 2019</i>
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Computer software	1.28	-	-	-	1.28	1.13	0.05	-	-	1.18	0.10	0.15
		<i>1.28</i>	-	-	-	<i>1.28</i>	<i>0.78</i>	<i>0.35</i>	-	-	<i>1.13</i>	<i>0.15</i>	<i>0.50</i>
	Trademark	1.46	-	-	-	1.46	0.45	0.15	-	-	0.59	0.87	1.01
		<i>1.46</i>	-	-	-	<i>1.46</i>	<i>0.30</i>	<i>0.15</i>	-	-	<i>0.45</i>	<i>1.01</i>	<i>1.16</i>
	<b>Total intangible assets</b>	<b>2.74</b>	-	-	-	<b>2.74</b>	<b>1.58</b>	<b>0.20</b>	-	-	<b>1.77</b>	<b>0.97</b>	<b>1.16</b>
		<i>2.74</i>	-	-	-	<i>2.74</i>	<i>1.08</i>	<i>0.50</i>	-	-	<i>1.58</i>	<i>1.16</i>	<i>1.66</i>

Figures in italic pertains to previous year.

### 5 Other intangible assets and right-of-use assets (Continued)

B	Right of use assets (net off investment in sub-leases)	Gross block				Accumulated depreciation and impairment losses					Net block		
		Balance as at 1 April 2020 <i>Balance as at 1 April 2019</i>	Recognised during the year	Derecognised during the year	Other adjustments	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 1 April 2020 <i>Balance as at 1 April 2019</i>	Depreciation/ amortisation expense for the year	On Derecognition	Impairment losses	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 31 March 2021 <i>Balance as at 31 March 2020</i>	Balance as at 31 March 2020 <i>Balance as at 31 March 2019</i>
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
	Leasehold Land	15.70	-	-	-	15.70	0.30	0.30	-	-	0.60	15.10	15.40
		<i>15.70</i>	-	-	-	<i>15.70</i>	-	<i>0.30</i>	-	-	<i>0.30</i>	<i>15.40</i>	-
	Buildings	11.07	5.79	-6.00	-	10.86	3.18	3.44	(3.15)	-	3.47	7.39	7.89
		<i>10.12</i>	<i>0.95</i>	-	-	<i>11.07</i>	-	<i>3.18</i>	-	-	<i>3.18</i>	<i>7.89</i>	-
	Plant and machinery	3.26	-	-	-	3.26	1.86	1.40	-	-	3.26	-	1.40
		<i>3.26</i>	-	-	-	<i>3.26</i>	-	<i>1.86</i>	-	-	<i>1.86</i>	<i>1.40</i>	-
		<b>30.03</b>	<b>5.79</b>	<b>(6.00)</b>	-	<b>29.82</b>	<b>5.34</b>	<b>5.14</b>	<b>(3.15)</b>	-	<b>7.33</b>	<b>22.49</b>	<b>24.70</b>
		<i>29.08</i>	<i>0.95</i>	-	-	<i>30.03</i>	-	<i>5.34</i>	-	-	<i>5.34</i>	<i>24.69</i>	-

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	31 March 2021	31 March 2020
<b>6 Equity accounted investees</b>		
<i>See accounting policy in Note 2(F)(v)</i>		
<b>Interest in associates</b>		
Equity shares (unquoted)	21.10	21.17
429,185 (31 March 2020 : 429,185) equity shares of Equinox Laboratories Private Limited		
	21.10	21.17

### Associates

#### Equinox Laboratories Private Limited (Equinox)

The Group had acquired 30% stake in Equinox Laboratories Private Limited (Equinox) vide the terms of the Share Subscription and Shareholder's agreement and Business Transfer agreement executed on 15 December 2017 and 3 January 2018 respectively, partially by subscribing to 214,592 equity shares of Equinox in cash and partially by subscribing to 214,593 equity shares of Equinox for consideration other than cash i.e. by transferring Thyrocare Technologies Limited Water Testing Business on a slump sale basis. Equinox is domiciled in India and engaged in the business of testing and analysis of food, water and air samples.

	31 March 2021	31 March 2020
Ownership interest	30%	30%
Carrying amount of assets and liabilities of the associate entity as per its standalone financial statements:		
Non-current assets	22.15	24.25
Current assets	6.56	5.93
Non-current liabilities	(1.32)	(2.88)
Current liabilities	(2.36)	(2.31)
Net assets (100%)	25.02	24.99
Group's share of net assets (based on carrying amount as per associate's financial statements)	7.51	7.50
Revenue	9.29	16.81
Profit	(0.25)	1.70
Other comprehensive income	-	-
Total comprehensive income	(0.25)	1.70
Group's share of Profit (30%)	(0.07)	0.51
Group's share of OCI (30%)	-	-
<b>Group's share of total comprehensive income</b>	<b>(0.07)</b>	<b>0.51</b>

### Reconciliation of investments in associates

	31 March 2021	31 March 2020
Opening balance	21.17	20.66
Share of (loss)/profit	(0.07)	0.51
Share of other comprehensive income	-	-
Closing balance	21.10	21.17

Thyrocare International Holding Company, an associate, incorporated in Republic of Mauritius, was in the process of liquidation and the process of liquidation has been completed during FY 2019-20.

During the year ended 31 March 2021 and 31 March 2020, the Group did not receive any dividend from its associates.

The associate does not have any contingent liabilities and capital commitments as at 31 March 2021 and 31 March 2020.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	31 March 2021	31 March 2020
<b>7 Investments</b>		
<b>Current investments</b>		
Investments in Mutual Funds (Quoted) measured at FVTPL		
596,157.929 units (31 March 2020 :705,289.762 units) of ABSL Corporate Fund - Growth	5.17	5.56
NIL units (31 March 2020 :80,302.451 units) of ABSL Floating Rate Fund - Growth - Direct	-	2.03
272,165.84 units (31 March 2020 :NIL units) of ABSL Liquid Fund - Growth - Direct	9.02	-
110,477.286 units (31 March 2020 :128,359.438 units) of ABSL Low Duration Fund - Growth	6.10	6.59
2,681,594.421 units (31 March 2020 :NIL units) of ABSL Short Term Fund - Growth - Direct	10.31	-
20,704.832 units (31 March 2020 :17,447.02 units) of Axis Treasury Advantage Fund - Direct Growth	5.14	4.06
NIL units (31 March 2020 :329,365.576 units) of Franklin India Corporate Debt Fund - Growth	-	2.48
29,736.361 units (31 March 2020 :NIL units) of HDFC Liquid Fund - Direct Growth	12.03	-
3,820,652.296 units (31 March 2020 :NIL units) of HDFC Low Duration Fund - Direct Growth	18.18	-
296,094.166 units (31 March 2020 :NIL units) of ICICI Prudential Liquid Fund	9.02	-
191,133.461 units (31 March 2020 :NIL units) of ICICI Prudential Savings Fund	8.02	-
NIL units (31 March 2020 :27,937.079 units) of Kotak Corporate Bond Fund - Direct Growth	-	7.71
NIL units (31 March 2020 :7,860.625 units) of Kotak Low Duration Direct Growth	-	2.03
NIL units (31 March 2020 :128,1345.038 units) of Nippon India Prime Debt Fund - Growth	-	5.56
NIL units (31 March 2020 :3,560,370.657 units) of SBI Dynamic Bond Fund - Direct Growth	-	9.73
NIL units (31 March 2020 :1,879,505.962 units) of SBI Short Term Debt Fund - Growth	-	4.54
1,022,348.239 units (31 March 2020 :1,022,348.239 units) of Unifi Capital Fund	20.47	18.73
428728.842 units (31 March 2020 :NIL units) of HDFC Ultra Short Term Fund	0.51	-
12008.244 units (31 March 2020 :NIL units) of Aditya Birla Sunlife Savings Fund -Direct Plan	0.51	-
	<b>104.49</b>	<b>69.03</b>
Aggregate amount of quoted investments - At cost	<b>98.50</b>	65.02
Aggregate amount of quoted investments - At market value	<b>104.49</b>	69.03
<b>8 Loans</b>		
<i>(unsecured, considered good unless otherwise stated)</i>		
<b>A. Non-current loans and advances</b>		
Security deposits		
To related parties	0.12	1.49
To parties other than related parties	2.77	2.77
	<b>2.89</b>	<b>4.26</b>
<b>B. Current loans and advances</b>		
Security deposits		
To related parties	0.02	-
To parties other than related parties	0.56	0.61
Loans and advances to employees	0.02	0.05
	<b>0.60</b>	<b>0.66</b>
<b>9 Other financial assets</b>		
Bank balance in deposit accounts * (with maturity period exceeding 12 months from the reporting date)	3.08	2.82
	<b>3.08</b>	<b>2.82</b>

\* Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*) as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 10 Recognised deferred tax assets and liabilities

#### A. Deferred tax assets and liabilities are attributable to the following :

	Deferred tax (assets)		Deferred tax (liabilities)		Net deferred tax assets/ (liabilities)	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Property, plant and equipment/ Intangible assets/ Investment property	-	-	(2.74)	(5.52)	(2.74)	(5.52)
Intangible assets	-	-	(0.14)	(0.14)	(0.14)	(0.14)
Investments at fair value through profit or loss	-	-	(1.51)	(0.53)	(1.51)	(0.53)
Provisions - employee benefits	4.38	1.15	-	-	4.38	1.15
Investment in subsidiary	-	-	-	-	-	-
Provisions - others	(0.02)	-	-	(0.00)	(0.02)	(0.00)
Other items	1.26	0.87	-	-	1.26	0.87
<b>Net deferred tax (assets) liabilities</b>	<b>5.63</b>	<b>2.03</b>	<b>(4.39)</b>	<b>(6.19)</b>	<b>1.24</b>	<b>(4.16)</b>

#### B. Movement in temporary differences

	Balance as at 1 April 2019	Recognised in profit or loss during 2019-2020	Recognised in OCI during 2019-2020	Balance as at 31 March 2020	Recognised in profit or loss during 2020-2021	Recognised in OCI during 2020-2021	Balance as at 31 March 2021
Property, plant and equipment/ Intangible assets/ Investment property	(5.62)	0.10	-	(5.52)	2.78	-	(2.74)
Intangible assets	(0.14)	-	-	(0.14)	-	-	(0.14)
Investments at fair value through profit or loss	(1.17)	0.64	-	(0.53)	(0.98)	-	(1.51)
Provisions - employee benefits	3.03	(1.84)	(0.04)	1.15	2.76	0.47	4.38
Provisions - others	(0.02)	0.02	-	(0.00)	(0.02)	-	(0.02)
Other items	0.86	0.02	-	0.87	0.38	-	1.26
Tax losses carried forward	8.20	(8.20)	-	-	-	-	-
	<b>5.14</b>	<b>(9.26)</b>	<b>(0.04)</b>	<b>(4.16)</b>	<b>4.92</b>	<b>0.47</b>	<b>1.24</b>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	31 March 2021	31 March 2020
<b>11 Other tax assets</b>		
<i>See accounting policy in Note 3 P</i>		
Advance income tax (net of provision for tax)	10.40	9.43
	<u>10.40</u>	<u>9.43</u>
<b>12 Other non-current assets</b>		
Capital advances	1.01	1.00
Prepaid expenses	0.05	0.27
Balance with government authorities	0.52	1.48
Advances for supply of goods	1.65	2.15
	<u>3.23</u>	<u>4.90</u>
<b>13 Inventories</b>		
<i>See accounting policy in Note 3 H</i>		
Reagents, diagnostic material and consumables	23.26	20.24
Stock-in-trade (acquired for trading)	0.10	0.38
[includes in transit INR Nil (31 March 2020 : 0.17 crore)]		
	<u>23.36</u>	<u>20.62</u>
<b>14 Trade receivables</b>		
Secured, considered good	-	2.90
Unsecured, considered good	47.34	13.40
Credit impaired	-	2.56
	<u>47.34</u>	<u>18.86</u>
Less: Allowance for Credit impaired	(2.66)	(2.56)
	<u>44.68</u>	<u>16.30</u>
Trade receivables from related parties excluding allowance for Credit impaired ( <i>refer Note 38</i> )	2.67	1.52
<b>15 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash on hand	0.06	0.07
Balances with banks		
in current accounts	13.14	8.63
	<u>13.20</u>	<u>8.71</u>
<b>Other bank balances</b>		
in deposit accounts * (with original maturity period exceeding 3 months but maturing within 12 months from reporting date)	2.53	2.36
	<u>15.73</u>	<u>11.07</u>
* Bank Deposits are with the Banks against the Bank Guarantees issued to customers for execution of tenders .		
<b>16 Other financial assets - current</b>		
Other receivables	6.05	0.02
Interest accrued on deposits	0.02	0.02
	<u>6.07</u>	<u>0.04</u>
<b>17 Other current assets</b>		
Advances for supply of goods and services	1.60	2.16
Prepaid expenses	1.24	0.97
	<u>2.84</u>	<u>3.13</u>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 18 Share capital

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
(a) Authorised				
Equity shares of Rs. 10 each with equal voting rights	10,00,00,000	100.00	10,00,00,000	100.00
(b) Issued, subscribed and paid-up				
Equity shares of Rs. 10 each with equal voting rights	5,28,71,371	52.87	5,28,33,317	52.84
<b>Total</b>	<b>5,28,71,371</b>	<b>52.87</b>	<b>5,28,33,317</b>	<b>52.84</b>

#### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
At the commencement of the year	5,28,36,365	52.84	5,27,98,606	52.80
Shares issued on exercise of employee stock options	38,054	0.03	37,759	0.04
Shares bought back	-	-	-	-
<b>Issued and subscribed share capital</b>	<b>5,28,74,419</b>	<b>52.87</b>	<b>5,28,36,365</b>	<b>52.84</b>
Less: Equity shares held by Trust	-3,048	(0.00)*	-3,048	(0.00)*
<b>At the end of the year</b>	<b>5,28,71,371</b>	<b>52.87</b>	<b>5,28,33,317</b>	<b>52.84</b>

\* amount less than Rs. 1 Lakh

The Group has also issued share options plan for its employees. (see Note 35)

#### Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

#### Employee stock option plan

Terms attached to stock options granted to employees are described in Note 35 regarding share-based payments.

#### Equity shares bought back

During the previous year ended 31 March 2019, the Company bought back 958,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018.

#### Particulars of shareholders holding more than 5% shares of a class of shares

	31 March 2021		31 March 2020	
	Number of shares (in 'thousands)	% of total shares held	Number of shares (in 'thousands)	% of total shares held
Equity shares of INR 10 each fully paid-up held by -				
Dr A Velumani	1,48,17,675	28.03%	1,48,09,317	28.03%
Thyrocare Publications LLP (formerly known as "Thyrocare Publications Private Limited")	65,34,500	12.36%	65,34,500	12.37%
Thyrocare Properties & Infrastructure Private Limited	52,25,315	9.88%	52,17,800	9.88%
Nalanda India Equity Fund Limited	38,21,394	7.23%	33,66,371	6.37%
Arisaig Asia Consumer Fund Limited	30,23,553	5.72%	0	0.00%

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 18 Share capital (Continued)

#### Shares reserved for issue under options

	31 March 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
a. Under Employees Stock Option Scheme, 2020 - at an exercise price of INR 10 per share (see Note 35)	40,429	0.04	-	-
b. Under Employees Stock Option Scheme, 2019 - at an exercise price of INR 10 per share (see Note 35)	33,337	0.03	37,189	0.04
c. Under Employees Stock Option Scheme, 2018 - at an exercise price of INR 10 per share (see Note 35)	31,005	0.03	34,270	0.03
d. Under Employees Stock Option Scheme, 2017 - at an exercise price of INR 10 per share (see Note 35)	-	-	39,880	0.04

#### Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

a. Below is a summary of the equity shares allotted by the Company pursuant to various ESOP plans for consideration other than cash (except for the face value of shares that has been recovered in case:

	31 March 2021	31 March 2020
Number of shares allotted pursuant to ESOP schemes	38,054	37,759

- b. During the years 31 March 2016 and 31 March 2015, the Company allotted 3,187,562 and 691,295 equity shares of INR 10 each fully paid up respectively, to the equity shareholders of Nueclear Healthcare Limited ('NHL') in consideration for 4,611,000 and 1,000,000 equity shares of NHL respectively at a premium of INR 295.95 per share to acquire 100% shares and make it a subsidiary.
- c. During the previous five years, the Group has not issued any bonus shares.

### 19 Other equity

	31 March 2021	31 March 2020
<b>(a) Capital reserve</b>		
At the commencement and end of the year	31.71	31.71
<b>(b) Securities premium</b>		
At the commencement of the year	67.24	65.08
Transfer on exercise of stock option	2.47	2.16
At the end of the year	69.71	67.24
<b>(c) Share options outstanding</b>		
At the commencement of the year	3.73	3.89
Employee compensation expense for the year	1.68	2.00
Transfer on exercise of stock option	(2.47)	(2.16)
At the end of the year	2.94	3.73
<b>(d) General reserve</b>		
At the commencement of the year	9.17	9.17
<b>(e) Capital redemption reserve</b>		
At the commencement and end of the year	0.96	0.96
<b>(f) Retained earnings</b>		
At the commencement of the year	201.00	271.52
Profit for the year including other comprehensive income	111.76	88.52
<i>Appropriation</i>		
Final/ Interim dividend on equity shares	(52.84)	(132.00)
Dividend distribution tax	-	(27.04)
At the end of the year	259.93	201.00
	<b>374.41</b>	<b>313.81</b>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 19 Other equity (Continued)

#### Capital reserve

Capital Reserve represents a) amounts received in earlier years from the selling shareholder at the time of the IPO towards reimbursement of certain expenses and b) fair of the trademark "Whaters" (subsequently disposed off) assigned by Dr A Velumani in favour of the Company for no consideration.

#### Securities premium

Securities premium represent the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

#### Share option outstanding account

The group has established various equity-settled share-based payment plans for certain categories of employees of the Group. The balance in the share option outstanding account represents the expenses recorded pursuant to the aforesaid schemes for which the options are not yet vested or exercised. (See Note 35 for further details on these plans).

#### General reserve

General reserve is used to record the transfer from retained earnings of the Company. It is utilized in accordance with the provisions of the Companies Act, 2013.

#### Capital redemption reserve

The Company bought back 9,58,900 equity shares for an aggregate amount of Rs. 63.00 crore being 1.78% of the total paid up equity share capital, at an average price of Rs. 656.90 per equity share. The equity shares bought back were extinguished on 12 October 2018 and 22 October 2018 and as per the provisions of the Companies Act, 2013, the Capital redemption reserve is used to record the reduction of the share capital of the Company on account of equity shares bought back out of the accumulated profits. It is created in accordance with the provisions of the Companies Act, 2013.

#### Dividends

The following dividends were declared and paid by the Company during the year :

	31 March 2021	31 March 2020
Interim dividend	52.84	26.40
INR 10/- per equity share (31 March 2020 : INR 5 per equity share)		
Final dividend of previous financial year	79.31	-
31 March 2021 : INR 15 per equity share (31 March 2020 : INR 20/- per equity share)		
After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities in the respective years. Dividends would attract dividend distribution tax when declared or paid. However, with the abolition of dividend distribution tax effective April 01, 2020, dividends will be taxable in the hands of recipient and hence Dividend Distribution Tax is not applicable.		
INR Nil per equity share (31 March 2020 : INR Nil per equity share)	-	-

31 March 2021

31 March 2020

### 20 Borrowings

Unsecured loan from related party (refer note 38)	-	2.50
	<u>-</u>	<u>2.50</u>

Note:

The loan from related party is unsecured and carries an interest rate of 9% p.a. The loan is repayable at the end of 5 years.

### 21A Lease liabilities

Non-current lease liabilities	5.45	5.69
Current lease liabilities	3.04	4.25
	<u>8.49</u>	<u>9.94</u>

### 21B Other financial liabilities

#### B Current

Security deposits received		
from parties other than related parties	10.28	10.65
Employees dues	6.89	5.41
Creditors for capital goods	6.14	6.04
Unclaimed dividend	0.12	0.08
	<u>23.43</u>	<u>22.18</u>

Investor Education and Protection Fund ('IEPF') - As at 31 March 2021 (31 March 2020 : INR Nil) there is no amount due and outstanding to be transferred to the IEPF by the Company. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.



# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*)

as at 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	31 March 2021	31 March 2020
<b>22 Provisions</b>		
<i>See accounting policy in Note 3 K and 3 L</i>		
<b>A Non-current provisions</b>		
Provision for employee benefits:		
Provision for compensated absences	9.37	6.22
Provision for gratuity ( <i>refer note 34</i> )	4.21	1.94
	<u>13.58</u>	<u>8.16</u>
<b>B Current provisions</b>		
Provision for CSR spending	2.19	-
Provision for employee benefits:		
Provision for compensated absences	1.11	0.98
Provision for gratuity ( <i>refer note 34</i> )	0.09	0.03
	<u>3.39</u>	<u>1.01</u>
<b>23 Trade payables</b>		
Trade Payables		
- total outstanding dues of micro enterprises and small enterprises and ( <i>See Note 39 (a)</i> )	0.53	0.70
- total outstanding dues of creditors other than micro enterprises and small enterprises	24.48	21.16
	<u>25.01</u>	<u>21.86</u>
<b>24 Current tax liabilities (net)</b>		
<i>See accounting policy in Note 3 P</i>		
Provision for current tax (net of advance tax and tax deducted at source)	2.57	0.75
	<u>2.57</u>	<u>0.75</u>
<b>25 Other current liabilities</b>		
Contract liabilities - Advance from customers	8.60	4.73
Advance received towards consideration for sale of capital assets held for sale ( <i>Refer Note 4C</i> )	27.20	25.94
Statutory dues *	1.86	0.97
	<u>37.66</u>	<u>31.64</u>

\* Statutory dues include goods and services tax, tax deducted at source, local body tax, profession tax, employees provident fund and ESIC.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>26 Revenue from operations</b>		
Sale of products (See Note (i) below)	3.15	5.54
Sale of services (See Note (ii) below)	485.93	421.87
	<u>489.08</u>	<u>427.41</u>
Other operating revenue	5.54	6.85
<b>Total</b>	<u><u>494.62</u></u>	<u><u>434.26</u></u>
<b>Note:</b>		
(i) Sale of products comprises :		
<b>Manufactured goods</b>		
Radioactive pharmaceutical (FDG)	1.81	2.60
<b>Traded goods</b>		
Gluco meter / Glucose strips (GMGS)	1.34	2.94
<b>Total</b>	<u>3.15</u>	<u>5.54</u>
<b>(a) Reconciliation of revenue from contracts with customers</b>		
Revenue from contract with customer as per the contract price	494.62	434.26
Adjustments made to contract price on account of :-		
Discount / Rebates	-	-
<b>Revenue from contract with customer</b>	<u>494.62</u>	<u>434.26</u>
<b>(b) Movement in Contract liabilities</b>		
<b>Opening Balance</b>	4.73	4.56
Revenue recognised that was included in contract liability balance at the beginning of the year	(4.73)	(4.56)
Increases due to cash received, excluding amounts recognised as revenue during the year	8.60	4.73
<b>Closing Balance</b>	<u>8.60</u>	<u>4.73</u>
(ii) Sale of services comprises :		
Diagnostic Services	455.77	379.73
Sale of consumables for providing diagnostic services	18.38	31.11
Imaging Services	11.78	11.03
<b>Total</b>	<u>485.93</u>	<u>421.87</u>
<b>27 Other income</b>		
Interest income (See Note (i) below)	0.79	0.70
Net gain on investments	3.68	4.78
Profit on sale of business undertaking	1.64	-
Others (See Note (ii) below)	6.32	1.19
	<u>12.43</u>	<u>6.67</u>
<b>Note:</b>		
(i) Interest income comprises:		
Interest from banks on deposits	0.58	0.37
Interest on income tax refund	0.02	-
Interest on deposit for electricity	-	0.04
Others	0.19	0.29
<b>Total - Interest income</b>	<u>0.79</u>	<u>0.70</u>
(ii) Others comprises:		
Profit on sale of property, plant and equipment	4.20	0.01
Net gain on liquidation of associate	-	0.03
Miscellaneous income	2.12	1.15
<b>Total - Others</b>	<u>6.32</u>	<u>1.19</u>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>28 a. Cost of materials consumed</b>		
Opening stock	20.24	17.78
Add: Purchases	<u>165.55</u>	<u>117.38</u>
	185.79	135.16
Less: Closing stock	<u>23.26</u>	<u>20.24</u>
<b>Cost of material consumed</b>	<u><u>162.53</u></u>	<u><u>114.92</u></u>
<i>Material consumed comprises:</i>		
Reagents/ Diagnostics material	138.49	100.26
Radiopharmaceuticals	0.96	1.39
Consumables - laboratory	18.82	8.61
Consumables - processing	<u>2.82</u>	<u>4.66</u>
	<u><u>161.08</u></u>	<u><u>114.92</u></u>
<b>28 b. Purchases of stock-in-trade</b>		
Gluco meter / Glucose strips (GMGS)	1.09	2.25
	<u>1.09</u>	<u>2.25</u>
<b>28 c. Changes in inventories of stock-in-trade</b>		
<i>Inventories at the end of the year:</i>		
Gluco meter / Glucose strips (GMGS)	<u>1.85</u>	<u>0.38</u>
	<u>1.85</u>	<u>0.38</u>
<i>Inventories at the beginning of the year:</i>		
Gluco meter / Glucose strips (GMGS)	<u>2.13</u>	<u>0.30</u>
	<u>2.13</u>	<u>0.30</u>
<b>Net change</b>	<u><u>0.28</u></u>	<u><u>(0.08)</u></u>
<b>29 Employee benefits expense</b>		
Salaries, wages and bonus	45.92	38.57
Contributions to provident and other funds	3.70	3.51
Employees stock compensation expense	1.68	2.00
Gratuity	0.52	0.55
Compensated absences	4.01	2.31
Staff welfare expenses	<u>2.24</u>	<u>1.98</u>
	<u><u>58.07</u></u>	<u><u>48.92</u></u>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>30 Other expenses</b>		
Outlab processing	1.20	1.47
Power and fuel and water	7.64	8.69
Rent	0.84	1.19
Repairs and maintenance - Buildings	2.07	1.62
Repairs and maintenance - Machinery	6.36	6.81
Repairs and maintenance - Others	0.03	0.01
Insurance	0.09	0.06
Rates and taxes	2.13	1.00
Communication	1.05	0.95
Service charges	34.36	22.57
Postage and courier	2.55	2.93
Printing and stationery	1.94	2.95
Sales incentive	18.23	17.76
Advertisement expenses	3.99	0.72
Business promotion	1.67	5.03
Legal and professional fees	9.20	11.41
Payments to the auditors (See note (i) below)	0.46	0.50
Loss on foreign exchange fluctuation (net)	0.14	-
Provision for doubtful debts	0.43	1.89
Corporate social responsibility expense	4.47	4.09
Share issue expenses	0.02	-
Miscellaneous expenses	2.51	3.04
	<b>101.39</b>	<b>94.68</b>

### Notes:

#### (i) Payments to the auditors comprises \*

Statutory audit and limited review fees	0.44	0.44
Tax audit fees	0.02	0.04
Reimbursement of out of pocket expenses	(0.00)	0.02
* Payment to auditors is inclusive of GST, as applicable	-	-
	<b>0.46</b>	<b>0.50</b>

### 31 Income tax

See accounting policy in Note 3 P

#### A. Amount recognised in profit or loss

##### Current tax

Current period (a)	44.14	43.00
Changes in estimates related to prior years (b)	0.11	(0.25)

##### Deferred tax (c)

Attributable to -

Origination and reversal of temporary differences	(4.93)	9.26
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##### Tax expense (a)+(b)+(c)

	<b>39.32</b>	<b>52.01</b>
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#### B. Amount recognised in other comprehensive income

Re-measurement gains/ (losses) on defined benefit plans	(0.48)	0.04
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##### Tax expense in other comprehensive income

	<b>(0.48)</b>	<b>0.04</b>
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#### C. Reconciliation of effective tax rate

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before exceptional items, share of profit of associate and tax	152.54		146.48	
Tax using the Group's domestic tax rate	38.39	25.17%	36.87	25.17%
Effect of :				
Non-deductible expenses (net)	1.16	0.8%	3.68	2.5%
Tax exempt income	-	-	(0.08)	-0.1%
Derecognition of deferred tax assets in respect of unabsorbed depreciation and carried forward tax losses	-	-	8.20	5.6%
Others	(0.70)	-0.5%	3.34	2.3%
<b>Effective tax rate</b>	<b>38.85</b>	<b>25.5%</b>	<b>52.01</b>	<b>35.5%</b>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

	Year ended 31 March 2021	Year ended 31 March 2020
<b>32 Earnings per share</b>		
<b>(i) Basic</b>		
Net profit for the year attributable to equity shareholders	<b>113.15</b>	88.40
Weighted average number of equity shares outstanding during the year	<b>5,28,50,753</b>	5,28,10,058
Face value per share Rs.	<b>10</b>	10
Earnings per share - Basic (Rs.)	<b>21.41</b>	16.74
<b>(ii) Diluted</b>		
Net profit for the year attributable to equity shareholders	<b>113.15</b>	88.40
Weighted average number of equity shares for Basic EPS	<b>5,28,50,753</b>	5,28,10,058
Add: Equity shares reserved for issuance on ESOP	<b>1,03,054</b>	1,09,147
Weighted average number of equity shares - for diluted EPS	<b>5,29,53,807</b>	5,29,19,205
Face value per share Rs.	<b>10</b>	10
Earnings per share - Diluted (Rs.)	<b>21.37</b>	16.71

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 33 Operating segments

#### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has three reportable segments, as described below, which are the Group's strategic business units. These business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments :

Reportable segments	Operations
Diagnostic Testing Services	Diagnostic and testing services, selling of consumables used for collection and promotion of pathology segment
Imaging Services	Diagnostic and imaging services, selling of radio-pharmaceutical, selling of consumables for reporting
Others: Sale of testing equipment and consumables	Selling of glucometer and glucostrips under the brand name <i>Sugarscan</i>

#### B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group operates from its centralised laboratory, regional processing laboratories, medical cyclotron facility, PET-CT centres and corporate office in India and therefore does not have much of its operations in economic environments with different risks and returns, hence considering its operation from single geographical segment, the Company has not recognised geographical segment as its secondary segment for reporting.

	Reportable segments			Total
	Diagnostic Testing Services	Imaging Services	Others	
Segment revenue	472.87	20.41	1.34	494.62
<i>Segment revenue</i>	<i>398.11</i>	<i>34.09</i>	<i>2.94</i>	<i>435.14</i>
Less : Intersegment Revenue	-	-	-	-
	(0.88)	-	-	(0.88)
	-	-	-	-
<b>Total segment revenue</b>	<b>472.87</b>	<b>20.41</b>	<b>1.34</b>	<b>494.62</b>
	397.23	34.09	2.94	434.26
Segment profit (loss) before income tax	149.30	(9.03)	0.08	140.35
	144.41	(6.51)	0.77	138.67
Unallocable income net off other unallocable expenditure				12.18
				7.82
<b>Profit before exceptional items and income tax</b>				<b>152.53</b>
<i>Profit before exceptional items and income tax</i>				<i>146.49</i>
Exceptional items				(0.07)
				(6.58)
Segment assets	206.55	92.08	0.10	298.73
	160.00	103.16	0.29	263.45
Unallocable assets (includes assets held for sale Rs. 40.36 (PY Rs. 31.14 )				247.07
				205.63
<b>Total assets</b>				<b>545.80</b>
				469.08
Segment liabilities	76.66	34.94	0.06	111.65
	61.56	35.54	0.17	97.27
Unallocable liabilities				4.94
				6.96
<b>Total liabilities</b>				<b>116.59</b>
				104.23
<b>Other information</b>				
Capital expenditure (allocable)	39.10	0.07	-	39.17
	13.59	1.12	-	14.71

Note : Figures in italic relates to the previous year 31 March 2020

The testing and imaging services to patients and sale of pharmaceuticals to customers are primarily in India and hence information about geographical areas of the operations was not disclosed separately by the Group.

Thyrocare Technologies Limited  
**Notes to the consolidated financial statements (Continued)**  
for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

**34 Employee benefits**

**A. Defined contribution plans**

The Group makes Provident Fund, ESIC and Maharashtra Labour Welfare Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The Group recognised INR 2.99 crore (31 March 2020 : INR 2.80 crore) for Provident Fund contributions, INR 0.66 crore (31 March 2020 : INR 0.70 crore) for ESIC contributions and INR 0.01 crore for Maharashtra Labour Welfare Fund (31 March 2020 : INR 0.01 crore) in the Statement of Profit and Loss during the year (See note 29). The contributions payable to these plans by the Group are at rates specified in the rules of the schemes. The Group does not expect any further liability other than the specified contributions.

**B. Defined benefit plans**

The Group offers the following employee benefit schemes to its employees :

- Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

	31 March 2021	31 March 2020
<b>a. Components of defined benefit plan expense</b>		
<i>i. Expenses recognised in profit or loss</i>		
Current service cost	0.38	0.43
Interest cost	0.13	0.12
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>0.51</b>	<b>0.55</b>
<i>ii. Expenses recognised in other comprehensive income</i>		
Actuarial (gain) loss on defined benefit obligations	1.87	(0.16)
<b>Total expense recognised in other comprehensive income</b>	<b>1.87</b>	<b>(0.16)</b>
<b>b. Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of unfunded obligation	-4.30	(1.97)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(4.30)</b>	<b>(1.97)</b>
<b>Net asset/ (liability) is bifurcated as follows :</b>		
Current	(0.09)	(0.03)
Non Current	(4.21)	(1.94)
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(4.30)</b>	<b>(1.97)</b>
<b>c. Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the period	1.97	1.61
Current service cost	0.39	0.42
Interest cost	0.13	0.13
Actuarial (gains) / losses	1.87	(0.16)
Benefits paid	(0.06)	(0.03)
<b>Present value of DBO at the end of the year</b>	<b>4.31</b>	<b>1.97</b>
<b>d. Actuarial assumptions</b>		
Discount rate	6.44%	6.82%
Salary escalation	<b>4% p.a. for next 1 year, 9% p.a. for the year thereafter, 10% p.a. for all years thereafter</b>	2% p.a. for the next 1 year, 4% p.a. for the next 1 year, starting from the 2nd year 9% p.a. for the next 1 year, starting from the 3rd year 10% p.a. thereafter, starting from the 4th year
Rate of employee turnover	<b>Employees : For service 2 yrs. &amp; below 35% p.a., For service 3 yrs. to 4 yrs. 20% p.a. &amp; thereafter 2% p.a. Directors : 1% p.a.</b>	Employees : For service 2 yrs. & below 25% p.a., For service 3 yrs. to 4 yrs. 10% p.a. & thereafter 2% p.a. Directors : 1% p.a.
Mortality rate during employment	<b>Indian Assured Lives Mortality (2006-08)</b>	Indian Assured Lives Mortality (2006-08)
Weighted average duration of defined benefit obligations	<b>20 years</b>	19 - 21 years
<b>e. Maturity analysis of the benefit payments from the employer</b>		
<i>Projected benefits payable in future years from the date of reporting</i>		
1st following year	0.09	0.03
2nd following year	0.06	0.06
3rd following year	0.10	0.03
4th following year	0.07	0.06
5th following year	0.08	0.04
Sum of years 6 to 10	0.83	0.50
Sum of years 11 and above	15.66	7.08

Thyrocare Technologies Limited  
**Notes to the consolidated financial statements (Continued)**  
for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

**34 Employee benefits (Continued)**

**B. Defined benefit plans (Continued)**

	31 March 2021	31 March 2020
<b>f. Sensitivity analysis</b>		
<i>Projected benefits obligation on current assumptions</i>		
Delta effect of +1% change in rate of discounting	<b>(0.69)</b>	(0.30)
Delta effect of -1% change in rate of discounting	<b>0.88</b>	0.37
Delta effect of +1% change in rate of salary increase	<b>0.71</b>	0.30
Delta effect of -1% change in rate of salary increase	<b>(0.60)</b>	(0.25)
Delta effect of +1% change in rate of employee turnover	<b>(0.21)</b>	(0.07)
Delta effect of -1% change in rate of employee turnover	<b>0.25</b>	0.09

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was not change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**35 Share-based payments**

See accounting policy in Note 3 K

**A. Description of share-based payment arrangements**

During the year, the Company has offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2020” (ESOS2020) vide authorisation of shareholders in the annual general meeting held on 29 September 2020. The options may be exercised either fully or partially in four equal instalments.

The employees were identified as those who had completed two years of service as on the date of sanction of the scheme, subject to their continuous service till the vesting period.

During the earlier years, the Company had offered stock options to the eligible employees under “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2019” (ESOS2019), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2018” (ESOS2018), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2017” (ESOS2017), “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2016” (ESOS2016) and “THYROCARE EMPLOYEES STOCK OPTION SCHEME 2015” (ESOS2015) vide authorisation of shareholders in their meetings held on 24 August 2019, 1 September 2018, 12 August 2017, 12 September 2016 and 26 September 2015 respectively. Under the respective scheme, the options may be exercised either fully or partially in four equal instalments. The employees were identified as those who had completed certain years of service subject to their continuous service till the vesting period.

Additionally, the Company formed a trust, 'Thyrocare Employee Stock Option Trust' wherein the shares to be issued under these options were allotted to the Trust. The Trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the compensation committee. The identified employees are also entitled to purchase additional shares proportionately from the shares of employees who are not desirous to purchase the equity shares or who have left the organisation.

The key details of the various schemes are as under:

Scheme	Date of Grant	Numbers of options granted	Vesting Conditions	Exercise Period	Exercise Price (INR) per share	Weighted Average Exercise Price (INR) per share
ESOS2020	29-Sep-20	40,429	3 years	One year from vesting date	10	10
ESOS2019	24-Aug-19	40,423	3 years	One year from vesting date	10	10
ESOS2018	11-Aug-18	40,452	3 years	One year from vesting date	10	10
ESOS2017	12-Aug-17	50,516	3 years	One year from vesting date	10	10
ESOS2016	12-Sep-16	50,537	3 years	One year from vesting date	10	10



Thyrocare Technologies Limited  
**Notes to the consolidated financial statements (Continued)**  
for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

**35 Share-based payments (Continued)**

**B. Employee stock option activity under the respective schemes is as follows:**

Scheme	31 March 2021	31 March 2020
	No of Options	No of Options
<b>ESOS2020</b>		
Outstanding at 1 April	-	-
Granted during the year	40,429	-
Forfeited during the year	-	-
<b>Outstanding at 31 March</b>	<b>40,429</b>	-
<b>ESOS2019</b>		
Outstanding at 1 April	37,189	-
Granted during the year	-	40,429
Forfeited during the year	4,105	3,240
<b>Outstanding at 31 March</b>	<b>33,084</b>	<b>37,189</b>
<b>ESOS2018</b>		
Outstanding at 1 April	34,270	37,654
Forfeited during the year	3,423	3,384
<b>Outstanding at 31 March</b>	<b>30,847</b>	<b>34,270</b>
<b>ESOS2017</b>		
Outstanding at 1 April	39,880	43,320
Forfeited during the year	1,826	3,440
Exercised during the year	38,054	-
<b>Outstanding at 31 March</b>	<b>-</b>	<b>39,880</b>
<b>ESOS2016</b>		
Outstanding at 1 April	-	39,526
Forfeited during the year	-	1,767
Exercised during the year	-	37,759
<b>Outstanding at 31 March</b>	<b>-</b>	<b>-</b>

**C. The key assumptions used to estimate the fair value of options are:**

	31 March 2021	31 March 2020
Volatility	21.65%	21.65%
Expected life	3.50 years	3.50 years
Dividend Yield	1.5%	1.5%
Risk-free interest rate (based on government bonds)	7.85%	6.30%
Model Used	Black-Scholes-Merton Formula	Black-Scholes-Merton Formula

The expense arising from equity settled share based payment transaction amounting to INR 1.70 crore and INR 2.00 crore for the year ended 31 March 2021 and 31 March 2020 respectively have been recognised in the Statement of profit and loss.

**Fair Value of the option as at the grant date**

Plan Grant date	Fair value in INR
ESOS2 Tuesday, September 29, 2020 020	758.00
ESOS2 Saturday, August 24, 2019 019	448.83
ESOS2 Saturday, September 1, 2018 018	632.88
ESOS2 Saturday, August 12, 2017 017	653.35
ESOS2 Monday, September 12, 2016 016	577.04

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management

#### A. Accounting classifications and fair values

	Note	FVTPL	Carrying amount FVOCI	Amortised cost	Total carrying amount
31 March 2021					
31 March 2020					
<b>Financial assets</b>					
<b>Investments</b>	<b>7</b>	<b>104.49</b>	-	-	<b>104.49</b>
		<i>69.03</i>	-	-	<i>69.03</i>
<b>Loans</b>	<b>8</b>	-	-	<b>3.48</b>	<b>3.48</b>
		-	-	<i>4.91</i>	<i>4.91</i>
<b>Trade receivables</b>	<b>14</b>	-	-	<b>44.68</b>	<b>44.68</b>
		-	-	<i>16.30</i>	<i>16.30</i>
<b>Cash and cash equivalents</b>	<b>15</b>	-	-	<b>13.20</b>	<b>13.20</b>
		-	-	<i>8.71</i>	<i>8.71</i>
<b>Other bank balances</b>	<b>15</b>	-	-	<b>2.53</b>	<b>2.53</b>
		-	-	<i>2.36</i>	<i>2.36</i>
<b>Others</b>	<b>9,16</b>	-	-	<b>9.14</b>	<b>9.14</b>
		-	-	<i>2.86</i>	<i>2.86</i>
		<b>104.49</b>	-	<b>73.04</b>	<b>177.52</b>
		<i>69.03</i>	-	<i>35.14</i>	<i>104.17</i>
<b>Financial liabilities</b>					
<b>Borrowings</b>	<b>20</b>	-	-	-	-
		-	-	<i>2.50</i>	<i>2.50</i>
<b>Other financial liabilities</b>	<b>21B</b>	-	-	<b>23.43</b>	<b>23.43</b>
		-	-	<i>22.18</i>	<i>22.18</i>
<b>Trade payables</b>	<b>23</b>	-	-	<b>25.00</b>	<b>25.00</b>
		-	-	<i>21.86</i>	<i>21.86</i>
		-	-	<b>48.43</b>	<b>48.43</b>
		-	-	<i>46.53</i>	<i>46.53</i>

Figures in italics pertains to previous year.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management (Continued)

#### B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, borrowings, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of investment in mutual funds is included at the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted investments/units of mutual fund scheme are based on net asset value at the reporting date as published by the mutual fund.

The following table provides the fair value measurement hierarchy of the Company's financial instruments which are measured at fair value:

	31 March 2021		Level 3	Total	31 March 2020	
	Total	Quoted prices in active markets (Level 1)			Quoted prices in Level 3 active markets (Level 1)	
Security Deposits	2.08	-	2.08	1.25	-	1.25
Investment in Mutual funds (Refer Note 7)	104.49	104.49	-	69.03	69.03	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

	31-Mar-21	31-Mar-20
Opening balance	1.25	1.33
Additions during the period	1.31	0.24
Deletions during the period	(0.43)	(0.34)
Fair value movement	(0.05)	0.02
Closing balance	2.08	1.25

One percentage change in the unobservable inputs used in the fair valuation of level 3 assets does not have a significant impact in the fair value of the financial instrument.

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2020.

Description of significant unobservable inputs to valuation:

Name of financial asset	Security deposit
Valuation technique	Discounted cash flow method was used to capture the present value of the expected future economic benefits that will flow to the Group arising from the investments in financial assets.
Significant unobservable inputs	Discount rate

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 36 Financial instruments - Fair values and risk management (Continued)

#### C. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- credit risk (see (C) (i));
- liquidity risk (see (C) (ii));
- market risk (see (C) (iii)).

#### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans.

The Group has no significant concentration of credit risk with any counterparty.

##### Trade receivables and loans

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the management.

##### Security deposits

These represents security deposits given towards laboratories taken on lease under contractual arrangement EMD deposit for participation in tender.

The Group limits its exposure to credit risk from trade receivables by establishing a credit limit that is linked to either category of the customer or the security deposits paid by the customer to avail the services.

In monitoring customer credit risk, customers are compared according to their credit characteristics, including whether they are individuals or legal entities, their geographic locations, industry, trading history with the Group and existence of previous financial difficulties, if any.

##### Investments

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

### 36 Financial instruments - Fair values and risk management (Continued)

#### C. Financial risk management (Continued)

#### ii. Credit risk (Continued)

The Group's exposure to credit risk for trade receivables by geographic region was as follows -

	Carrying amount	
	31 March 2021	31 March 2020
<b>Trade receivables (net of provision for doubtful debts)</b>		
India	41.85	13.24
Other regions	2.83	3.32
	<b>44.68</b>	<b>16.56</b>

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

Expected credit loss (ECL) assessment for individual customers as at 31 March 2021 and 31 March 2020

As per simplified approach the Group makes provision of expected credit losses on trade receivable using a provision matrix to mitigate the risk of default payment and make appropriate provision at each reporting date.

At March 31, 2020, the ageing of trade receivables that were not impaired was as follows.

	Total		Related parties		Others	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
1-30 days past due	5.04	6.04	0.50	0.32	4.54	5.72
31-60 days past due	3.82	1.72	1.01	0.54	2.81	1.18
61-90 days past due	2.61	1.20	0.85	0.37	1.76	0.83
91-180 days past due	3.56	2.98	1.41	1.95	2.15	1.03
More than 180 days past due	1.53	0.22	0.77	-	0.76	0.22
	<b>16.56</b>	12.16	<b>4.54</b>	3.18	<b>12.02</b>	8.98

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk.

### iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's

Exposure to liquidity risk

The following are remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

## 36 Financial instruments - Fair values and risk management (Continued)

### C. Financial risk management (Continued)

#### iii. Liquidity risk (Continued)

	Carrying amount as on	Total	upto 1 year	more than 1 year
	31 March 2020			
	31 March 2019			
<b>Non-derivative financial liabilities</b>				
Borrowings	2.50	2.50	-	2.50
	2.50	2.50	-	2.50
Trade payables	21.86	21.86	21.86	-
	7.51	7.51	7.51	-
Lease Liabilities	9.94	11.82	5.11	6.71
	-	-	-	-
Other financial liabilities	22.18	22.18	22.18	-
	15.64	15.64	15.64	-

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of Group. The functional currency for large number of transactions of the Group is INR and majority of the customers the Group dealt with operate from India only. The Group receives more than 98% of its revenue from the domestic operations only.

#### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management is as follows.

	INR	USD
Trade receivables	5.79	0.08
	3.79	0.05
Trade payables	0.93	0.01
	0.37	0.01
Net exposure in respect of recognized assets and liabilities	4.87	0.07
	3.41	0.05

## 36 Financial instruments - Fair values and risk management (Continued)

### C. Financial risk management (Continued)

#### iv. Market risk (Continued)

##### Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR or US dollar at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
	Strengthening	Weakening
<b>31 March 2020</b>		
INR (10% movement)	0.49	-0.49
<b>31 March 2019</b>		
INR (10% movement)	0.34	-0.34

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 37 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2021	31 March 2020
<b>Contingent liabilities</b>		
<i>Claims against the Company not acknowledged as debts</i>		
a. Property tax demand	-	3.83
b. Income tax demands - TDS matter	49.22	49.22
c. Other income tax matters	1.09	0.76
d. Employees provident fund matter	0.52	0.52

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

	31 March 2021	31 March 2020
<b>Commitments</b>		
a Commitments relating to long term arrangement with vendors ( <i>see note (i)</i> )	78.98	180.54

i The Group has entered into Reagent Rental Arrangements for periods ranging from 2 years to 6 years with some of its major reagent suppliers. As per the terms of the agreement, these reagent suppliers have placed the analysers / diagnostic equipments at no cost in the processing laboratory. The analysers / diagnostic equipments are programmed by the manufacturers to be used only against the reagent supplier's brand of reagent kits. The commitments as per these arrangements are either purchase commitments or rate commitments based on the workloads. The value of purchase commitments for the remaining number of years are Rs. 78.98 crore (31 March 2020 : Rs. 180.54 crore) of which annual commitment for next year is Rs. 36.78 crore (31 March 2020 : Rs. 101.57 crore) as per the terms of these arrangements.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 38 Related parties

Description of relationship	Names of related parties
<i>Associates</i>	Equinox Labs Private Limited (From 28 March 2018) Thyrocare International Holding Company Limited, Mauritius (liquidated during the year ended 31 March 2020)
<i>Enterprise over which directors and their relatives exercise control or influence, where transactions have taken place during the year</i>	Thyrocare Gulf Laboratories WLL Sumathi Healthcare Private Limited (Previously known as Sumathi Construction Private Limited) Pavilion Commercial Private Limited Sumathi Infra Project LLP Mahima Advertising LLP Thyrocare Publications LLP Thyrocare Properties & Infrastructure Private Limited Sumathi Memorial Trust
<i>Key Management Personnel (KMP)</i>	Dr A Velumani, Managing Director A Sundararaju, Director Anand Velumani, Director Amruta Velumani, Director
<i>Relatives of KMP</i>	Dr A Velumani HUF (HUF in which Dr A Velumani is Karta) A Sundararaju HUF (HUF in which A Sundararaju is Karta) S Susila (sister of Dr A Velumani)

#### B. Transactions with key management personnel

##### i. Key management personnel compensation

	Year ended	Year ended	Balance outstanding	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Dr A Velumani	0.00*	(0.00)*	0.00	0.00
A Sundararaju	0.55	0.55	-	-
	<b>0.55</b>	<b>0.60</b>	<b>0.00</b>	<b>0.04</b>

\* Amount less than Rs. 1 lakh

As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amount pertaining to key managerial personnel are not included.

##### ii. Transactions with key management personnel including directors

	Transaction value		Balance outstanding	
	Year ended	Year ended	31 March 2021	31 March 2020
	31 March 2021	31 March 2020		
<i>Dividend paid</i>				
Dr A Velumani	14.82	37.02	-	-
A Sundararaju	0.25	0.62	-	-
Amruta Velumani	0.75	1.88	-	-



# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued) for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 38 Related parties (Continued)

#### C. Related party transaction other than those with key management personnel

	Transaction value		Balance outstanding	
	Year ended 31 March 2021	Year ended 31 March 2020	31 March 2021	31 March 2020
<b>Material sale</b>				
Sumathi Healthcare Private Limited	0.16	-	-	-
<b>Rent Paid / payable</b>				
Sumathi Healthcare Private Limited		-		-
<b>Outlab processing charges paid / payable</b>				
Equinox Labs Private Limited	0.00*	0.02	0.03	0.03
<b>Payment of lease liabilities</b>				
Sumathi Healthcare Private Limited	0.41	1.27	0.35	0.70
<b>Loan taken from</b>				
Pavilion Commercial Private Limited	-	-	-	2.50
<b>Loan Repaid</b>				
Pavilion Commercial Private Limited	2.50	-	-	-
<b>Interest paid</b>				
Pavilion Commercial Private Limited	0.14	0.23	-	-
<b>Revenue from operations</b>				
Thyrocare Gulf Laboratories WLL	0.83	3.96	1.01	2.53
Sumathi Memorial Trust (refer note)	0.32	3.80	0.18	1.19
<b>Receipt on liquidation of investment</b>				
Thyrocare International Holding Company Ltd, Mauritius	-	0.03	-	-
<b>Testing charges paid/ payable</b>				
Sumathi Healthcare Private Limited	1.51	-	-	-
<b>Loss on liquidation of investment (for which provision made in earlier years)</b>				
Thyrocare International Holding Company Ltd, Mauritius	-	1.59	-	-
<b>Provision for doubtful trade receivables</b>				
Thyrocare Gulf Laboratories WLL	-	1.62	2.27	2.27
<b>Reimbursement of expenses paid</b>				
Thyrocare Gulf Laboratories WLL	0.01	0.36	-	-
Sumathi Healthcare Private Limited	0.34	0.86	-	-
<b>Reimbursement of expenses received</b>				
Sumathi Healthcare Private Limited	0.29	0.99	0.08	-
<b>Technical assistance fees income</b>				
Thyrocare Gulf Laboratories WLL	2.17	1.06	2.60	3.09
<b>Sale of property, plant and equipment, addition to capital work-in-progress</b>				
Thyrocare Gulf Laboratories WLL	0.18	-	-	-
<b>Dividend paid</b>				
Anand Velumani	0.63	1.58	-	-
Dr A Velumani HUF	1.49	3.55	-	-
A Sundararaju HUF	2.42	6.04	-	-
Sumathi Infra Project LLP	1.58	3.94	-	-
Mahima Advertising LLP	1.26	3.15	-	-
Thyrocare Properties & Infrastructure Private Limited	5.22	13.04	-	-
Thyrocare Publications LLP	6.53	16.34	-	-
Pavilion Commercial Private Limited	0.01	0.03	-	-
<b>Advances received towards sale of property</b>				
Sumathi Healthcare Private Limited	-	25.00	25.00	25.00
<b>Investment in equity instruments (At historical cost)</b>				
Equinox Labs Private Limited	-	-	20.00	20.00
<b>Security deposits given/ (repaid)</b>				
Sumathi Healthcare Private Limited	-	-	1.54	1.54

#### Notes :

- The key management personnel, or their related parties, hold position in other entities that result in them having control or significant influence over these entities. These entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were at arm's length and in the normal course of the business.
- Sumathi Memorial Trust, a charitable trust managed by the promoters of the Company as trustees, in tie up with other NGO subsidised the cost of PETCT scans for the cancer patients who can not afford the cost of the PETCT scan, by direct payment to the Company towards PETCT scans of such cancer patients.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 39 Additional information to the financial statements

#### a. Due to Micro and Small Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro and Small enterprises. On the basis of the information and records available with the Management, the outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 are set out in following disclosure. This has been relied upon by the auditors.

	31 March 2021	31 March 2020
(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	0.53	0.70
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

b. The Group's international transactions and domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2020. Management believes that the Group's international transactions and domestic transactions with related parties post 31 March 2020 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

c. **Disclosure as per the Advisory issued by the Securities and Exchange Board of India of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'LODR Regulations'/'LODR')**

#### Impact on business

The novel coronavirus [COVID-19] pandemic continues to spread around the globe rapidly. The virus has taken its toll on not just human life, but business and financial markets too, the extent of which is currently indeterminate.

In view of the lockdown across the country due to the outbreak of COVID pandemic during the previous year, operations of the Company (collection centers, imaging centers, centralized processing laboratory, regional processing laboratories and offices, etc.) were scaled down or shut down from second half of March 2020. Although some of the states have initiated measures to lift the lockdown either partially or fully in the later part of the financial year, the duration of this lockdown was uncertain in almost all the states. Due to surge of COVID-19 cases in India, in the month of March 2021, the country might face partial/ full lockdown.

The Company has resumed its full operations in the second quarter of financial year and as compared to the previous year is better equipped to manage the operations effectively in the event of a lockdown.

The Company is also authorized by ICMR to perform COVID-19 tests using RT-PCR technology.

The Company continues to closely monitor the situation and will take appropriate action as necessary to scale up operations in compliance with the applicable regulations. As per the Company's current assessment, there is no significant impact estimated in respect of the carrying amounts of assets of the Company including inventories, intangible assets, trade receivables, investments and other financial assets, and the Company continues to closely monitor changes in future economic conditions. In view of the estimation uncertainty arising from the unprecedented nature of the COVID-19 pandemic, the eventual outcome of the impact of the pandemic may be different from that estimated as on the date of approval of these financial results.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 39 Additional information to the financial statements (*Continued*)

#### *Estimation uncertainty arising from COVID*

The Group continue to closely monitor the situation and take appropriate action, as necessary to scale up operations, in due compliance with the applicable regulations. As per our current assessment, no significant impact on carrying amounts of inventories, goodwill, intangible assets, trade receivables, investments and other financial assets is expected, and we continue to monitor changes in future economic conditions. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial results.

#### *Steps taken for smooth functioning of operations*

The business of the Group largely depends on the test requisitioned by the medical practitioners, hospitals, clinics and dispensaries. The tests requisitioned are processed at the centralised processing laboratory or at regional processing laboratory. The Group has adequate resources to ensure that the samples are routed to the centralised processing laboratory or at regional processing laboratory. Meanwhile, the Group, being engaged into healthcare, has already taken all adequate measures to ensure safety of its employees, executives, senior employees, directors, vendors and customers, to ensure smooth and safe functioning of operations.

#### *Other disclosures*

The Group has conserved sufficient liquid resources to ensure the operations of the Group are conducted smoothly.

The Group has no debt obligations as on date and there are no any impact foreseen on the assets of the Group, other than already disclosed in this financial statement or this disclosure.

The Group has inculcated prudent financial discipline among the management team to ensure maintenance and improvising the financial stability and strength of the Group through enhanced internal financial reporting and better control.

#### **f. Capital Management**

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group, the primary objective when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Group consists of equity attributable to the owners of the Company, comprising issued capital, reserves and accumulated profits as presented in the statement of changes in equity.

Consequent to such capital structure, there are no external imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Group allocates its capital for distribution as dividend or reinvestment into business based on its long term financial plans.

# Thyrocare Technologies Limited

## Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2021

(All amounts in Rs crores, unless otherwise stated)

### 39 Additional information to the financial statements (Continued)

#### g. Details of interests in subsidiaries and associates

##### Subsidiaries

The details of the Company's subsidiaries at 31 March 2020 is set below.

The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding % As on	
		31 March 2021	31 March 2020
Nuclear Healthcare Limited	India	100%	100%

##### Associates

The details of the Company's associates at 31 March 2020 is set below.

The country of incorporation is also the principal place of business.

Name of entity	Country of Incorporation	Shareholding % As on	
		31 March 2021	31 March 2020
Equinox Labs Private Limited	India	30%	30%
Thyrocare International Holding Company	Mauritius	-	9.09%

Thyrocare International Holding Company was liquidated during the current year and the Company has received the liquidation proceeds during the current year.

#### h. Additional information as required under para 2 of General Instruction for the preparation of Consolidated Financial Statements of Schedule III to the Companies Act, 2013.

Name of the enterprises	Net assets i.e total assets minus total liabilities		Share in profit or loss	
	As (%) of consolidated net assets	Amount (INR in crore)	As (%) of consolidated profit and loss	Amount (INR in crore)
<b>Parent group</b>				
Thyrocare Technologies Limited	104.25%	445.46	104.60%	118.36
<b>Subsidiary</b>				
Nuclear Healthcare Limited	10.17%	43.48	-5.85%	(6.61)
Eliminations	-14.43%	(61.65)	1.25%	1.41
	<b>100.00%</b>	<b>427.28</b>	<b>100.00%</b>	<b>113.15</b>

- i. The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of

**Thyrocare Technologies Limited**

CIN - L85110MH2000PLC123882

**Amar Sunder**

Partner

Membership No: 078305

**Dr. A Velumani**

Managing Director

DIN - 00002804

**A Sundararaju**

Director and Chief Financial Officer

DIN - 00003260

Mumbai

8 May 2021

**Ramjee D**

Company Secretary

Membership No - F2966

8 may 2021

## OTHER FINANCIAL INFORMATION

Set forth below are the details of accounting ratios as of three months ended June 30, 2021, Financial Year ended 2021 and the period ended 2020, calculated on the basis of the Restated Consolidated Financial Information:

Particulars	Three months period ended June 30, 2021	Fiscal	
		2021	2020
Restated loss attributable to owners of the parent (₹ in millions) (A)	(3,317.78)	(6,361.89)	(3,352.23)
Weighted average number of equity shares in calculating basic loss per share (B)	4,29,75,499	3,07,68,101	2,59,55,107
Weighted average number of equity shares in calculating diluted loss per share (C)	4,29,75,499	3,07,68,101	2,59,55,107
<b>Basic loss per share (₹) (D=A/B)</b>	<b>(77.20)</b>	<b>(206.77)</b>	<b>(129.15)</b>
<b>Diluted loss per share (₹) (E=A/C)</b>	<b>(77.20)</b>	<b>(206.77)</b>	<b>(129.15)</b>
Weighted average number of equity shares in calculating basic loss per share - post stock split and issuance of bonus equity shares (F)	4,72,73,04,891	3,38,44,91,110	2,85,50,61,770
Weighted average number of equity shares in calculating diluted loss per share - post stock split and issuance of bonus equity shares (G)	4,72,73,04,891	3,38,44,91,110	2,85,50,61,770
<b>Basic loss per share (₹) (H=A/F) - post stock split and issuance of bonus equity shares</b>	<b>(0.70)</b>	<b>(1.88)</b>	<b>(1.17)</b>
Diluted loss per share (₹) (I=A/G) - post stock split and issuance of bonus equity shares	<b>(0.70)</b>	<b>(1.88)</b>	<b>(1.17)</b>
Net worth (₹ in millions)* (J)	45,180.25	34,393.80	2,462.42
Restated loss attributable to owners of the parent (₹ in millions) (K)	(3,317.78)	(6,361.89)	(3,352.23)
<b>Return on net worth (%) (L=K/J)</b>	<b>(7.3%)</b>	<b>(18.5%)</b>	<b>(136.1%)</b>
Net worth (₹ in millions)* (M)	45,180.25	34,393.80	2,462.42
Number of equity shares outstanding at the end of the period/year used in calculation of basic and diluted loss per share (N)	4,60,83,884	3,90,93,529	2,63,40,558
<b>Restated Net asset value per Equity Share (₹) (O=M/N)</b>	<b>980.39</b>	<b>879.78</b>	<b>93.48</b>
Number of equity shares outstanding at the end of the period/year used in calculation of basic and diluted loss per share post share split and issuance of bonus equity shares (P)	5,06,92,27,240	4,30,02,88,190	2,89,74,61,380
<b>Restated Net asset value per Equity Share (₹) (Q=M/P) - post share split and issuance of bonus equity shares</b>	<b>8.91</b>	<b>8.00</b>	<b>0.85</b>
Restated loss for the period / year (₹ in millions) (R)	(3,138.91)	(6,413.36)	(3,352.79)
Total tax expenses/(credit)(₹ in millions) (S)	(58.66)	210.70	(116.77)
Finance costs (₹ in millions) (T)	205.80	434.31	118.86
Depreciation and amortization expense (₹ in millions) (U)	170.43	329.01	187.71
Other income (₹ in millions) (V)	104.52	253.93	699.06
<b>EBITDA (₹ in millions) (W=R+S+T+U-V)</b>	<b>(2,925.86)</b>	<b>(5,693.27)</b>	<b>(3,862.05)</b>
Employee Share based payment expense (₹ in millions) (X)	97.73	568.08	239.20
<b>Adjusted EBITDA (₹ in millions) (Y=W+X)</b>	<b>(2,828.13)</b>	<b>(5,125.19)</b>	<b>(3,622.85)</b>

\* Net worth is computed as the sum of the aggregate of paid-up equity share capital, share application money, instruments entirely in the nature of equity, Equity component of compound financial instruments, Money received against share warrants and other equity (all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account as per the Restated Financial Statements). Net worth represents equity attributable to owners of the Company and does not include amount attributable to non-controlling interests.

The audited standalone financial statements of our Company and our Material Subsidiaries for the Fiscals ended March 31, 2021 and March 31, 2020, respectively (“**Audited Financial Statements**”), for the periods of existence of the parent-subsidary relationship, as applicable, are available at <https://www.apiholdings.in/reports>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision.

None of the advisors of our Company, nor any of the BRLMs, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

### **Related Party Transactions**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations, for the three months ended June 30, 2021, Financial Year 2021 and the period ended 2020, see “*Financial Information - Restated Consolidated Financial Information – Note 49*” on page 322.

## FINANCIAL INDEBTEDNESS

Our Company and certain of its Subsidiaries have availed loans in the ordinary course of business for the purposes of meeting working capital requirements and business requirements. For details of the borrowing powers of our Board, see “Our Management – Details of Borrowing powers” on page 232.

The following table sets forth the details of the aggregate consolidated outstanding borrowings of our Company and our Subsidiaries as of September 15, 2021:

(₹ in million)		
Category of borrowing	Sanctioned amount	Outstanding amount
<b>Secured</b>		
Term loans	20,279.00	20,099.10
Non-convertible debentures	1,213.95	1,180.59
Compulsorily convertible debentures	-	-
<b>Working capital facilities</b>		
- Fund based	2,114.00	978.15
- Non-fund based	28.76	28.76
<b>Unsecured</b>		
Term loans	1,600.70	1,600.70
Non-convertible debentures	1,000.00	1,000.00
Compulsorily convertible debentures	60.00	60.00
<b>Total</b>	<b>26,296.41</b>	<b>24,947.30</b>

As certified by Saini Pati Shah & Co LLP, Chartered Accountants, through a certificate dated November 7, 2021.

### Principal terms of the outstanding borrowings availed by us:

1. **Interest:** The interest rates of the borrowings availed by our Company and certain of our Subsidiaries range between 7.80% and 15.5% per annum. Further, the coupon rates of non-convertible debentures issued by our Company are 15.5% per annum and some compulsorily convertible debentures issued by our Subsidiaries are 0.01%.
2. **Penal Interest:** In terms of borrowings availed by certain of our Subsidiaries, the lenders may charge a penal interest of up to 3% over and above the interest rate for all over dues and delays of any monies payable (both principal and interest).
3. **Security:** Our Company and certain of our Subsidiaries, in the ordinary course of business, have provided corporate guarantees to the lenders as part of facilities availed by certain of our Subsidiaries. In terms of the borrowings by certain of our Subsidiaries where security needs to be created, security is created by way of *pari passu* charge on their fixed assets and current assets (both present and future), pledge of shares, exclusive mortgage and hypothecations over properties, etc.
4. **Repayment and Tenor:** The repayment period for the loans availed by our Company and certain of our Subsidiaries is up to 5 years and redemption period for non-convertible debentures issued by certain of our Subsidiaries is up to 3 years for debentures and our Company and Subsidiaries are required to repay the borrowings availed in accordance with the repayment schedule stipulated in the relevant loan documentation. Certain of our Subsidiaries have also been given loans by their respective directors which are repayable on demand.
5. **Key Covenants:** In terms of borrowing arrangements, our Company and certain of our Subsidiaries are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and are required to take the lender’s prior consent and/or intimate the respective lender before carrying out such actions, including, but not limited to the following:
  - a) take prior consent of the lenders to enter into any scheme of merger, amalgamation, compromise or reconstruction of the Company and its Subsidiaries;
  - b) take prior consent of the lenders for effecting any material change in the management of our business;
  - c) take prior consent of the lenders to make any amendments in the Company’s Memorandum and Articles;
  - d) take prior consent of the lenders for effecting any change in capital structure which will lead to a change in control;
  - e) take prior consent of the lenders to create, assume or incur any further indebtedness of a long-term nature whether for borrowed money or otherwise;

- f) take prior consent to effect any dividend payout or capital withdrawal, in case of delays in payment of dues or breach of financial covenants;
- g) take prior consent of the lenders to diversify into non-core areas viz business other than the current business;
- h) take prior consent to undertake any guarantee obligations or extend letter of comfort, on behalf of any other company, person, trust or any third party;
- i) take prior consent before investing in, or extending any advances or loans, to any group company, associates, subsidiary or any other third party;
- j) take prior consent in case of any change in the founder directors of the Company;
- k) take prior consent of the lenders to effect any buy-back of securities;
- l) prepayment of loans of certain of our Subsidiaries upon the occurrence of any event that results in dilution of equity share capital of our Company.

6. **Events of Default:** The borrowing arrangements entered into by our Company and certain of our Subsidiaries prescribe events of default, including among others:

- a) failure or inability to make any payment of principal or interest when due and payable;
- b) cross default in case of defaults on obligations to any of its financial creditors;
- c) bankruptcy, insolvency or dissolution of our Company;
- d) deterioration or impairment of the securities or any part thereof;
- e) breach or default in performance or observance in the agreement or any of the covenant;
- f) liquidation or amalgamation without prior consent of the lenders;
- g) change of ownership or control;
- h) imposition of any moratorium or other protection from creditors on the indebtedness of our Company;
- i) if any substantial change in the constitution or management occurs without the prior consent of the lenders.
- j) transactions contemplated by the Transaction Documents become illegal or unlawful or unenforceable;
- k) material adverse effect and material litigation
- l) any nationalization or expropriation of the issuer or all or a substantial part of its assets
- m) any amendment to the constitutional documents which in the opinion of the lenders is prejudicial to their rights under the facility documents or is inconsistent with facility documents.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.

7. **Consequences of occurrence of events of default:** In terms of the facility agreements and sanction letters, the following, among others, are the consequences of occurrence of events of default, our lenders may:

- a) Seek immediate acceleration of all dues and obligations;
- b) enforce the security and invoke guarantees provided;
- c) impose of penal interest over and above the contracted rate on the amount in default; and
- d) have a right to appointment its nominee as receiver and appointment of an observer.
- e) Enforce any covenant or undertaking under the facility documents.

This is an indicative list and there may be such other additional terms under the various borrowing arrangements entered into by our Company and certain of our Subsidiaries.



## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at June 30, 2021, derived from the Restated Consolidated Financial Information, and as adjusted for the Issue. This table should be read in conjunction with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" beginning on pages 687 and 43, respectively.

(₹ in million)

Particulars	Pre-Offer as at June 30, 2021	As adjusted for the proposed Issue#
<b>Borrowings</b>		
- Non-current borrowings (I)*	2,230.35	
- Current Borrowings (II)*	2,321.41	
<b>Total Borrowings (A)= (I) + (II)*</b>	<b>4,551.76</b>	[•]
<b>Equity</b>		
- Share capital*	295.35	[•]
- Share application money*	1,876.24	
- Instruments entirely in the nature of equity*	764.89	[•]
- Equity component of compound financial instruments*	828.90	
- Reserves and surplus*	41,414.87	[•]
<b>Equity attributable to owners of parent (B)</b>	<b>45,180.25</b>	[•]
<b>Total Borrowings to equity ratio (A/B)</b>	<b>0.10</b>	[•]
<b>Non-current borrowings/ Equity attributable to owners of parent</b>	<b>0.05</b>	[•]

Notes:

\* These terms shall carry the meaning as per Schedule III of the Companies Act.

# The corresponding post-Issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same have not been provided in the above statement. To be updated upon finalization of the Issue Price and Issue Expenses.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition, results of operations and cash flows for Fiscal 2020 and Fiscal 2021, and for the three months ended June 30 2021. Unless otherwise stated, the financial information and cash flows in this section has been derived from the Restated Consolidated Financial Information.

Our financial year ends on March 31 of each year. Accordingly, references to "Fiscal 2021" are to the 12-month period ended March 31, 2021. Fiscal 2020 includes period from March 31, 2019 to March 31, 2020 because our Company was incorporated on March 31, 2019.

Ind AS differs in certain respects from, IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Please also see "**Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows**" on page 70. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 43 and 23, respectively.

### Overview of Our Business

We are India's largest digital healthcare platform (based on GMV of products and services sold for the year ended March 31, 2021), according to RedSeer Report. We operate an integrated, end-to-end business that aims to provide solutions for healthcare needs of consumers across all critical stages starting with

- A. providing digital tools and information on illness and wellness,
- B. offering teleconsultation,
- C. offering diagnostics and radiology tests, and
- D. delivering treatment protocols including products and devices.

Our custom-built proprietary technology, unified data platforms, supply chain capabilities, and deep understanding of the dynamic interplay between the various sub-segments of India's healthcare market are the capabilities that differentiate us. These capabilities enable us to provide each stakeholder in the healthcare value-chain, viz.:

- (a) channel (wholesalers, retailers and chemists / institutions),
- (b) consultants (and hospitals), diagnostic and radiology labs,
- (c) consumers, and
- (d) companies (pharmaceutical, nutraceutical, medical devices)

with the technology tools and capabilities to solve their challenges, while also enabling them to benefit from an interconnected network. At the same time, they also enable us to build a scaled presence, allowing our platform to reach a wide base of stakeholders across the length and breadth of this country. Our businesses have a presence across the country, with last-mile capabilities to deliver in over 18,587 pin codes (for June 2021) via PharmEasy marketplace, allowing us the ability to provide access in an affordable manner. Our platform has scaled across urban, semi-urban and rural India, with an ability to serve people across income groups and geographies.

We were incorporated on March 31, 2019 and have therefore included financial information as of and for two fiscal years, Fiscal 2020 and 2021, and three months ended June 30, 2021. We have grown significantly since our incorporation, also as a result of multiple strategic mergers and acquisitions, some of which are significant. As a result, the Restated Consolidated Financial Information of our Company for Fiscal 2021 is not strictly comparable to those for Fiscal 2020. Our Pro Forma Consolidated Financial Information as at and for the Fiscal 2021 and three months ended June 30, 2021 present the estimated impact of these acquisitions on our Company, including the results of operations and the financial position that would have resulted, had these acquisitions been completed on prior dates. For example, the pro forma consolidated balance sheets as at March 31, 2021 and June 30, 2021 have been prepared, as if the acquisitions have taken place on March 31, 2021 and June 30, 2021, respectively. The pro forma consolidated statement of profit and loss for the three months ended June 30 2021 has been prepared as if the acquisitions have taken place on April 1, 2021, and the pro forma consolidated statement of profit and loss for Fiscal 2021 has been prepared as if the acquisitions have taken place on April 1, 2020.

We have witnessed strong operating and financial performance over the past two years, aided by both organic and inorganic growth. Our full-stack presence ensures that we have multiple monetization streams including sale of products, and sale of services (including sale of software and technology offered to pharmacies, wholesalers and doctors).

## **Our Business Model**

We have three revenue lines: (i) Sale of products, (ii) Sale of services, and (iii) Other operating revenue.

### **Revenue**

#### ***Revenue from Sale of Products***

We sell pharma, OTC, our private label medical products, surgical products and consumables which we source from pharmaceutical companies or from wholesalers to retailers, chemists and institutions. We segregate revenue from sale of these products into two categories: (i) Distribution to chemists and institutions, which typically include pharmacies and hospitals to whom we sell products, both directly as well as using technology provided by Retailio, and (ii) Distribution to retailers, which are typically registered sellers on the PharmEasy marketplace. In September 2021, we acquired Aknamed, which strengthened our technology-enabled supplier business of supplying pharmaceutical products, medical consumables, and other surgical products to hospitals, clinics and medical centres. We expect this acquisition to have a significant impact on our revenue from sale of products going forward.

Revenue from sale of products is recorded as realization of sale value of goods net of any discounts and taxes.

#### ***Revenue from Sale of Services***

We derive revenue from sale of services from the following:

*Diagnostics:* We provide diagnostic services to hospitals, diagnostic companies, independent phlebotomists and consumers including on PharmEasy marketplace. We strengthened this business through the acquisition of Thyrocare in September 2021. Thyrocare offers a comprehensive portfolio of 283 diagnostics tests through 17 owned diagnostics labs and approximately 4,500 diagnostics collection centres as of March 31, 2021. Our rate card for tests varies based on the sourcing channel, the test type and the volume. As a result of this acquisition, we expect to derive a significant portion of our revenue from sale of services from diagnostics services.

*Retailio:* We derive revenues through advertisements and lead generation. We currently do not charge any take-rate on the third-party GMV generated using technology provided by Retailio.

*Services for doctors:* We provide teleconsultation tools to doctors. We currently do not charge any take-rate on the online consultation charges earned by doctors through our platform.

*Others:* We earn revenue from sale of RedBook software to pharmacies and license and platform fees (from Axelia for the use of the PharmEasy brand and technology that we license to them). Pursuant to the licensing agreement between our Company and Axelia for use of the technology platform underlying the PharmEasy marketplace and related brand, we receive a percentage of the GMV transacted on the PharmEasy marketplace on a monthly basis.

#### ***Other Operating Revenue***

*Logistics:* We provide last mile delivery services, including to Axelia for fulfilling the orders on the PharmEasy marketplace and earn delivery income for this service.

*Lease of software and hardware:* We earn revenues from the lease of EMR and practice management software and hardware to doctors (on Docon).

### **Expenses**

Our major expenses include (i) purchase of stock-in-trade and changes in inventories in stock-in-trade, (ii) employee benefits expense, (iii) sales promotion and marketing expense and (iv) certain other expenses such as manpower charges, contractual payment for delivery associates, information technology expenses and consumption of packing materials and consumables.

Purchase of stock-in-trade is the purchase price of the products procured from pharmaceutical companies and wholesalers. Changes in inventories in stock-in-trade for a fiscal period relate to the difference in the opening stock and the closing stock of products owned by us during such fiscal period.

Employee benefits expenses include salaries, wages and allowances that we pay to our employees, and employee share based payment expenses.

Sales promotion and marketing expenses comprise cost incurred to attract new and retain existing healthcare ecosystem stakeholders to our platform. These include digital marketing, print and television advertisements, affiliate marketing, brand promotion, and related expenses for promoting our various brands, including the PharmEasy brand that we have licensed to Axelia.

Other expenses primarily include manpower charges, information technology expenses, contractual payment for delivery associates, and consumption of packing materials and consumables. Manpower charges, contractual payment for delivery associates and consumption of packing materials and consumables primarily relate to costs associated with our warehousing and logistics operations.

### **Principal Factors Affecting our Financial Condition and Results of Operations**

The following describes certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

#### **Growth in our Stakeholder Relationships**

Growing depth and breadth of our relationships with various stakeholders across the healthcare ecosystem has enabled us to scale. Consequently, the success of our platform depends on our ability to rapidly grow our active stakeholders, both by nurturing existing relationships, and attracting new ones. As the number of stakeholders on our platform increases, the products and services they avail also increases, leading to higher revenue for us. The expansion in our stakeholder relationships is expected to be primarily driven through our platform's value proposition to them and our ability to offer them the products and services that best suit their healthcare requirements. We plan to continue to invest in sales promotion and marketing of our brands and platform, our supply chain infrastructure and technology infrastructure to continue to grow our stakeholder relationships. For example, we plan to use a portion of the proceeds from this Issue for such purposes. See "Objects of the Issue" on page 128.

There were 87,194 pharmacies, 3,261 wholesalers, 4,617 doctors for the month of June, 2021 and 926 hospitals on our platform for the three month ended as of 30 June 2021.

#### **Annual Transacting Users on PharmEasy**

The growth of our revenue from distribution to retailers selling on the PharmEasy marketplace has been driven by the ability of PharmEasy marketplace operated by Axelia to attract new consumers as well as retain and increase the engagement and transactions by existing consumers on the marketplace. Furthermore, the increasing number of transacting users on the PharmEasy marketplace has enabled us to provide such transacting users with services such as diagnostics to cater to their various healthcare-related needs. Hence, we have invested, and will continue to invest, our sales and marketing efforts to continue building the PharmEasy brand, which is owned by us and licensed to Axelia.

The number of annual transacting users with fulfilled orders on the PharmEasy marketplace have grown from 2 million during Fiscal 2020 to 2.4 million during Fiscal 2021. For the three-month period ended June 30, 2021, there were 2.1 million transacting users with fulfilled orders on the PharmEasy marketplace. As of June 30, 2021, there were 25 million total registered users on the PharmEasy marketplace.

In January 2021, we acquired Medlife, a digital healthcare company, whose operations have since been integrated with PharmEasy marketplace. In Fiscal 2021 and the three months ended June 30, 2021, 1.7 million and 0.5 million users transacted on Medlife, respectively.

Due to the impact of the country-wide lockdowns due to the COVID-19 pandemic, PharmEasy experienced high volumes of transacting users after the lockdown was lifted starting with the three months ended September 30, 2020. Orders also witnessed an upside compared to pre-COVID time periods, as more users started transacting across the services (online pharmacy, OTC, teleconsultation and eDiagnostics).

In addition to the impact of COVID-19 pandemic, the growth in annual transacting users from Fiscal 2020 to Fiscal 2021 has been due to (i) the expansion to new geographies, which has enabled us to widen our distribution of pharma and OTC products to more pharmacies that sell on the PharmEasy marketplace, (ii) the widening coverage of pharma and OTC products sold by us, which has resulted in pharmacies on the PharmEasy marketplace to offer a wider SKU base, thereby improving fill-rates while fulfilling consumers' orders, and (iii) the improvement in delivery times for home delivery of orders placed on the PharmEasy marketplace, driven by improvement in the efficiency of our last-mile fulfilment services.

Furthermore, the number of repeat users has also been increasing on PharmEasy marketplace across the periods. There were 0.4 million, 0.8 million and 1.3 million repeat transacting users with at least one fulfilled order on PharmEasy marketplace during Fiscal 2020, Fiscal 2021 and the three-month period ended June 30, 2021 respectively. This has resulted in an increase in the share of GMV from existing users on PharmEasy marketplace increasing from 51% in Fiscal 2020, to 64% to Fiscal 2021. Furthermore, the share of GMV from repeat users was 79% for the three-month period ended June 30, 2021.

## Our Active Pharmacy relationships

The growth in our revenue from distribution to chemists and institutions and from services, is driven by the addition of new pharmacy relationships, as well as through the retention of existing ones. Furthermore, the growth in the number of active pharmacies using Retailio also enables us to grow our revenue from sale of services from lead generation and advertising that we provide through Retailio.

The number of active pharmacies using Retailio has grown from 47,527 in the month of March 2020 to 80,449 in the month of March 2021, and to 87,194 pharmacies in the month of June 2021. We refer to a pharmacy that has transacted at least once using technology from Retailio during the relevant period as an active pharmacy for such period.

The number of active pharmacies on Retailio has grown in Fiscal 2021 over Fiscal 2020 primarily due to the following factors: (i) increased geographical coverage of our platform, (ii) increased coverage of products available on our platform which has helped us drive higher line item fill rates for pharmacies, (iii) increased network of wholesalers using our platform and (iv) inorganic growth via our acquisitions of other wholesalers. As we grow our business from distribution to hospitals as a result of our recent acquisition of Aknamed, the growth in our active hospital relationships will also be a key driver for the future growth of the business.

## Gross Merchandise Value (GMV)

Growth in GMV is a key driver of our revenue. Our Pro Forma GMV was ₹78,654.84 million in Fiscal 2021 and ₹30,262.62 million in the three-month period ended June 30, 2021. Our Pro Forma GMV includes the GMV contribution from our acquisitions of Ascent, Medlife, Aknamed and Thyrocare as if these were acquired on April 1, 2020. We define GMV as follows: (i) for our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio IP GMV).

Below table provides a breakdown of our GMV across products and services:

	Fiscal 2020	Fiscal 2021	Three Months ended June 30, 2021
Distribution to Retailers (A + B)	15,541.34	16,724.88	5,251.73
(A) Distribution to Retailers on PharmEasy marketplace (1)	7,140.20	10,660.55	5,185.20
(B) Medlife digital pharmacy Distribution + Medlife digital pharmacy marketplace (2)	8,401.14	6,064.33	66.53
Distribution to Chemists / Institutions (Retailio IP)	19,933.71	23,417.76	7,821.09
Distribution to Hospitals - Aknamed (3)	264.67	6,060.60	2,375.40
Retailio 3P (4)	10,329.01	27,139.27	13,013.37
Thyrocare diagnostics (5)	4,342.60	4,946.20	1,646.40
Medlife diagnostics (2)	357.39	366.14	154.63
<b>Total</b>	<b>50,768.61</b>	<b>78,654.84</b>	<b>30,262.62</b>

Notes:

- (1) These retailers are typically registered sellers on PharmEasy.
- (2) We acquired Medlife in January 2021. Medlife's pharmacy operations have since been integrated with PharmEasy marketplace.
- (3) We acquired Aknamed in September 2021.
- (4) Retailio 3P GMV is the GMV of products transacted using Retailio (excluding Retailio IP GMV).
- (5) We acquired Thyrocare in September 2021.

## GMV from Distribution to Chemists and Institutions

Our GMV from distribution to chemists and institutions has increased due to the rising number of pharmacies transacting using Retailio, as well as an increase in our wallet share with existing pharmacies on Retailio. Our business was impacted by the government-imposed country-wide lockdowns due to the COVID-19 outbreak. We experienced lower GMV in the last three month-period of Fiscal 2020 and the first three month-period of the Fiscal 2021. Following the first three month-period of Fiscal 2021, as lockdown restrictions were gradually relaxed, our business, and hence our GMV, witnessed a strong recovery.

The GMV from third-party distribution of pharma and OTC products to chemists and institutions on Retailio, which we refer to as third party or 3P GMV, has increased over the past two years. We currently do not charge any take-rate on the third-party GMV generated using technology from Retailio and only derive revenues through advertisements and lead generation on Retailio.

### **GMV from Distribution to Retailers**

Our GMV from distribution to retailers has grown due to the rising number of orders fulfilled on the PharmEasy marketplace, which has resulted in increased procurement of pharma and OTC products by retailers selling on the PharmEasy marketplace.

There were in total 7.3 million and 8.8 million orders fulfilled in Fiscal 2020 and Fiscal 2021 respectively by the PharmEasy marketplace. Due to the impact of the country-wide lockdowns due to the COVID-19 pandemic, the number of orders fulfilled on PharmEasy marketplace fell from 2.1 million orders in the last three-month period of Fiscal 2020 to 1.8 million in the first three-month period of Fiscal 2021. However, PharmEasy witnessed a strong recovery thereafter to grow to 2.1 million orders in the second three-month period of Fiscal 2021, and orders have continued growing, to 4.4 million in the first three-month period of Fiscal 2022.

In Fiscal 2021 and the three months ended June 30, 2021, 5.7 million and 0.9 million orders were fulfilled on Medlife, respectively.

Our line item fill-rate for orders delivered to pharmacies selling on PharmEasy marketplace was 96.8% in Fiscal 2021. This fill-rate was 96.3% in the three months ended June 30, 2021.

### **Cross-selling and up-selling of our products and services**

We continue to build an integrated platform with a full suite of product and service offerings to cater to multiple healthcare-related needs of different stakeholders in the healthcare ecosystem. While new stakeholders are attracted to our platform through a particular product or service, our integrated platform enables us to cross-sell more products and services to stakeholders. As an example, for the month of June, 2021, more than 1300 pharmacies who transacted using Retailio also used our CRM and ERP systems, from which we derived revenue.

Furthermore, we have also been able to increase the revenue from existing stakeholders by up-selling our products and services. For example, the percentage of fulfilled orders on PharmEasy marketplace which included our private label and OTC products, increased from 22.8% in Fiscal 2021 to 28.1% in the three months ended June 30, 2021.

### **Operating Leverage and Profitability of our Platform**

Our growth in scale, coupled with the rising level of integration across our businesses, has provided us with (i) improvement in costs of sales, driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors, (ii) higher utilization of our manpower, supply-chain infrastructure and other assets, (iii) rationalizing of sales promotion and marketing costs, and (iv) rationalization in our other costs such as our technology, administrative and other support costs. This operating leverage with growing scale is a key driver of improvement in profitability.

### **Pro Forma Contribution Margin before sales promotion and marketing expense**

Pro Forma Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the "Direct Operating Costs") as a Percentage of Pro Forma Revenue from Operations. Please see "- Non-GAAP Financial Measures" on page 701 for more information.

Warehousing and Lab Cost represents the sum of the expenses incurred at warehouses and diagnostics labs, including a portion of employee benefits expense (relating to warehouse employee salaries) and a portion of other expenses, such as manpower charges, contractual payment for delivery associates, water, electricity and fuel expenses and repairs and maintenance.

Other Direct Cost is the sum of other direct operating expenses, and includes a portion of employee benefits expenses (relating to customer support employee salaries) and a portion of other expenses, including the consumption of packing materials and consumables, service charges (relating to phlebotomist costs, lab technician cost), and legal and professional fees (relating to doctor consultation charges and diagnostics) but does not include technology related costs, both direct and indirect costs including employee benefit expenses.

The Pro Forma Contribution Margin before sales promotion and marketing expense was 5.0% and 5.0% for Fiscal 2021 and the three-month period ended June 30, 2021 respectively.

The following table presents the Pro Forma Contribution Margin before sales promotion and marketing expense and each of the costs that form part of Direct Operating Costs as a Percentage of Pro Forma Revenue from Operations for Fiscal 2021 and the three-month period ended June 30, 2021:

	Fiscal 2021	Three months ended June 30, 2021
	% of Pro Forma Revenue from Operations	
Pro Forma Revenue from Operations (A)	100.0%	100.0%
Cost of Material Consumed (B)	(3.8%)	(3.3%)
Purchases of Stock-in-Trade (C)	(84.8%)	(90.7%)
Changes in Inventories of Stock-in-Trade (D)	3.5%	7.6%
Warehousing and Lab Cost (E)	(8.1%)	(6.9%)
Other Direct Cost (F)	(1.8%)	(1.8%)
Direct Operating Costs (G=B+C+D+E+F)	(95.0%)	(95.0%)
<b>Pro Forma Contribution Margin before sales promotion and marketing expense(H=A+G)</b>	<b>5.0%</b>	<b>5.0%</b>

## Critical accounting policies and estimates

### Use of estimates and judgements

The preparation of the restated consolidated financial information in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the restated consolidated financial information and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the restated consolidated financial information in the period in which changes are made and, if material, their effects are disclosed in the notes to the restated consolidated financial information.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. The term "Group" as used in this section refers to the Company together with its subsidiaries.

Significant judgements:

a) *Recognition of deferred tax assets*

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the tax losses can be utilized. Estimation of the level of future taxable profits is therefore required to determine the appropriate carrying value of the deferred tax assets. Considering past losses, uncertainty of its ability to generate future taxable profit in the parent and certain subsidiaries, the Group has recognised deferred tax assets in the parent entity and certain subsidiaries only to the extent of deferred tax liabilities. For details, see note 10 of "Restated Consolidated Financial Information" on page 250.

b) *Business combination*

In accounting for business combinations, judgment is required in identifying the acquirer and acquiree for the purpose of business combination and whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable assets (including useful life estimates) and liabilities acquired, and contingent consideration assumed involves management judgment. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by management. Changes in these judgments, estimates, and assumptions can materially affect the results of operations. For details, see note 51 of "Restated Consolidated Financial Information" beginning on page 250.

Critical estimates:

a) Fair value of employee share options

The fair valuation of the employee share options is based on the Black-Scholes Model used for valuation of options. Key assumptions include expected volatility, share price, expected dividends, term and discount rate, under this pricing model. For details, see note 52 of "Restated Consolidated Financial Information" beginning on page 250.

b) Impairment of goodwill

The Group tests whether goodwill has suffered any impairment loss on an annual basis. The recoverable amount of the cash generating units (CGUs) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the initial period are extrapolated using the estimated growth rates. These growth rates are consistent

with forecasts included in industry reports specific to the industry in which each CGU operates. For details, see note 5 of “Restated Consolidated Financial Information” beginning on page 250.

### **Revenue recognition**

#### *(i) Sale of goods*

The Group sells a range of pharmaceutical and cosmetic goods. Sales are recognised when control of the products is transferred which occurs when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and goods and service tax. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in other current liabilities) and a right to recover the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level.

A receivable is recognised when the goods are delivered, as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### *(ii) Sale of services*

The Group provides services of delivery person, software, and technology platform services. Revenue is recognised in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

Some contracts include multiple performance obligations, such as the sale of hardware and sale of software. The hardware can be procured from any other party and does not include an integration service. It is therefore accounted for as a separate performance obligation. If contracts include the sale of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed, and the customer has accepted the hardware. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the stand-alone selling prices.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods, and service tax.

Customers are invoiced on a periodic basis and consideration is payable when invoiced in accordance with the credit period.

#### *(iii) Customer loyalty programme*

The Group operates a loyalty programme where customers accumulate points for purchases made. A contract liability for the award points is recognised at the time of the sale. Revenue is recognised when the points are redeemed or when they expire. A contract liability is recognised until the points are redeemed or expire.

#### *(iv) Financing components*

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money. No significant element of financing is deemed present as the sales are made with a credit term consistent with market practice.

### **Leases**

#### *As a lessee*

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in



the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

*As a lessor*

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred on operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the restated consolidated statement of assets and liabilities based on their nature.

### **Business combinations**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity,
- amount of pre-existing relationships with the acquiree, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### **Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

## **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost of purchase comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

## **Employee benefits**

### (V) Employee benefits

#### (i) *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the restated consolidated statement of assets and liabilities.

#### (ii) *Other long-term employee benefit obligations*

The Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the restated consolidated statement of assets and liabilities if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) *Post-employment obligations*

The Group operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

### Defined benefit plans

The liability or asset recognised in the restated consolidated statement of assets and liabilities in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the restated consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the restated consolidated statement of changes in equity and in the restated consolidated statement of assets and liabilities.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are incurred.

#### (iv) *Share-based payments*

Share-based compensation benefits are provided to employees via Employee Stock Option Plans.

### Employee options

The fair value of options granted under the Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or hold shares for a specific period of time).

The equity instruments generally vest in a graded manner over the vesting period. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The fair value determined at the grant date is expensed over the vesting period of the respective tranches of such grants. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Cancellation or settlements are accounted as an acceleration of vesting, and therefore recognised immediately at the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

If new equity instruments are granted to the employee and, on the date when those new equity instruments are granted, the Group identifies the new equity instruments granted as replacement equity instruments for the cancelled equity instruments, the Group accounts for the granting of replacement equity instruments in the same way as a modification of the original grant of equity instruments. When the terms of an equity-settled award are modified, the Group recognises as a minimum, the services received measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. An additional expense is recognised for any modification that increases the total fair value of the share based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Payments made to the employee on the settlement of the options is accounted for as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense and presented as cash flow from operating activities in the restated statement of cash flows. Any excess or shortfall between the repurchase date fair value and grant date fair value and excess in repurchase date fair value over the payments made is transferred to retained earnings. Amounts paid to the extent of the repurchase date fair value are presented as cash flow from financing activities in the restated statement of cash flows.

## **Results of Operations**

The following table sets forth select financial data from our restated consolidated statement of profit and loss for Fiscal 2020 and 2021, and in the three months ended June 30, 2021, the components of which are also expressed as a percentage of revenue from operations for such years.

	<i>Fiscal</i>				<i>Three Months Ended June 30,</i>	
	<i>2020</i>		<i>2021</i>		<i>2021</i>	
	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>
<b>Income</b>						
Revenue from operations						

	Fiscal				Three Months Ended June 30, 2021	
	2020		2021		₹ In million	% of revenue from operations
	₹ In million	% of revenue from operations	₹ In million	% of revenue from operations		
Revenue from sale of goods	6,332.85	94.9%	22,816.32	97.7%	11,578.86	96.7%
Revenue from sale of services	56.83	0.8%	259.43	1.1%	239.71	2.0%
Other operating revenue	285.74	4.3%	276.94	1.2%	149.51	1.3%
<b>Revenue from operations</b>	<b>6,675.42</b>	<b>100.0%</b>	<b>23,352.69</b>	<b>100.0%</b>	<b>11,968.08</b>	<b>100.0%</b>
Other income	699.06	10.5%	253.93	1.1%	104.52	0.9%
<b>Total income</b>	<b>7,374.48</b>	<b>110.5%</b>	<b>23,606.62</b>	<b>101.1%</b>	<b>12,072.60</b>	<b>100.9%</b>
<b>Expenses</b>						
Purchase of stock in trade	6,991.24	104.7%	22,668.17	97.1%	12,346.05	103.2%
Changes in inventories of stock in trade	(582.38)	(8.7%)	(1,143.95)	(4.9%)	(1,266.49)	(10.6%)
Employee benefits expense	1,371.90	20.6%	2,702.94	11.6%	1,658.39	13.9%
Finance costs	118.86	1.8%	434.31	1.9%	205.80	1.7%
Depreciation and amortisation expenses	187.71	2.8%	329.01	1.4%	170.43	1.4%
Other expenses	2,756.71	41.3%	4,818.80	20.6%	2,155.99	18.0%
<b>Total expenses</b>	<b>10,844.04</b>	<b>162.5%</b>	<b>29,809.28</b>	<b>127.7%</b>	<b>15,270.17</b>	<b>127.6%</b>
<b>Restated loss before tax</b>	<b>(3,469.56)</b>	<b>(52.0%)</b>	<b>(6,202.66)</b>	<b>(26.6%)</b>	<b>(3,197.57)</b>	<b>(26.7%)</b>
<b>Tax expense</b>						
Current tax	(0.10)	0.0%	46.68	0.2%	35.77	0.3%
Deferred tax/ (credit)	(116.67)	(1.8%)	164.02	0.7%	(94.43)	(0.8%)
<b>Total tax expense/ (credit)</b>	<b>(116.77)</b>	<b>(1.8%)</b>	<b>210.70</b>	<b>0.9%</b>	<b>(58.66)</b>	<b>(0.5%)</b>
<b>Restated loss for the year/ period</b>	<b>(3,352.79)</b>	<b>(50.2%)</b>	<b>(6,413.36)</b>	<b>(27.5%)</b>	<b>(3,138.91)</b>	<b>(26.2%)</b>

### Three months ended June 30, 2021

We acquired Ascent and Medlife during Fiscal 2021. Our results of operations for the three months ended June 30, 2021 includes the impact of these acquisitions for the entire three months ended June 30, 2021.

#### Income

Our revenue from operations were ₹11,968.08 million in the three months ended June 30, 2021, comprising revenue from sale of goods of ₹11,578.86 million, revenue from sale of services of ₹239.71 million and other operating revenue of ₹149.51 million.

As a percentage of revenue from operations, our revenue from sale of goods was 96.7% in the three months ended June 30, 2021. Our revenue from sale of goods included the full quarter results of Ascent and Medlife that we acquired in Fiscal 2021. Our revenue from distribution to chemists and institutions was 57.5% of our revenue from operations, and our revenue from distribution to retailers was 39.3% of our revenue from operations for the three months ended June 30, 2021. There were 87,194 active pharmacies who placed at least one order in the month of June 2021 using technology from Retailio. Our revenue from distribution to retailers has benefitted as PharmEasy marketplace witnessed a strong recovery after government-imposed country-wide lockdown restrictions were gradually relaxed after the first three month-period of Fiscal 2021. For the three-month period ended June 30, 2021, there were 2.1 million transacting users with fulfilled orders on the PharmEasy marketplace. This included 1.3 million repeat transacting users on PharmEasy marketplace during the three-month period ended June 30, 2021.

As a percentage of revenue from operations, our revenue from sale of services was 2.0% in the three months ended June 30, 2021. Our revenue from sale of services benefitted from revenue from our diagnostics services from the Medlife acquisition undertaken in Fiscal 2021.

Our other operating revenue was ₹149.51 million in the three months ended June 30, 2021. This revenue primarily relates to rendering services of delivery persons. These delivery persons primarily fulfil the orders placed on the PharmEasy marketplace.

Our other income was ₹104.52 million in the three months ended June 30, 2021 and primarily includes interest income from fixed deposits.

## Expenses

Our total expenses were ₹15,270.17 million for the three months ended June 30, 2021. As a percentage of revenue from operations, our total expenses were 127.6% in the three months ended June 30, 2021.

### *Purchase of Stock-in-trade and Changes in Inventories of Stock-in-trade*

Our purchase of stock-in-trade was ₹12,346.05 million and changes in inventories of stock-in-trade was ₹ (1,266.49) million for the three months ended June 30, 2021. As a percentage of revenue from operations, our purchase of stock-in-trade together with changes in inventories of stock in trade was 92.6% in the three months ended June 30, 2021, which is marginally higher than 92.2% in Fiscal 2021.

### *Employee benefit expense*

Our employee benefit expenses were ₹1,658.39 million in the three months ended June 30, 2021. Our employee headcount was 5,713 full-time employees as of June 30, 2021. As a percentage of revenue from operations, our employee benefits expense was 13.9% in the three months ended June 30, 2021. In Fiscal 2021, our employee benefits expense as a percentage of revenue from operations was 11.6%. As we acquired Ascent and Medlife in Fiscal 2021, our employee benefit expenses for the three months ended June 30, 2021 includes the full impact of such acquisitions and the resulting increased headcount and share based payment expenses.

### *Finance costs*

Our finance costs were ₹205.80 million in the three months ended June 30, 2021.

### *Depreciation and amortization expense*

Our depreciation and amortization expense was ₹170.43 million in the three months ended June 30, 2021.

### *Other expenses*

Our other expenses were ₹2,155.99 million in the three months ended June 30, 2021, including our sales promotion and marketing expense of ₹948.27 million. As a percentage of revenue from operations, our sales promotion and marketing expenses were 7.9% in the three months ended June 30, 2021.

### *Restated loss after tax for the period*

As a result of the foregoing factors, our restated loss after tax for the three months ended June 30, 2021 was ₹(3,138.91) million.

## Fiscal 2021 compared to Fiscal 2020

We acquired Ascent in August 2020 and Medlife in January 2021. Our results of operations for Fiscal 2021 includes the impact of these acquisitions from the effective dates of their acquisition.

## Income

Our revenue from operations increased by 249.8% to ₹23,352.69 million in Fiscal 2021 from ₹6,675.42 million in Fiscal 2020 primarily driven by an increase in revenue from sale of goods.

Our revenue from sale of goods increased by 260.3% to ₹22,816.32 million in Fiscal 2021 from ₹6,332.85 million in Fiscal 2020, primarily due to the acquisition of Ascent and Medlife in Fiscal 2021, and organic growth of our existing business by 54.8% in Fiscal 2021 compared to Fiscal 2020. As a percentage of revenue from operations, our revenue from sale of goods increased to 97.7% in Fiscal 2021 from 94.9% in Fiscal 2020. Our revenue from distribution to chemists and institutions as a percentage of our revenue from operations was 56.3% in Fiscal 2021 compared to nil in Fiscal 2020. Our revenue from distribution to retailers as a percentage of our revenue from operations was 41.4% in Fiscal 2021 compared to 94.9% in Fiscal 2020.

There was an increase in number of active pharmacy relationships on Retailio from 47,527 in the month of March 2020 to 80,449 in the month of March 2021, as well as an increase in wallet share with existing pharmacies transacting using technology from Retailio. There was also an increase in the number of orders fulfilled on the PharmEasy marketplace from 7.3 million orders in Fiscal 2020 to 8.8 million orders in Fiscal 2021, which resulted in increased procurement of pharma and OTC products from us by retailers selling on the PharmEasy marketplace. We experienced lower GMV in the last three month-period of Fiscal 2020 and the first three month-period of the Fiscal 2021 as a result of government-imposed country-wide lockdowns due to the COVID-19 pandemic. Following the first three month-period of Fiscal 2021, as lockdown restrictions were gradually relaxed, our business witnessed a strong recovery.

Our revenue from sale of services increased by 356.5% to ₹259.43 million in Fiscal 2021 from ₹56.83 million in Fiscal 2020, primarily due to an increase in revenue from our diagnostics services as a result of the Medlife acquisition in Fiscal 2021, increase in software revenues from doctors and an increase in brand licensing fees from PharmEasy marketplace which is based on a percentage of the GMV transacted on the PharmEasy marketplace.

Our other operating revenue decreased marginally to ₹276.94 million in Fiscal 2021 from ₹285.74 million in Fiscal 2020. This revenue primarily relates to rendering services of delivery persons.

Our other income decreased by 63.7% to ₹253.93 million in Fiscal 2021 from ₹699.06 million in Fiscal 2020, primarily due to a gain on fair valuation of financial instruments in Fiscal 2020.

### **Expenses**

Our total expenses increased by 174.9% to ₹29,809.28 million for Fiscal 2021 from ₹10,844.04 million for Fiscal 2020. As a percentage of revenue from operations, our total expenses decreased to 127.7% in Fiscal 2021 from 162.5% in Fiscal 2020.

#### *Purchase of Stock-in-trade and Changes in Inventories of Stock-in-trade*

Our purchase of stock-in-trade and changes in inventories of stock-in-trade were ₹22,668.17 million and ₹(1,143.95) million respectively for Fiscal 2021, and ₹6,991.24 million and ₹(582.38) million respectively for Fiscal 2020, in line with the increase in our revenue from operations and GMV in Fiscal 2021 compared to Fiscal 2020 and as a result of our acquisitions of Ascent and Medlife. However, as a percentage of our revenue from operations, our purchase of stock-in-trade together with changes in inventories of stock-in-trade decreased to 92.2% in Fiscal 2021 from 96.0% in Fiscal 2020 driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors due to our growth in scale coupled with the rising level of integration across our businesses.

#### *Employee benefits expense*

Our employee benefits expenses increased by 97.0% to ₹2,702.94 million in Fiscal 2021 from ₹1,371.90 million in Fiscal 2020 primarily due to increase in our headcount from the acquisitions of Ascent and Medlife in Fiscal 2021. We also incurred higher employee share-based payment expenses in Fiscal 2021 due to ESOPs granted to new employees. As a percentage of our revenue from operations, our employee benefits decreased to 11.6% in Fiscal 2021 from 20.6% in Fiscal 2020, driven by higher utilization of our manpower, supply-chain infrastructure and other assets due to our growth in scale coupled with the rising level of integration across our businesses.

#### *Finance costs*

Our finance costs increased by 265.4% to ₹434.31 million in Fiscal 2021 from ₹118.86 million in Fiscal 2020, primarily on account of borrowings acquired as part of our acquisitions of Ascent and Medlife in Fiscal 2021. These borrowings include term loans, working capital loans and lease liabilities.

#### *Depreciation and amortization expense*

Our depreciation and amortization expense increased by 75.3% to ₹329.01 million in Fiscal 2021 from ₹187.71 million in Fiscal 2020, primarily due to an increase in depreciation of property, plant and equipment, and depreciation of right of use assets in Fiscal 2021, driven by an increase in leased assets as part of our acquisitions of Ascent and Medlife in Fiscal 2021, and an increase in amortization of intangible assets in Fiscal 2021.

#### *Other expenses*

Our other expenses increased by 74.8% to ₹4,818.80 million in Fiscal 2021 from ₹2,756.71 million in Fiscal 2020, primarily as a result of our acquisitions of Ascent and Medlife in Fiscal 2021. In Fiscal 2021, we were able to reduce our sales promotion and marketing expenses as a percentage of our revenue from operations which comprise cost incurred to attract new healthcare ecosystem stakeholders to our platform as a result of our growth in scale coupled with the rising level of integration across our businesses and as we reduced marketing as a result of COVID-19. As a percentage of our revenue from operations, our sales promotion and marketing expenses decreased to 5.8% in Fiscal 2021 from 20.7% in Fiscal 2020. Certain other expenses increased in Fiscal 2021 from Fiscal 2020, including (i) manpower charges increased to ₹360.03 million in Fiscal 2021 from ₹203.40 million in Fiscal 2020, (ii) loss on fair value changes to financial instruments increased to ₹660.94 million in Fiscal 2021 from ₹25.78 million in Fiscal 2020 (iii) legal and professional fees increased to ₹865.94 million in Fiscal 2021 from ₹294.39 million in Fiscal 2020 (iv) information technology expenses increased to ₹265.90 million in Fiscal 2021 from ₹164.02 million in Fiscal 2020 and (v) contractual payment for delivery associates increased to ₹342.14 million in Fiscal 2021 from ₹284.86 million in Fiscal 2020.

### Restated loss after tax for the year

As a result of the foregoing factors, our restated loss after tax for Fiscal 2021 increased by 91.3% to ₹(6,413.36) million from a restated loss after tax of ₹(3,352.79) million for Fiscal 2020. However, as a percentage of our revenue from operations, our restated loss after tax decreased to (27.5)% in Fiscal 2021 from (50.2)% in Fiscal 2020.

### Non-GAAP Financial Measures

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with Ind AS.

Non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with Ind AS. Non-GAAP financial information may be different from similarly-titled Non-GAAP measures used by other companies. The principal limitation of these Non-GAAP financial measures is that they exclude significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these Non-GAAP financial measures. A reconciliation is provided below for each Non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of Non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business.

### EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is a Non-GAAP financial measure that represents our restated loss for the year, before depreciation and amortisation expense, Tax expense/ (credit), finance cost and other income.

Adjusted EBITDA is a Non-GAAP financial measure that represents our restated loss for the year, before depreciation and amortisation expense, Tax expense/ (credit), finance cost, other income and Employee share based payment expense.

Adjusted EBITDA Margin is the percentage margin derived by dividing Adjusted EBITDA by revenue from operations.

Our Adjusted EBITDA Margin improved in Fiscal 2021 to (21.9)% from (54.3)% in Fiscal 2020. Our growth in Fiscal 2021 in our revenue from operations from our existing businesses and as a result of acquisitions of Ascent and Medlife, coupled with (i) improvement in purchase of stock-in-trade driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors, (ii) higher utilization of our manpower, supply-chain infrastructure and other assets which helped lower our employee benefits expenses as a percentage of revenue from operations, (iii) rationalization of sales promotion and marketing costs, and (iv) rationalization in our other costs such as our technology, administrative and other support costs helped improve our Adjusted EBITDA Margin in Fiscal 2021 from Fiscal 2020.

The following table reconciles Adjusted EBITDA to our restated loss of the year.

	Fiscal		Three months ended June 30,
	2020	2021	2021
	<b>₹ In millions except percentages</b>		
<b>Adjusted EBITDA</b>			
Restated Loss for the year (A)	(3,352.79)	(6,413.36)	(3,138.91)
Tax expense/ credit (B)	(116.77)	210.70	(58.66)
Finance costs (C)	118.86	434.31	205.80
Depreciation and amortization expense (D)	187.71	329.01	170.43
Other income (E)	(699.06)	(253.93)	(104.52)
<b>EBITDA (F=A+B+C+D+E)</b>	<b>(3,862.05)</b>	<b>(5,693.27)</b>	<b>(2,925.86)</b>
Share based payment expense (G)	239.20	568.08	97.73
<b>Adjusted EBITDA (H=F+G)</b>	<b>(3,622.85)</b>	<b>(5,125.19)</b>	<b>(2,828.13)</b>
<b>Revenue from operations (I)</b>	<b>6,675.42</b>	<b>23,352.69</b>	<b>11,968.08</b>



	Fiscal		Three months ended June 30,
	2020	2021	2021
<b>Adjusted EBITDA Margin (J=H/I)</b>	(54.3%)	(21.9%)	(23.6%)

### **Pro Forma Contribution Margin before sales promotion and marketing expense**

Pro Forma Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the “Direct Operating Costs”) as a Percentage of Pro Forma Revenue from Operations from 100%. Please see “Non-GAAP Financial Measures” for more information. Please see “- Principal Factors Affecting our Financial Condition and Results of Operations” on page 689.

### **Liquidity and Capital Resources**

Historically, our primary liquidity requirements have been to finance our working capital needs for our operations as well as our organic and inorganic growth. We have met these requirements primarily through equity infusions from shareholders and borrowings. As of June 30, 2021, we had ₹3,157.19 million in cash and cash equivalents, ₹6,475.32 million in other bank balances, ₹2,321.41 million in current borrowings and ₹2,230.35 million in non-current borrowings. Our cash and cash equivalents increased from March 31, 2020 as we raised external equity financing as part of Series E and F fund raising during the three months ended June 30, 2021. We have put liability due to obligations to purchase shares in certain subsidiaries of our Company. Please see “- Contractual Obligations” below on page 703.

We believe that, after taking into account the proceeds from the Offer and borrowings, we will have sufficient liquidity for our present requirements and anticipated requirements for capital expenditure and working capital for at least the next 12 months.

### **Cash Flows**

The table below summarizes the statement of cash flows, as per our restated consolidated cash flow statements, for the periods indicated:

	Fiscal		Three months ended June 30,
	2020	2021	2021
			(₹ In millions)
Net cash flow used in operating activities	(4,520.17)	(8,136.82)	(5,523.26)
Net cash flow generated from/(used in) investing activities	(1,895.40)	44.94	(3,143.87)
Net cash flow from financing activities	6,316.26	10,190.24	12,045.86
Cash and cash equivalents (closing balance)	202.47	2,300.83	5,679.56

#### *Operating Activities*

Net cash flow used in operating activities for the three months ended June 30, 2021 was ₹(5,523.26) million, while our operating loss before working capital changes was ₹(2,755.08) million. We had cash outflows in June 30, 2021, primarily due to operating losses, an increase in trade receivables and inventory due to business expansion, increase in current and non-current assets and decrease in trade payables.

Net cash flow used in operating activities for Fiscal 2021 was ₹(8,136.82) million, while our operating loss before working capital changes was ₹(4,268.49) million. We had cash outflows in Fiscal 2021, primarily due to operating losses, an increase in trade receivables, inventories, current and non-current assets and decrease in current and non-current liabilities.

Net cash flow used in operating activities for Fiscal 2020 was ₹(4,520.17) million, while our operating loss before working capital changes was ₹(3,538.95) million. We had cash outflows in Fiscal 2020, primarily due to operating losses, trade receivables, inventory, current and non-current assets.

#### *Investing Activities*

Net cash flow used in investing activities in the three months ended June 30, 2021 was ₹(3,143.87) million, which primarily consisted of amounts invested in fixed deposits.

Net cash flow generated from investing activities in Fiscal 2021 was ₹44.94 million, which primarily consisted of interest received and cash acquired on business acquisitions partially offset by amounts invested in fixed deposits and Purchase of property, plant and equipment and intangible assets

Net cash flow used in investing activities in Fiscal 2020 was ₹(1,895.40) million, which primarily consisted of Loans and advances given to related parties and amounts invested in fixed deposits.

#### Financing Activities

Net cash flow from financing activities in the three months ended June 30, 2021 was ₹12,045.86 million, which primarily consisted of proceeds from issue of equity instruments partially offset by repayment of borrowings.

Net cash flow from financing activities in Fiscal 2021 was ₹10,190.24 million, which primarily consisted of proceeds from issue of equity instruments and compulsorily convertible debentures.

Net cash flow from financing activities in Fiscal 2020 was ₹6,316.26 million, which primarily consisted of proceeds from issue of equity instruments and long term borrowings.

#### Indebtedness

As of June 30, 2021, we had total current borrowings of ₹2,321.41 million primarily for working capital from banks and other short term loans. We also had non-current borrowings of ₹2,230.35 million as of June 30, 2021 comprising of term loans, non-convertible debentures, compulsorily convertible debentures and optionally convertible debentures. For further information on our agreements governing our outstanding indebtedness, see “**Financial Indebtedness**” beginning on page 684.

#### Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as of June 30, 2021. These obligations primarily relate to our borrowings and trade payables.

	On demand	Less than one year	1-5 years	More than 5 years	Total
	(₹ in millions)				
Borrowings	783.49	1,659.59	2,210.17	-	4,653.25
Lease liabilities	-	308.78	930.08	149.07	1,387.93
Trade payables	-	3,116.15	-	-	3,116.15
Other financial liabilities	-	1,760.77	-	-	1,760.77
<b>Total</b>	<b>783.49</b>	<b>6,845.29</b>	<b>3,140.25</b>	<b>149.07</b>	<b>10,918.10</b>

The other financial liabilities primarily include put liability of ₹1,149.89 million and ₹1,112.93 million as of June 30, 2021 and March 31, 2021, respectively. We have an obligation to purchase shares in certain subsidiaries of our Company as per the respective shareholder agreements, at a price based on future earnings multiples. Accordingly, we have recognised put liability and subsequent changes on re-measurement of such liability within equity.

#### Contingent Liabilities

The following table and notes below sets forth the principal components of our contingent liabilities as of March 31, 2020, March 31, 2021, and June 30, 2021 as per the Restated Consolidated Financial Information. For more details on contingent liabilities, see Note 54 of the Restated Consolidated Financial Information and “**Outstanding Litigation and Material Developments**” beginning on page 708.

- (i) The Group has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No C-1/1(33)2019/Vivekananda VidyaMandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on the assessment made by the management, the said judgment does not have any significant impact on these financial statements. The Group will continue to monitor and evaluate its position based on future events and developments.
- (ii) Claims not acknowledged as debts:

	As of March 31,		As of June 30, 2021
	2020	2021	
	(₹ in millions)		
Income tax(I)	-	0.24	0.24
Indirect tax	-	-	8.26

Note: The Group has reviewed all its pending litigations and proceedings and has disclosed the above contingent liability. The Group does not expect the outcome of these proceedings to have an adverse effect on its financial statements.

(iii) Commitments:

	As of March 31,		As of June 30, 2021
	2020	2021	
	(₹ in millions)		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	6.87

### Cash Outflow for Capital Expenditures

Our historical capital expenditures were, and we expect our future capital expenditures to be, primarily for purchase of office equipment, computer and hardware, furniture and fixtures and leasehold improvements for warehouse expansion and at our corporate headquarters during Fiscal 2021 and three months ended June 30, 2021. In Fiscals 2020 and 2021 and three months ended June 30, 2021, our purchase of property, plant and equipment and intangible assets (including capital work in progress and capital advances) were ₹137.25 million, ₹308.83 million and ₹173.02 million, respectively.

### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

### Related Party Transactions

We enter into various transactions with related parties. For further information see **“Financial Statements – Restated Consolidated Financial Information - Related parties transactions – Note 49”** on page 322.

### Qualitative and Quantitative Disclosures about Financial Risk

Our activities expose us to credit risk, liquidity risk and market risk. Our overall risk management program focuses on robust liquidity management as well as monitoring of various relevant market variables, thereby consistently seeking to minimize potential adverse effects on our financial performance.

#### Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to us. The maximum credit risk comprises the carrying amounts of the financial assets. The Company's exposure to credit risk arises mainly from cash and cash equivalents, trade receivables, security deposits, investments, loans and other financial assets. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the group operates. Further, the Company manages its liquidity risk by ensuring that sufficient funds are available through a combination of equity and debt financing.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks – foreign currency risk, interest risk and price risk. The transactions of the Company are denominated in Indian Rupees, and accordingly, the Company is not exposed to foreign currency risk. The Company's investment in certain equity shares is exposed to price risk. For details, please see Note 46(a) of the Restated Consolidated Financial Information beginning on page 250.

## Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our borrowings with floating interest rates. The following table shows the sensitivity analysis of a 1.0% change in interest rates for the periods indicated:

	March 31,		June 30,
	2020	2021	2021
Effect on loss:			(₹ in millions)
Increase by 100 basis points	1.69	38.40	6.24
Decrease by 100 basis points	(1.69)	(38.40)	(6.24)

## Significant Economic Changes

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect losses.

## Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

## Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “*Principal Factors Affecting Our Financial Condition and Results of Operations*” and the uncertainties described in the section titled “*Risk Factors*” beginning on page 43. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

## Future Relationship Between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenues.

See “*Risk Factor – The COVID-19 pandemic, or a similar public health threat, could adversely affect our business, financial condition, and results of operations*” for risks of the COVID-19 outbreak on our operations and financial condition on page 53.

## Seasonality

We experience seasonality in our business, reflecting a combination of online retail seasonality patterns and new patterns associated with healthcare products in particular. For example, we generally experience lulls in quarterly growth in the third Fiscal quarter during the holidays associated with the festival season in India, which have significant impact on our results for those quarters. Furthermore, we may experience seasonal fluctuations with different types of products, depending on their respective efficacy. For example, we observe increase in demands for respiratory drugs during flu seasons.

## Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as “unusual” or “infrequent”.

## Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled “ – *Principal Factors Affecting Our Financial Condition and Results of Operations*” and the uncertainties described in the section titled “*Risk Factors*” beginning on pages 689 and 43, respectively. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

## Significant Economic Changes that Materially Affect or are likely to affect income from continuing operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in the heading titled “ – *Principal Factors*

**Affecting Our Financial Condition and Results of Operations**” and the uncertainties described in the section titled **“Risk Factors”** beginning on pages 689 and 43, respectively.

### **Competitive Conditions**

We operate in a competitive environment. See **“Risk Factors”**, **“Industry Overview”**, and **“Our Business”** and on pages 43, 146 and 162, respectively, for further details on competitive conditions that we face across our various business segments.

### **Future Relationship Between Cost and Income**

Other than as described in this section, and in **“Risk Factors”** and **“Our Business”** beginning on pages 43 and 162, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

### **Total Turnover of Each Major Industry Segment in which our Company Operated**

We are primarily engaged in the digital healthcare business. For further information, see **“Industry Overview”** on page 146, and for information on segment reporting for the three months ended June 30, 2021, Financial Year 2021 and the period ended March 31, 2020, see **“Financial Statements – Notes to the Restated Consolidated Financial Information – Note 50 - Segment Reporting”** on page 339.

### **New Products or Business Segments**

Except as disclosed in this Draft Red herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

### **Significant Developments after June 30, 2021 that may affect our future results of operations**

Except as stated below and elsewhere in this Draft Red Herring Prospectus, no circumstances have arisen since the date of the Financial Statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Key business acquisition made for the period July 1, 2021 to November 2, 2021:

#### **Acquisition of subsidiaries:**

1) **Acquisition of Thyrocare Technologies Limited (“Thyrocare”):**

Docon Technologies Private Limited (the **“Acquirer”**), a wholly owned subsidiary of our Company entered into a share purchase agreement dated June 25, 2021 for the purchase of 34,972,999 equity shares of Thyrocare. Further, the Acquirer made an open offer to the shareholders of Thyrocare for acquisition of 13,755,077 equity shares of Thyrocare. The transaction was consummated on September 2, 2021, being the date when our Company acquired the control of Thyrocare. For details, see **“History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years – Thyrocare Acquisition”** on page 220.

2) **Acquisition of Akna Medical Private Limited (“Aknamed”)**

Pursuant to the shareholders’ agreement read with the share subscription and share purchase agreement, each dated August 19, 2021, our Company acquired 1,204,133 equity shares and 975,925 equity shares of Aknamed for a consideration of ₹ 3,687.00 million and ₹ 3,080.00 million respectively. Further, our Company purchased 76,075 equity shares of Aknamed through a share purchase agreement dated August 19, 2021 from certain angel investors.

Our Company has also entered into two Agreements to Sell dated September 16, 2021 and October 7, 2021 respectively for purchase of 45,886 equity shares and 1,050,376 equity shares of Aknamed for a consideration of ₹ 144.81 million and ₹ 4,972.38 million respectively. For details, see **“History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years – Aknamed Acquisition”** on page 221.

#### **Other investments:**

1) **Acquisition of 19.99% paid-up equity share capital of Aarman Solutions Private Limited (“Aarman”):**

On August 10, 2021, our Company acquired 19.99 % of the equity share capital of Aarman Solutions Private Limited for a consideration of ₹ 99.95 million. Aarman is the 100 % owner of Axelia Solutions Private Limited, the entity which operates the PharmEasy marketplace.

2) **Acquisition of 49.17% paid-up equity share capital of Marg ERP Limited (“Marg”):**

On October 14, 2021, our Company acquired 49.17% of the equity share capital of Marg ERP Limited for a consideration of ₹ 2,548.00 million. Marg is into the business of B2B Pharma, software and solutions.

**Other material developments:**

- During the three months period July 1, 2021 to September 30, 2021, our Company has raised equity funding of ₹ 34,780.24 million and other financing from certain investors while in August 2021, our Company and few of our Subsidiaries raised debt funding of ₹ 19,290.00 million. Further, during October 2021, our Company has raised additional equity funding from certain investors of ₹ 17,010.98 million.
- The Board during their meeting held on September 9, 2021, have approved a onetime performance bonus aggregating up to ₹ 3,330 million to the certain Directors / employees of our Company for their performance until August 2021. The Company did not have an obligation towards this bonus as at June 30, 2021 and accordingly this has been considered as a non-adjusting event.
- Modification to the vesting schedule and exercise price to the ESOP Plan 2020. Following variations were approved at Board meeting held on September 28, 2021:
  - a) modification of vesting schedule of granted employee stock options under ESOP Plan 2020 to quarterly vesting post the 1 year cliff period for all ESOPs with effect from October 1, 2021.
  - b) modification of exercise price of ESOPs pool 1 to 5, 16 and 17 under the ESOP Plan 2020 to ₹ 1 and ESOPs pool 6 to 11 under the ESOP Plan 2020 to ₹ 4.01 with effect from October 1, 2021 post adjustment of bonus issue and share division.
- Our Company has received approval by the Regional Director, Mumbai, vide its order dated September 24, 2021 for the amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company.
- Pursuant to a resolution passed by the Shareholders in the extraordinary general meeting held on October 13, 2021, our Company has sub-divided the face value of its equity shares from ₹10 each to ₹1 each.
- On October 29, 2021, our Company allotted 554,373,630 bonus equity shares in the ratio of 10 equity shares for every 1 equity share held to all the Shareholders whose name appear on the register of member of our Company as on the record date i.e. October 28, 2021.
- One of the Subsidiaries of our Company, Threpsi Solutions Private Limited, filed a scheme of amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, ARZT and Health Private Limited and their respective shareholders. The amalgamation is pending approval by NCLT, Mumbai and is subject to receipt of requisite approvals. For details, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years” beginning on page 217.

Our Shareholders, pursuant to the special resolution held on October 1, 2021, have approved conversion of our Company from private limited to public limited. Our Company has received the fresh certificate of incorporation dated October 28, 2021 from the Registrar of Companies. The effective date of conversion is October 1, 2021.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) pending material litigation, in each case involving our Company, Directors or Subsidiaries ("Relevant Parties").

Pursuant to SEBI ICDR Regulations and in terms of the Materiality Policy:

- (i) any outstanding litigation involving our Company and our Subsidiaries (except Thyrocare and Nueclear) where the claim/dispute amount, to the extent quantifiable, exceeds 1% of the total consolidated revenue of our Company for Fiscal 2021, i.e. ₹ 236.06 million or 1% of the total net worth of our Company as of March 31, 2021, i.e. ₹ 358.12 million, whichever is lower as per the Restated Consolidated Financial Statements would be considered 'material' for disclosure in this Draft Red Herring Prospectus.
- (ii) any outstanding litigation involving Thyrocare and Nueclear, where the claim / dispute amount, to the extent quantifiable, exceeds 1% of the revenue from operations of Thyrocare for Fiscal 2021, i.e. ₹ 49.46 million or 1% of the total net worth of Thyrocare as of March 31, 2021, i.e. ₹ 44.54 million, whichever is lower as per the audited consolidated financial statements of Thyrocare for Fiscal 2021, would be considered 'material' for disclosure in this Draft Red Herring Prospectus.
- (iii) outstanding dues to any creditor of our Company having monetary value which exceeds ₹ 155.81 million, which is 5% of the trade payables of our Company as per the Restated Consolidated Financial Statements as at June 30, 2021 shall be considered as 'material'. Accordingly, any outstanding dues exceeding ₹ 155.81 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

For the purposes of this DRHP, the following types of litigation involving the Relevant Parties have been disclosed as pending material litigation:

- (a) in relation to the matters involving our Company and our Subsidiaries (excluding Thyrocare and Nueclear), the matters where the claim / dispute amount exceeds ₹ 236.06 million, being 1% of the total consolidated revenue of our Company for Fiscal 2021 and for Thyrocare and Nueclear, such matters where the claim / dispute amount exceeds ₹ 44.54 million, being 1% of the total net worth of Thyrocare;
- (b) in relation to the matters involving our Company and our Subsidiaries (excluding Thyrocare and Nueclear) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹ 236.06 million and for Thyrocare and Nueclear, such matters which may not exceed ₹ 44.54 million;
- (c) all other outstanding litigation involving our Company and our Subsidiaries which may not meet the specific threshold and parameters as set out in (a) or (b) above, but where an adverse outcome would materially and adversely affect the business, operations, cash flows, financial position or reputation of our Company; and
- (d) in relation to the matters involving our Directors, the outcome of any such matter which would materially and adversely affect the business, operations, prospects, cash flows, financial position or reputation of our Company, irrespective of the amount involved.

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that any of the Relevant Parties, as applicable, is impleaded as a defendant or respondent in litigation proceedings before any judicial forum.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

#### I. Litigation involving our Company

Litigations involving Medlife International Private Limited are disclosed herein below as litigations involving our Company in accordance with the Scheme of Amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company approved on September 24, 2021. For further details on the Scheme of Amalgamation, see "History and Certain Corporate Matters- Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Scheme of

amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company” beginning on page 217.

**A. Criminal proceedings involving our Company**

**(i) Filed by our Company**

- I. Medlife has filed a complaint against Suma Shubhankar and Thejas Shubhankar before the Police Station, HSR Layout dated February 8, 2021 for non-refund of the security deposit provided under the lease deed executed between Suma Shubhankar and Medlife and the lease deed executed between Thejas Shubhankar and Medlife for premises situated at Haralukunte village, Begur Hobli, Bangalore South, Bengaluru. (“**Premises**”). While, Medlife vacated the Premises by providing a termination notice for terminating the lease deeds, it has not received the security deposit amounting to ₹ 2.54 million. Medlife has also sent legal notices to Suma Shubhankar and Thejas Shubhankar, respectively. The matter is currently pending.

**B. Other material outstanding litigation involving our Company:**

**Filed against our Company**

- I. The Tamil Nadu Chemists and Druggists Association (“**TNCDA**”) has filed a writ petition under Article 226 of the Constitution of India before the High Court of Judicature at Madras (“**Madras High Court**”) in October 2018 against, among others, the Union of India, 91Streets, Medlife and other companies with similar business models challenging the online sale of drugs under schedule H, HI and X and has further alleged violation of the Drugs and Cosmetics Rules, 1945 (“**Drugs Rules**”). TNCDA vide the writ petition has sought relief, *inter alia*, to the extent of blocking website links carrying on online sale of schedule H, HI and X drugs in alleged violation of the Drugs Rules, interim injunctions on the sale of schedule H, HI and X drugs till licenses are granted for online sale of medicines. Subsequently, 91Streets impleaded itself as a party to the writ petition vide impleadment petition and Medlife impleaded itself by memorandum of appeal. 91Streets in its counter affidavits has submitted stating that they act as intermediaries connecting customers with registered pharmacies and are not engaged in the sale, distribution, stocking, exhibiting or offering for sale of pharmaceutical drugs. Medlife in its counter affidavit has denied and clarified the allegation made by TNCDA and clarified that its operations were functioning under valid wholesale and retail drug licences granted by the concerned authorities.

The Madras High Court has granted an interim injunction to TNCDA prohibiting the sale of medicines without license and directed Union of India to stall all such online sales forthwith and directed the Union of India to notify the draft amendment to the Drugs Rules within the stipulated time (“**Impugned Order**”) with directions that online traders are bound not to proceed with their online business in drugs and cosmetics. 91Streets and Medlife amongst other companies filed appeals against the Impugned Order pursuant to which an interim stay was granted by a division bench of the Madras High Court, which was further confirmed by way of an ad-interim stay on the specific paragraph in the Impugned Order which previously stayed the online sales of drugs until further orders of the Madras High Court dated January 2, 2019 (“**Madras High Court Order**”). This matter is currently pending.

2. South Chemists and Distributors Association (“**SCDA**”) has filed a writ petition under Article 226 of the Constitution of India before the High Court of Delhi in October, 2018 against, among others, the Union of India, Government of Delhi, National Capital Territory through the Secretary of Ministry of Health and Family Welfare Central Drugs Standard Control Organisation, Drugs Controller, Government of Delhi (“**Respondent Authorities**”), 91Streets, Medlife and other companies with similar business models and has sought relief, *inter alia*, to the extent of directions to the Respondent Authorities to close all online pharmacies and to take actions against 91streets and Medlife, among others, for allegedly selling prescription medicines in violation of the Drugs and Cosmetics Act, 1940 (“**Drugs Act**”) and Pharmacy Act, 1948, among others. 91Streets has responded to the merits of the allegations in the writ petition and submitted its reply that 91Streets is not an online pharmacy and does not operate the PharmEasy marketplace. By way of an order dated February 25, 2019 of the High Court of Delhi, the matter has been placed for hearing and listing, and tagged with the matter referred herein below at “*II. Litigation involving our Subsidiaries–H. Litigation involving Threpsi Solutions Private Limited - Other material outstanding litigation involving Threpsi Solutions Private Limited -. Material Outstanding Litigation involving our Subsidiaries- (2)*” due to the similar issues in the two writ petitions. The matter has not yet been heard due to the nationwide lockdown imposed on account of the COVID-19 pandemic and is currently pending.



3. Small Retail Chemists Association, Abhishek Ganguli, Shantu Mondal and Jagdish Prasad Agarwal (collectively the “**Petitioners**”) have filed a writ petition under Article 226 of the Constitution of India on March 27, 2019 before the Calcutta High Court against, among others, the Directorate of Enforcement, Directorate of Food and Drug Administration, Controller of Legal Metrology, the Union of India, Reserve Bank of India, Ministry of Electronics and Information Technology, Medical Council of India, the Department for Promotion of Industry and Internal Trade (collectively as “**Respondent Authorities**”), 91Streets, Medlife and other companies with similar business models. The Petitioners by way of this writ petition have sought relief, *inter alia*, to the extent of directions to the Respondent Authorities to take action, investigations and issue necessary orders to prohibit transactions on the alleged-commerce platforms of 91Streets and Medlife. The Petitioners have also sought relief to take appropriate steps to ban or prevent or prohibit e-commerce transactions on the alleged e-commerce platforms pertaining to medical or pharmaceutical products or services in alleged breach of the foreign exchange laws, the Drugs Act, the Legal Metrology Act, 2009, and further to cease and desist websites of “PharmEasy” and “Medlife” and the websites of other similar business models being run in India and discontinuing sales relating to pharmaceutical products. Further, 91Streets has responded in its counter affidavit that it was the owner of the brand ‘PharmEasy’, however does not operate the marketplace, that there was no contravention of laws of legal metrology and that the e-commerce entity was not governed by the foreign exchange laws as alleged by the Petitioners. Medlife, in its counter affidavit has submitted that it had not received any foreign investment in respect of its business and therefore foreign exchange laws did not apply to it. Medlife has also recorded in its counter affidavit that its operations are not in contravention of the Drugs Act, Drugs Rules or the Legal Metrology Act, 2009. The Calcutta High Court declined to grant interim reliefs to the Petitioners due to existing Madras High Court Order and an interim order would prevent conducting of the business of 91Streets, Medlife and other companies with similar business models. The matter is currently pending.

### C. **Other notices against our Company**

- I. Our Company and our Subsidiary, Docon Technologies Private Limited have received a notice dated October 23, 2021 (“**Notice**”), from A. Sundararaju HUF (“**Complainant**”), an erstwhile shareholder and member of the promoter group of Thyrocare. The Notice pertains to the acquisition of equity shares of Thyrocare by Docon from, among others, the Complainant. The Notice alleges that the parties named therein colluded to facilitate the sale of shares of Thyrocare by the Complainant to Docon through an off-market transaction, rather than as an on-market sale. This off-market transaction is alleged to have caused significant financial loss to the Complainant as a result of long term capital gains becoming due at a higher rate on the off-market transaction under applicable laws, as against that applicable to an on-market transaction. The Notice further alleges that this off-market transaction was undertaken to deliberately prevent acquisition at a market driven price, and that the parties named in the Notice had colluded with our Company and Docon to enable the transaction, while giving the Complainant the impression that an off-market transaction would be financially beneficial to it. The Complainant has alleged that it incurred a loss of around ₹ 268.50 million (“**Claim**”) as a result of these actions, due to paying applicable taxes at the higher rate. The Complainant has sought an unconditional apology from the parties named in the Notice and has sought compensation for the alleged financial loss of 268.50 million incurred by it, together with interest at the rate of 18% per annum until the date of payment of Claim., along with an additional sum of ₹ 250 million as compensation for the mental agony and reputational loss suffered by it, within 15 days from the date of receipt of the notice. Our Company has sent its response to the Notice by the Complainant in this regard.

## II. **Litigation involving our Subsidiaries**

### A. **Litigation involving Ascent Wellness and Pharma Solutions Private Limited (“Ascent Wellness”)**

#### Criminal proceedings involving Ascent Wellness

##### *Filed by Ascent Wellness*

- I. Ascent Wellness has filed a written complaint (“**Complaint**”) on May 31, 2021 with the Senior Police Inspector, Bhandup Police Station against the Akhil Bhartiya Kamgar Karmachari Sangh alleging harassment against the employees of Shree Simba Chemist, a unit of Ascent Wellness. Ascent Wellness has also sought protection from the aforementioned harassment against the employees of Shree Simba Chemist. The matter is currently pending.

Actions taken by regulatory and statutory authorities

1. Shree Simba Chemists, a unit of Ascent Wellness, has received a notice dated August 17, 2021 from the office of the inspector of Legal Metrology, Mumbai, Maharashtra (“**Authority**”) in relation to distribution of pulse oximeter JZIKI 305 (packaged commodity) with incorrect disclosure about the manufacturer under section 18(1) of the Legal Metrology Act, 2009 read with rule 18(1) of the Legal Metrology (Packaged Commodities) Rules, 2011. The response dated August 27, 2021 has been submitted to the Authority highlighting non-receipt of the seizure receipt dated May 24, 2021 and notice dated May 27, 2021 and requesting personal hearing for submitting satisfactory response. Shree Simba Chemists, a unit of Ascent Wellness has written to the Authority wherein compounding of the offence has been sought. Ascent Wellness has not received any subsequent communication from the Authority.

*Regulatory notices received by Ascent Health and Wellness Solutions Private Limited are disclosed herein below pursuant to the business of Ascent Health and Wellness Solutions Private Limited being transferred to Ascent Wellness by Business transfer agreement dated August 26, 2020. For further details, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated August 26, 2020 entered into by and between our Company, Ascent Health and Wellness Solutions Private Limited and Ascent Wellness and Pharma Solutions Private Limited” beginning on page 217.*

2. Ascent Health and Wellness Solutions Private Limited has received a letter dated August 20, 2019 from the RBI stating that in its view it was undertaking a non-banking financial institutional activity under Section 45 IA without obtaining a certificate of registration during the financial years 2016-17 and 2018-19 according to the audited financial statements. Ascent Health and Wellness Solutions Private Limited has responded to the RBI clarifying it was involved in the business of distribution of pharmaceutical products in India and it did not satisfy the criteria to be categorised as a non-banking financial company. Ascent Health and Wellness Solutions Private Limited and neither Ascent, the assignee entity undertaking its business has received any subsequent notice or communication from the RBI.

*Regulatory notices received by Shree Simba Chemists, a unit of Ascent Health and Wellness Solutions Private are disclosed herein below pursuant to the business of Ascent Health and Wellness Solutions Private Limited being transferred to Ascent Wellness by Business transfer agreement dated August 26, 2020. For further details, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated August 26, 2020 entered into by and between our Company, Ascent Health and Wellness Solutions Private Limited and Ascent Wellness and Pharma Solutions Private Limited” beginning on page 217.*

Shree Simba Chemist, a unit of Ascent Health and Wellness Solutions Private Limited received a show cause notice dated March 26, 2019 from the Office of the Joint Commissioner, Food and Drug Administration, Maharashtra (“**FDA**”), stating that Shree Simba Chemist purchased Galvus 50 mg medicines from Nivaan Pharmaceuticals alleging that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme (“**Allocated Usage**”). Shree Simba responded to the FDA through its letter clarifying the nature of purchase was on an as is where condition basis from Nivaan Pharmaceuticals under a valid purchase invoice and was sold without any alteration or modification of any particulars and was not aware of the Allocated Usage. Shree Simba Chemist received an order from FDA, where in the drug license was suspended for 15 days with effect from August 23, 2019. An appeal was filed before the Minister, Food and Drugs Department, State of Maharashtra (“**Minister, FDA**”) for seeking a stay on the cancellation of license and the stay was granted. Subsequently, pursuant to an order of Minister, FDA, dated October 10, 2019, the drug license was further suspended for a period of 15 days, with effect February 1, 2020 (“**Impugned Order**”). Shree Simba Chemist filed a writ petition before the High Court of Judicature at Bombay (“**High Court**”) where it sought stay of and quashing and setting aside of the Impugned Order and restoring the drug license. The High Court has granted interim protection to Shree Simba Chemist till the next date of hearing vide its order dated February 28, 2020. The matter is currently pending.]

**B. Litigation involving D.C. Agencies Private Limited (“D.C. Agencies”)**

Actions taken by regulatory and statutory authorities

- I. D.C. Agencies has received a show-cause notice dated August 26, 2021 from the Delhi Pollution Control Committee for closure of its premises in New Delhi. The notice states that D.C. Agencies is operating an industrial unit and is allegedly in contravention of section 21 or 22 read with section 31A of the Air (Prevention and Control of Pollution) Act, 1981 and section 25/26 read with section 33A of the Water (Prevention and Control of Pollution) Act, 1974. D.C. Agencies has filed a response to the notice with the Delhi Pollution Control Committee. The matter is currently pending.

**C. Litigation involving Desai Pharma Distributors Private Limited (“Desai Pharma”)**

Actions taken by regulatory and statutory authorities

- I. Desai Pharma received a show cause notice dated June 18, 2019 from the Office of the Joint Commissioner, Food and Drug Administration, Maharashtra (“**FDA**”) stating that Desai Pharma purchased Galvus 50 mg medicines from Nivan Pharmaceuticals alleging that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme (“**Allocated Usage**”). Desai Pharma responded to the FDA clarifying the nature of purchase was on an as is where condition basis from Nivaan Pharmaceuticals under a valid purchase invoice and was sold without any alteration or modification of any particulars and was not aware of the Allocated Usage. FDA by order dated August 19, 2019 cancelled the licenses of Desai Pharma for violations of rule 65(17) and 67(18) of the Drugs Rules with effect from November 20, 2019. An appeal was filed before the Minister, Food and Drugs Department, State of Maharashtra (“**Minister, FDA**”) seeking a stay of the cancellation of license which was granted by way of order dated May 20, 2019. This order was partially amended on December 3, 2019 suspending the license for a period of 15 days (“**Impugned Order**”). Desai Pharma has filed a writ petition before the High Court of Judicature at Bombay (“**High Court**”) where it has sought stay, quashing and setting aside of the Impugned Order and restoration of the drug license. The High Court by way of order dated January 9, 2020 granted a stay on the order of suspension of license of Desai Pharma. The matter is currently pending. The High Court has further by way of order dated March 6, 2020 granted ad-interim or interim relief till the next date of hearing. The matter is currently pending.

**D. Litigation involving Docon Technologies Private Limited (“Docon”)**

Criminal proceedings involving Docon

*Filed by Docon*

- I. Docon has filed written complaints with the Police Station in relation to dishonour of cheque under Section 138 of the Negotiable Instruments Act, 1881 against Harsh Kanekal, for the non-refund of the security deposit paid under the leave and license agreements between Docon and Harsh Kanekal. The matter is currently pending.

Other notices against Docon

1. Docon Technologies Private Limited have received a notice dated October 23, 2021 (“**Notice**”), from A. Sundararaju HUF (“**Complainant**”), an erstwhile shareholder and member of the promoter group of Thyrocare. For further details, please see “I. Litigation involving our Company – Litigation against our Company –C. Other notices against our Company” on page 710.

**E. Litigation involving Eastern Agencies Healthcare Private Limited (“Eastern”)**

Actions taken by regulatory and statutory authorities

- I. Eastern received a show cause notice (“**Notice**”) dated June 27, 2019 from the Office of the Assistant Commissioner (Brihanmumbai), Food and Drug Administration, Maharashtra (“**FDA**”) stating that on inspection, Directors of the shop, namely Hardik Dedhia and Harsh Parekh were not present and allegedly medicines were being sold in their absence in violation of rule 65(5) of the Drugs Rules while also stating that Eastern purchased Galvus 50 mg medicines from Nivaan Pharmaceuticals alleging that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme (“**Allocated Usage**”). Eastern

responded to the FDA clarifying the nature of purchase was on an as is where condition basis from Nivaan Pharmaceuticals and that Eastern was not aware of the Allocated Usage. FDA by order dated April 10, 2019, cancelled the licenses of Desai Pharma under rule 66(1) and 67(H)(1) of the Drugs Rules. An appeal was filed before the Minister, Food and Drugs Department, State of Maharashtra wherein a stay on the license cancellation was sought which was granted by way of order dated May 20, 2019. This order was partially amended suspending the license for a period of 15 days (“**Suspension Order**”). Eastern has filed a writ petition before the High Court of Judicature at Bombay (“**High Court**”) where it has sought stay of the Suspension Order and restoration of the drug license. The High Court has granted interim protection to Eastern till the next date of hearing. The matter is currently pending.

2. The Municipal Corporation of Greater Mumbai (“**Authority**”) has issued a show cause notice dated April 5, 2021 (“**Notice**”) and a speaking order (“**Order**”) dated April 22, 2021 to Eastern basis a complaint by under Section 351(1) of the Mumbai Municipal Corporation Act, 1888 (“**Act**”) alleging unauthorised constructions of structure used as store with additions or alterations or amalgamations directing discontinuation of the usage of the structure and for removal of the notice structure situated at 6 Mohan Studio, Eastern Agencies Healthcare Private Limited, Andheri Kurla Road, Andheri East, Mumbai (“**Notice Structure**”). Eastern responded to the Notice denying all allegations of unauthorised construction and encroachment and has filed a writ petition (“**writ petition**”) before the High Court of Judicature at Bombay (“**High Court**”) wherein it has challenged the Notice and has sought reliefs including finding the Notice ultra vires under Section 351 of the Act, unconstitutional, illegal, arbitrary, mala fide and contrary to the High Court’s order dated April 16, 2021, and to stay the Notice and implementation of the Order while also injuncting the officers or employees of the Authority from taking any action pursuant to the Notice. The High Court considered that the Notice Structure was being used for essential storage of medicines and passed an interim order dated May 4, 2021 recording that no coercive action was to be taken against the Notice Structure till June 30, 2021 or until further orders, whichever is earlier. The High Court has suo moto extended protection by interim order till August 31, 2021 or until further orders, whichever is earlier. The matter is currently pending.

#### **F. Litigation involving Medlife Wellness**

Medlife Wellness has received two notices from the labour authorities in Bangalore, Karnataka for the purpose of inspection of records and documents under various statutes including Payment of Bonus Act, 1965 and rules thereunder, Payment of Gratuity Act, 1976, Karnataka Industrial Establishment (National and Festival Holiday) Act, 1963 and the Maternity Benefit Act, 1961. Subsequently, Medlife Wellness has responded to each of these notices and submitted the documents with the relevant authorities. Medlife Wellness has not received any further communication from these authorities post submission of the replies.

#### **G. Litigation involving Nueclear**

##### Criminal proceedings involving Nueclear

*Filed by Nueclear*

Nueclear has filed a criminal case against Vatsal Goyal, who was known to the promoters of Nueclear and was appointed in a senior managerial position as “head – strategy and acquisitions”, before the Judicial Magistrate First Class, Vashi for criminal breach of trust and cheating under sections 406 and 420 of the Indian Penal Code, 1860 in relation to negative postings about the management of Thyrocare in the social media. The matter is currently pending.

##### Material outstanding litigation involving Nueclear

*Filed by Nueclear*

1. Nueclear has initiated arbitration proceedings against Raipur Nueclear Health Care Centre (“**RNHCC**”) and its partners pursuant to notice of arbitration dated June 5, 2020 challenging termination by the RNHCC of the healthcare services agreement entered into by Nueclear with the RNHCC along with the participation and support of the government of Chhattisgarh to scale its existing expertise in PET-CT services within Raipur. Nueclear filed its statement of claim on 16 December 2020, raising a total claim of ₹ 335.45 million against RNHCC and its partners. Nueclear has also raised a claim of ₹ 15.31 million through a notice of arbitration dated February 20, 2021 against owners of the premises wherein the PET-CT services were being provided, namely, Sanjay Kanhaiyal Lal Jain and Rekha Jain,. The matter is currently pending.

Filed against Nueclear

1. Nueclear and BIC Healthcare Private Limited (“**BIC**”) had entered into an agreement dated September 13, 2016 to jointly provide PET-CT scan services at various locations within the state of Gujarat. Disputes arose wherein each party alleged contractual breaches on the part of the other party. Pursuant to this, BIC invoked arbitration proceedings against Nueclear, alleging non-payment of pending dues and seeking ₹10.33 million from Nueclear. Nueclear, on the other hand, has sought ₹ 271.98 million from BIC for its breaches of the agreement. Subsequently, Nueclear had filed a civil miscellaneous arbitration petition before the District Court, Vadodara seeking interim measures in respect of preservation of its PET-CT scan machines and equipment installed at the imaging centres in Surat and Vadodara, until the disposal of the miscellaneous arbitration petition. The District Court, Vadodara had ordered the parties to maintain status quo with respect to the PET-CT scan machines and equipment until the disposal of the miscellaneous arbitration petition. The matter is currently pending.

**H. Litigation involving Threpsi Solutions Private Limited**

Criminal proceedings involving Threpsi

*Filed by Threpsi*

1. Threpsi has filed a written complaint dated October 1, 2021 (“**Complaint**”) with the Bhandup Police Station, Mumbai against Sujay Sanjay Gaurav alleging theft, criminal breach of trust and misappropriation of Threpsi’s inventory in its warehouse located at Mumbai. Threpsi gained knowledge of the alleged offence through CCTV recordings of cameras placed at the warehouse. The matter is currently pending.

*Filed by Thea (whose business stood transferred to Threpsi by Business transfer agreement dated July 3, 2020. For further details, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated July 3, 2020 entered into by and between Thea Technologies Private Limited and Threpsi Solutions Private Limited” beginning on page 217.)*

1. Thea has filed a written complaint dated September 17, 2019 (“**Complaint**”) with the Police Inspector, Sarkhej police station, Ahmedabad against Hardik Shah (“**Accused**”) for stealing and theft of medicines from Thea’s warehouse. The matter is currently pending.
2. Thea has filed a written complaint dated July 10, 2019 (“**Complaint**”) with the Pant Nagar Police Station, Ghatkopar East and written complaints dated February 12, 2018, against Atul Shah of Darshan Chemists before the Kandivali East (Santa Nagar ) Police Station and the Kandivali West (Charkop) Police Station alleging cheating and fraud. Darshan Chemists had obtained supplies from Thea and failed to pay dues amounting to ₹ 3.18 million. The matter is currently pending.
3. Thea has filed a written complaint dated July 10, 2019 (“**Complaint**”) with the Pant Nagar Police Station, Ghatkopar East and written complaints dated February 12, 2018, against Vishal Shah, Umesh Natwarlalshah of Darshana Medical and General Store before the Kandivali East (Santa Nagar ) Police Station and the Kandivali West (Charkop) Police Station alleging cheating and fraud. Darshana Medical and General Stores had obtained supplies from Thea and failed to pay dues amounting to ₹ 1.50 million. The matter is currently pending.
4. Thea received a show cause notice dated September 3, 2019 pursuant to an inspection by the State of Rajasthan through the Office of the Drug Control Officer (“**DCO Rajasthan**”). DCO Rajasthan had drawn a sample of the drug Losar H on August 9, 2019 which was found on testing to not be of a standard quality by notice dated September 2, 2019 upon testing. Thea had procured the drugs from M/s. Darsh Pharma. Pursuant to this, Thea has filed a first information report against M/s. Darsh Pharma with the Ashok Nagar Police Station, Jaipur for selling it substandard drugs. The matter is currently pending.

Other material outstanding litigation involving Threpsi Solutions Private Limited

1. Please see “I. Litigation involving our Company – Litigation against our Company – Other Material Outstanding Litigation” on page 709 for material outstanding litigations against 91Streets pursuant to the business of 91Streets being transferred to Threpsi by Business transfer agreement dated September 25, 2020. For further details in relation to such transfer, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers,

*amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated September 25, 2020 entered into by and between our Company and Threpsi Solutions Private Limited ” beginning on page 217.*

2. Dr. Zaheer Ahmed (“**Petitioner**”) has filed a writ petition before the High Court of Delhi on October 27, 2018 against, among others, the Union of India, Government of Delhi, National Capital Territory through the Secretary of Ministry of Health and Family Welfare Central Drugs Standard Control Organisation, Drugs Controller, Government of Delhi (“**Respondent Authorities**”), 91Streets and other entities with similar business models being run in India. The Petitioner *vide* this writ petition has sought relief, *inter alia*, to the extent of directions to the Respondent Authorities to take action against entities distributing, selling, offering to sell or exhibiting drugs on the internet, constituting an expert committee to ascertain the total number of websites engaged in distributing, selling, offering to sell or exhibiting drugs on the internet, impose a ban on distribution, sale, offer to sale, exhibition or purchase of drugs on the internet, blocking the website links on the internet of entities selling or offering to sell drugs on the internet and to take action and commence prosecutions against entities distributing, selling, offering to sell or exhibiting drugs on the internet. By an order dated December 12, 2018 (“**Interim Injunction Order**”), the High Court of Delhi passed an interim injunction against the online sale of medicines without license and directed such sale to be prohibited by the Respondent Authorities. By an application dated December 14, 2018, 91Streets impleaded itself as a party respondent and filed an application wherein it sought vacation of the Interim Injunction Order. By an application dated May 8, 2019 91Streets sought removal from the respondents list pursuant to the PharmEasy marketplace being operated by a third party entity. 91Streets has filed its reply on merits on November 29, 2019 responding to specific allegations in the writ petition. The Petitioner has also filed a contempt petition against 91Streets and its directors before the Delhi High Court alleging contempt of the Interim Injunction Order. 91Streets has replied to this contempt petition. Both the matters are currently pending.

Actions taken by regulatory and statutory authorities

*Regulatory notices received by 91Streets are disclosed herein below pursuant to the business of 91Streets being transferred to Threpsi by Business transfer agreement dated September 25, 2020. For further details, see “History and Certain Corporate Matters - Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years - Business transfer agreement dated September 25, 2020 entered into by and between our Company and Threpsi Solutions Private Limited” beginning on page 217.*

1. A notice dated January 21, 2021 addressed to PharmEasy marketplace was issued by the Food Safety Officer, Food and Drug Administration, Yavatmal (“**Authority**”) under section 24(1), 24(2) (a) and (b) of Food Safety and Standards Act, 2006 read with provisions of the Food Safety and Standards (Health supplements and Nutraceuticals) Regulations, 2016, stating that promotion of a product Vita kid (Healthvit) was done without including the required advisory warning, thereby promotion being misleading. Threpsi in its response to the Office of Assistant Commissioner, Food and Drug Administration, Maharashtra State, clarified that it had merely developed the “PharmEasy Platform” and had further licensed to a third-party company conducting the operations and therefore the notice was to be redirected in this regard. Threpsi has not received any subsequent notice.
2. Threpsi has received a notice dated June 3, 2021 from the Food and Drugs Regulator, Vastrapur, Ahmedabad under Section 18 of the Drugs Act read with rule 65 of the Drugs Rules by which the Authority had alleged certain non-compliances such as display of license copy, submission of inspection book, noted required refrigeration of certain medicines and availability of the sale and purchase data during inspection. Threpsi has replied to the notice on June 5, 2021 and responded to the Authority and complying with the directives such as display of license and availability of the purchase data during inspections and has clarified that the required refrigeration of medicines referred in the notice had just arrived in the warehouse.
3. Labour Department Officer, Bengaluru issued a letter of instruction dated September 27, 2021 directing Threpsi to share certain registers and records for inspection of registers to be maintained under the Labour Contract (Prohibition and Regulation) Act, 1970 and Rules 1974 and the Minimum Wage Act, 1948 and the Karnataka Minimum Wages Rules, 1958 for employees contracted from five contractors namely, Team HR GSA Private Limited, SLV Consulting Private Limited, G4S Secure Solutions Private Limited, M/s. Bharat Facilities and Golden Star Facilities and Services Private Limited(collectively “**Contractors**”). The Contractors have acknowledged receipt

of the requirements from the Labour Department Officer which have been shared with Threpsi. Threpsi has not received any subsequent notice.

4. Enforcement Directorate, Ministry of Finance, Government of India (“**Authority**”) has issued a summons notice dated November 10, 2020 (“**ED Notice**”) addressed to Thea under the Prevention of Money Laundering Act, 2002 seeking appearance with the following documents including (i) photocopy of passport, permanent residential proof (Aadhar card, election voter identity card and driving license) along with originals for verification with one latest photo;(ii) details of all bank accounts maintained by Thea, details of Thea’s companies or firms or companies in and outside India; (iii) details of movable and immovable assets held in the name of Thea, family members with sources of funds; (iv) copies of application filed for issue of drug license, copy of license, details of security amount; (v) copy of income tax return; (vi) copy of notice or order issued or passed by drugs controlling authority;(vii) details of purchase transactions made with Darsh Pharma Jaipur along with copies of bills, payments made, stock ledger, etc; (viii) copy of purchase and sales registers since April 2013 onwards; (ix) details of invoices of buying or selling medicine Losar H, including bank statements indicating transaction details of credits/debits against Losar-H and details of cases or complaints lodged against Thea along with documents of complaint or case. Threpsi by way of letter dated December 10, 2020 apprised the Authority that Thea stood transferred to Threpsi and ceased to exist as of August 26, 2020 with the business of Thea being undertaken by Threpsi with a valid drug license. Puneet Kumar Jain, an authorised representative of Threpsi appeared before the Authority while no statement was recorded on that day and provided responses for the queries raised and all supporting documents while also noting availability of directors by way of video conferencing or physical appearance. Amit Singh, director of Thea has also written to the Authority by a letter dated December 22, 2020 expressing his apologies for his inability to appear and extended his cooperation for meeting either in physical appearance or contact telephonically. Threpsi has not received any subsequent notice.
5. 91Streets has received 12 show cause notices dated December 11, 2020 from the Office of Senior Inspector, Department of Legal Metrology (Weights and Measures), Moradabad (“**Authority**”) with respect to non-disclosure of mandatory information sold on PharmEasy marketplace under Section 18 of Legal Metrology Act, 2009 read with Rule 6(10) of the Legal Metrology (Packaged Commodities) Rules, 2011. Threpsi in their replies to the abovementioned notices has submitted that PharmEasy marketplace was developed by 91Streets, the business which by way of corporate restructuring is now part of Threpsi which has licensed to a third party company for day to day running of the PharmEasy marketplace which is responsible and liable to address the issues raised by the Authority. Threpsi has not received any subsequent notice.

Thea also received a show cause notice (“**Notice**”) dated March 28, 2019 from the Office of the Assistant Commissioner (Brihanmumbai), Food and Drug Administration, Maharashtra (“**Authority**”) under rule 66(1) and 67(H)(1) of the Drug Rules stating that Thea purchased Galvus 50 mg medicines from Nivaan Pharmaceuticals stating and that the said batch of medicine was allocated for the use of government hospitals or defence supply or employee state insurance scheme (“**Allocated Usage**”). Thea responded to the Authority clarifying that the purchased medicines from Nivaan Pharmaceuticals did not bear labels of the Allocated Usage and that Thea was not aware of the Allocated Usage of the purchased medicines. Thea received a cancellation order under rule 66 of the Drugs Rules from the Joint Commissioner, Food and Drug Administration, Mumbai which was stayed on June 6, 2019. Subsequently, the Authority passed a suspension order of 15 days. Thea filed an appeal at the High Court of Judicature at Bombay pursuant to which a stay order was obtained against the suspension of the drugs license. Thea did not receive any subsequent notice, and neither the assignee entity undertaking Thea’s business activities has received any subsequent notices. The matter is currently pending.

## **I. Litigation involving Thyrocare**

### Criminal proceedings involving Thyrocare

#### *Filed by Thyrocare*

1. Thyrocare has filed seven complaints against various parties, under Section 138 of the Negotiable Instruments Act, 1881, in relation to dishonour of cheques. These matters are pending at various stages of adjudication before various courts.
2. Thyrocare has filed a criminal case against Anand Dubey (“**Accused**”) before the Judicial Magistrate First Class, Vashi for criminal breach of trust, cheating and forgery under sections 406, 420 and 465

of the Indian Penal Code, 1860. The Accused had misrepresented his previously held positions in certain entities along with the remuneration numbers to Thyrocare at the time of joining which were subsequently found to be forged. The matter is currently pending.

Actions taken by regulatory and statutory authorities

1. Thyrocare has received a notice dated October 10, 2018 from the anti-corruption branch of the Central Bureau of Investigation, Goa (“**CBI**”) wherein information with respect to an investigation of the CBI was requested pertaining to Jeetendra Ranjan who had ordered a pathological report and who had availed pathological test lab facility for himself and his family members. CBI had requested information pertaining to the addresses of Sameer Sardesai and Prabha Sardesai who were the service providers or sample collectors from the residence of Jeetendra Ranjan. CBI also requested Thyrocare to provide details of test reports and payment receipts by Thyrocare from Jeetendra Ranjan and his family members since January 2009. Thyrocare by its reply dated March 8, 2019 has submitted the requested information and was able to furnish details of Jeetendra Ranjan only from 2015 onwards. Thyrocare has not received any subsequent communication from CBI]
2. Thyrocare has received a notice dated March 3, 2021 (“**Notice**”) from the Office of the Assistant Commissioner of Police, Economic Offences Wing, New Delhi (“**Authority**”) for providing information and documents in relation to an FIR No. 34/21 dated February 12, 2021 against a third party entity under Section 406, 420 and 120B of the Indian Penal Code, 1860 wherein the Authority has by way of its Notice instructed Thyrocare to submit information and documents pertaining to COVID-19 testing kits that it procured from M/s Genestore India Private Limited with details of payment made and details of any further sale of the testing kits by it and further, in relation to any complaints that were made against the procured testing kits. Thyrocare in its reply dated March 13, 2021 has responded to the Authority by providing the information requested for the transactions, details of payments made, any further sale of the testing kits and for any complaints made by it against Genestore India Private Limited. Thyrocare has not received any response to the information provided and no proceedings have been initiated against it in this regard.
3. Thyrocare has received demand notices from the Regional Provident Commissioner -II sub-regional office, Vashi ordering the Company to pay outstanding dues under the EPF Act, for the period from March 2009 to March 2014, amounting to ₹ 5.27 million. Thyrocare filed a review application against the order dated May 11, 2015 which was rejected by the Employees Provident Fund Appellate Tribunal, Delhi pursuant to which an appeal was filed. Thyrocare deposited 40% of the dues payable amounting to ₹ 2.09 million while filing its appeal in 2016 and the appeal is pending. The balance amount of dues amounting to ₹ 3.1 million was deducted from the Thyrocare’s bank account on instructions of the Assistant Provident Fund Commissioner, (Recovery), Sub regional office, Vashi which has been contested by Thyrocare. The matter is currently pending.
4. Thyrocare has received a notice from the Deputy Commissioner, Gas Claims Tribunal, Shahjahanabad, Bhopal dated July 12, 2021 for verification purposes that a certain report issued to one Mrs. Pushpa referred in the notice was validly issued by Thyrocare in one of its labs. Thyrocare has duly replied to the notice and has received no further communication or notice in this regard.
5. Thyrocare has received a notice from the Competition Commission of India (“**Commission**”) dated August 31, 2021 under Section 41(2) read with Section 36(2) of the Competition Act, 2002 wherein the Commission has directed Thyrocare to furnish information in regard to rate list of top 20 investigations/test (Non-CGHS), certain diagnostic tests for instance liver function test and renal biochemical profiles, X-Rays, Ultrasound, CT-Scans conducted at the diagnostic center at Delhi/National Capital Region for the years 2010, 2015 and 2020. Thyrocare has in its reply to the Commission provided the requested information concerning the various rate lists of the tests conducted at its Delhi/National Capital Region lab. Thyrocare has not received any subsequent notice.
6. Thyrocare has received a notice dated September 10, 2021 from the Delhi Medical Council (“**Authority**”) for a notice received by them from Tarun Baldua for certain tests conducted by Thyrocare. Thyrocare has replied to the notice from the Authority explaining the test procedure. Thyrocare has not received any subsequent notice.
7. Thyrocare has received a notice from the Deputy Commissioner, Gas Claims Tribunal, Shahjahanabad, Bhopal dated September 23, 2021 for verification purposes that a certain report issued to Sagira Nahid was validly issued by Thyrocare in one of its labs. Thyrocare has duly replied



to the notice verifying the authenticity of the report and providing the requisite details of the test conducted. Thyrocare has received no further communication or notice in this regard.

8. Thyrocare has received a notice from the Chief Medical Officer, Gautambudhnagar, Lucknow (“**Authority**”) requesting explanations concerning Covid samples collected in the jurisdiction of the Authority and details of reports issued to certain patients. Thyrocare has replied to the Authority explaining the location of its laboratory wherein Covid tests are processed and the requisite authority for conducting the said Covid tests which is conducted in Indian Council of Medical Research authorised labs only. Thyrocare has not received any subsequent notice.

Thyrocare from time to time receives requests for clarifications from the Stock Exchanges pertaining to disclosure requirements under the applicable securities laws, for instance, regarding increase in trading volumes, price movements, clarifications of news items, etc and provides its responses within the prescribed timelines. Further, there has been no communication has been received subsequent to our last response.

**J. Litigation involving VPI Medisales Private Limited (“VPI Medisales”)**

Criminal proceedings involving VPI Medisales

Filed by VPI Medisales

VPI Medisales filed a criminal complaint against Xolo Pharma Enterprises (“**Xolo**”) before the 42<sup>nd</sup> Additional Chief Metropolitan Magistrate, Bengaluru in relation to dishonour of cheque issued by Xolo for the pharmaceutical products supplied by VPI Medisales, under Section 138 of the Negotiable Instruments Act, 1881. The matter is currently pending.

**K. Certain notices from regulatory and statutory authorities**

Our Company and our Subsidiaries receive notices from time to time from certain regulatory and statutory authorities including from the Food and Drugs Administration of various states in India, labour authorities, etc in relation to, among others requests for information and clarifications relating to our business, operations and past compliances. We reply to such notices as and when received. Further, except as disclosed in this section, no subsequent communication has been received from the relevant regulatory and statutory authorities subsequent to our last response to such authorities.

**III. Litigation involving our Directors**

**Litigation involving Harsh Parekh, our Co-founder and Whole-time Director**

**A. Civil litigation**

1. Akhil Bhartiya Kamgar Karamchari Sangh (“**Union**”) has filed a complaint dated December 16, 2020 against Shree Simba Chemist and others, Harsh Parekh and Swifto Services Private Limited before the Industrial Court, Mumbai in relation to the notice given to Ascent Wellness by the Union for raising demands of some members of the Union. The complaint was filed under Section 28(1) and Item (a) and (b) of the Schedule II and Item 9 and 10 of Schedule IV of the Maharashtra Recognition of Trade Union and Prevention of Unfair Labour Practices Act, 1971 before the Industrial Court, Mumbai in apprehension that such union activity might cause termination of employment. Subsequently, an amendment application was filed by the Union for inclusion of our Company, Dhaval Shah, Ashish Kumar, Ascent Wellness and Pharma Solutions Private Limited and Yash Jayesh Parekh. The Industrial Court has provided interim relief by order dated January 4, 2021 for maintaining status quo on termination of employment until further order. The matter is currently pending.

**Litigation involving Siddharth Shah, our Co-founder, Managing Director and Chief Executive Officer**

**A. Actions initiated by regulatory and statutory authorities**

1. Siddharth Shah and Hardik Dedhia, partners of Shree Simba Chemist, a unit of Ascent Wellness and Pharma Solutions Private Limited, have received a notice dated August 17, 2021 from the Office of Inspector of Legal Metrology, Mumbai, Maharashtra (“**Authority**”) in relation to distribution of Pulse Oximeter JZ1K1 305 (packaged commodity) with alleged incorrect disclosure about the manufacturer under Section 18(1) of the Legal Metrology Act, 2009 read with Rule 18(1) of the Legal Metrology (Packaged Commodities) Rules, 2011. A response has been submitted to the Authority highlighting non-receipt of the seizure receipt dated May 24, 2021 and notice dated May 27, 2021 and requesting personal hearing for submitting

satisfactory responses. In this regard, Shree Simba Chemists, a unit of Ascent Wellness has written to the Authority wherein compounding of the offence has been sought. The matter is currently pending.

#### IV. Tax Proceedings

A summary table of the claims relating to direct and indirect taxes involving our Company, Subsidiaries and Directors is set forth below:

Nature of case	Number of cases	Amount involved (in ₹ million)
<b>Our Company</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Subsidiaries#</b>		
Direct Tax	19	505.16*
Indirect Tax	33	200.68*
<b>Directors</b>		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

\* To the extent quantifiable till November 8, 2021

#### Material Tax Matters

- I. Thyrocare received show cause notices for five consecutive years (collectively as, “**Tax Notices**”) from the Income Tax Officer (Tax Deducted at Source) pursuant to which Thyrocare has filed detailed replies with annexures for each of the financial years. The tax department in pursuance of the Tax Notices passed an order of assessment u/s 201(1) and 201(1A) of the Income Tax Act, 1961, raising demands on a presumptive basis alleging that, Thyrocare Service Providers (“**TSP**”) are charging twice that from the patient than charged as being the turnover and alleging that the difference between the amount collected by the TSPs and the amount received by the Thyrocare is the commission earned by TSPs as agents of Thyrocare. Thyrocare has filed appeals before Commissioner of Income Tax (“**CIT**”) and in the relevant assessment years, the CIT has passed an order in favour of Thyrocare against which the tax department has preferred an appeal. The tax department filed an appeal before the tribunal, pursuant to which the tribunal reversed the order of the CIT. Thyrocare has preferred an appeal before the High Court of Judicature at Bombay (“**Bombay High Court**”) pursuant to which the Bombay High Court passed detailed orders on September 11, 2017 setting aside the tribunal’s decision and directing the tribunal to hear the appeal again fresh on merits. The disputed claim amount with the tax department amounts to ₹ 492.30 million. The matter is currently pending.

#### V. Outstanding dues to creditors

As of June 30, 2021, we had 4,601 creditors and the aggregate amount outstanding to such creditors was ₹ 3,116.15 million, both on a consolidated basis.

Details of outstanding dues owed as at June 30, 2021 to MSMEs and other creditors are set out in the table below:

Type of creditor	Number of creditors	Outstanding dues (in ₹ million)
MSMEs	185	63.08
Other creditors	4,416	3,053.07
<b>Total</b>	<b>4,601</b>	<b>3,116.15</b>

Based on the Materiality Policy, there are no material creditors of our Company as on June 30, 2021.

#### VI. Material developments

Other than as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 687, there have not arisen, since June 30, 2021, the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability / losses taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

Our Company, our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare, have received the necessary consents, licenses, permissions, registrations and approvals from the Government of India, various governmental agencies and other statutory and/or regulatory authorities required for carrying out our present business activities and except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company, our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare, undertake to obtain all material approvals, licenses and permissions, as may be required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to undertake our business activities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see “Risk Factors” and “Key Regulations and Policies in India” on pages 43 and 191 respectively.

### I. Material approvals in relation to the Issue

For the approvals and authorisations obtained by our Company in relation to the Issue, see “Other Regulatory and Statutory Disclosures – Authority for the Issue” on page 723.

### II. Material approvals in relation to our Company

We have received the following material approvals, licenses, consents, registrations, and permits pertaining to our business:

#### A. Material approvals in relation to our incorporation

For details in relation to incorporation of our Company, see “History and Certain Corporate Matters” on page 197.

#### B. Material approvals in relation to our business operations

The material approvals in relation to our business operations are set forth below:

1. Registration certificate from the office of chief facilitator under the Maharashtra Shop and Establishments (Regulations of Employment and Conditions of Service) Act, 2017 obtained by our Company.

#### C. Certain other approvals

1. Permanent Account Number (PAN), Tax Deduction Account Number (TAN), Goods and Services Tax Number (GSTN), and professional tax registrations issued by respective tax authorities under relevant tax statutes.
2. Registrations under various employee and labour related laws including Payment of Gratuity Act, 1972, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; and the Employees State Insurance Act, 1948.

### III. Material approvals in relation to our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare

1. License to sell, stock, or exhibit (or offer) for sale, or distribute drugs by wholesale under the Drugs and Cosmetics Act, 1940 obtained by Threpsi, Aryan Wellness, Mahaveer Medi-Sales, D.C. Agencies, Thyrocare and Aknamed.
2. License to carry on food businesses as wholesaler, retailer, supplier, and marketer in the relevant States under the Food Safety and Standards Act, 2006 obtained by Threpsi, Aryan Wellness, Mahaveer Medi-Sales, D.C. Agencies, and Thyrocare.
3. Registration certificate under the Shops and Establishment Act of Karnataka, Madhya Pradesh, Telangana, Maharashtra, Punjab, West Bengal, Bihar, Uttar Pradesh, Rajasthan, Tamil Nadu, Assam, Andhra Pradesh and New Delhi for the warehouses and commercial/industrial establishments obtained by Threpsi, Aryan Wellness, Mahaveer Medi-Sales, D.C. Agencies, Medlife Wellness, Thyrocare and Aknamed.
4. Certificate of Enlistment and Trade License issued by relevant State Municipal Corporations under the relevant State Municipal Corporation legislations obtained by Aryan Wellness, D.C. Agencies, Mahaveer Medi-Sales, Threpsi and Thyrocare.

5. Authorization for operating a facility for generation, collection, reception, treatment, storage, transport and disposal of bio-medical wastes issued by State Pollution Control Boards of relevant States under the Bio-Medical Waste Management Rules, 2016 obtained by Thyrocare.
6. License to import medical devices under the Drugs and Cosmetics Act, 1940 (23 of 1940) read with the Medical Devices Rules, 2017 issued by relevant drug licensing authorities for our premises in Maharashtra located at Plot No. D-37/I, TTC Industrial Area, MIDC, Turbhe, Navi Mumbai 400 703 obtained by Thyrocare.
7. Registration certificate under the Clinical Establishments (Registration and Regulation) Act, 2010 and the respective State legislations of Karnataka, Madhya Pradesh, Tamil Nadu and West Bengal issued by the relevant state authorities obtained by Thyrocare.
8. Certificate of Importer-Exporter Code issued by the Foreign Trade Development Officer, Ministry of Commerce obtained by Thyrocare for two of its premises located in Maharashtra and Threpsi for its premises located at 217, 2nd Floor, Jhalwar Building, Patanwala Compound, Near Shreyas, Ghatkopar, Mumbai, Maharashtra 400086.

**IV. Material approvals and / or renewal of material approvals applied for by our Company, Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare but not received**

Our Company, Material Subsidiaries, Aknamed and Thyrocare have obtained all material approvals, consents, licenses, registrations and permits that are required for undertaking their current business activities. Except as disclosed below, there are no applications for material approvals and/or applications for renewal of material approvals made by us that have not been received:

*A. Our Company*

1. Application for authorization for operating a facility for generation, collection, reception, treatment, storage, transport and disposal of bio-medical wastes issued by the Delhi State Pollution Control Board under the Bio-Medical Waste Management Rules, 2016 for our premises located at B-192, Naraina Industrial Estate, 2nd Floor, Rhynos Gym Building, Delhi 110 028.

*B. Our Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare*

2. Application pending for Business License for factory/workshop or trade premises under the Haryana Municipal Corporation Act, 1994 for Threpsi for its premises located at Plot No, 17,18,19,20, Sector 18, Electronic City, District Gurugram, Haryana, 122015.
3. Application pending for registration under the Kerala Shops and Establishment Act, 1960 for Thyrocare for its premises located at 36/1631A, Thekkadath Complex, Amrita Hospital Road, AIMS PO, Ponekkara, Ernakulum, Kochi, Kerala.
4. Application pending for registration under Tamil Nadu Clinical Establishments (Regulation) Act, 1997 for Thyrocare for two of its premises located in Chennai and Coimbatore.
5. Application pending for renewal of license to import medical devices under the Drugs and Cosmetics Acts, 1940 read with the Medical Devices Rules, 2017 issued by relevant drug licensing authorities for Thyrocare for its premises located at Cold Storage, 1st Floor, West-East Corner, D/37-I, Turbhe, MIDC, Navi Mumbai 400705.
6. Application pending for registration under the Telangana Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 for Thyrocare for its premises located at H No 1-9-645/B, Vidyanagar, Adikmet Road, Near SBI Bank, Hyderabad 500044.
7. Application pending for renewal of bio-medical consent to operate under Biomedical Waste Management Rules, 2016 for Thyrocare for its premises located at Plot No D-37/I, TTC INDL Area, MIDC, Turbhe, Navi Mumbai 400703.
8. Application pending for obtaining a certificate of Enlistment and Trade License issued by relevant State Municipal Corporations under the relevant State Municipal Corporation legislations for Thyrocare for its premises located in Bihar, Haryana, Karnataka, Madhya Pradesh, Uttar Pradesh and Punjab.

**V. Material approvals required or expired and in the process of being applied for by our Company, Material Subsidiaries and our Subsidiaries, Aknamed and Thyrocare**

A. *Our Company*

1. Registration Certificate under the Shops and Establishment Act of Maharashtra, Delhi, Karnataka, West Bengal, Tamil Nadu, Telangana, Rajasthan, Madhya Pradesh, Gujarat and Uttar Pradesh for our commercial establishments.
2. Authorization for operating a facility for generation, collection, reception, treatment, storage, transport and disposal of bio-medical wastes issued by relevant State Pollution Control Boards under the Bio-Medical Waste Management Rules, 2016 for our premises located in Maharashtra, Karnataka, West Bengal, Tamil Nadu, Telangana, Rajasthan, Madhya Pradesh, Gujarat and Uttar Pradesh.
3. Authorization for setting up private pathological laboratories or collection centres issued by relevant Pollution Control Boards issued under the Water (Prevention and Control of Pollution) Act, 1974 for our premises located in Maharashtra, Delhi, Karnataka, West Bengal, Tamil Nadu, Telangana, Rajasthan, Madhya Pradesh, Gujarat and Uttar Pradesh.
4. Registration under the relevant clinical establishments' registration legislations of Karnataka and West Bengal.
5. Trade License issued by relevant State Municipal Corporations under the relevant State Municipal Corporation legislations for our premises located in Karnataka and West Bengal.

Further, pursuant to the Medlife Merger, we are in the process of applying for certain material approvals pertaining to the merged entities, in the name of our Company.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on October 13, 2021. Further, our Shareholders have approved the Issue pursuant to a resolution dated October 13, 2021 in terms of Section 62(1)(c) of the Companies Act, 2013. This Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution dated October 28, 2021 and a resolution of the IPO Committee dated November 8, 2021.

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company and our Directors are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Company or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offender Act, 2018.

Our Company or its Directors are not declared as fraudulent borrowers by any lending banks, financial institution or consortium, in accordance with the terms of the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company has confirmed compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Directors associated with the Securities Market

Except for our Independent Director, Deepak Vaidya, who is also a director on the board of directors of UTI Capital Private Limited which is engaged in securities market related business and is registered with SEBI, none of our Directors are associated with entities associated with securities market in any manner. Further, no action has been initiated by SEBI against our Director Deepak Vaidya, in his capacity as the director on the board of directors of UTI Capital Private Limited in five years preceding the date of this Draft Red Herring Prospectus. For details, see "Our Management" beginning on page 227. Further, there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

*"An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so."*

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot at least 75% of the Issue to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) None of our Company and our Directors have been categorized as a wilful defaulter, as defined in the SEBI ICDR Regulations.
- (d) None of our Directors has been declared a fugitive economic offender.
- (e) Other than the options granted under the ESOP Plan 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED, JM FINANCIAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND BOFA SECURITIES INDIA LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE BIDDERS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 8, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All applicable legal requirements pertaining to the Issue will be complied with at the time of filing the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All applicable legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

#### **Disclaimer from our Company, our Directors and the BRLMs**

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than those confirmed in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, [www.apiholdings.in](http://www.apiholdings.in), would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into among the Underwriters and our Company.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, our Subsidiaries and their respective directors, officers, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, our Subsidiaries and their respective directors, officers, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), systemically important non-banking financial companies, or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, VCFs, permitted state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, and to permitted non-residents including Eligible NRIs, AIFs, FPIs, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, Gol, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only. Invitations to subscribe to or purchase the Equity Shares in the Issue will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Issue, which comprises the Red Herring Prospectus and the preliminary international wrap for the Issue, if the recipient is outside India.

**No person outside India is eligible to Bid for Equity Shares in the Issue unless that person has received the preliminary offering memorandum for the Issue, which contains the selling restrictions for the Issue outside India.**

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. The delivery of this Draft Red Herring Prospectus, shall, under any circumstances, create any implication that there has been no change in our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**



Until the expiry of 40 days after the commencement of this Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Issue) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with Section 4(a)(2) or Rule 144A or another available exemption from registration under the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

### **Eligible Investors**

The Equity Shares are being offered and sold:

- i. in the United States to investors that are US QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and
- ii. outside the United States in “offshore transactions” in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

### **Equity Shares Offered and Sold within the United States**

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. The purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

#### ***All Other Equity Shares Offered and Sold in this Issue***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to this Issue in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

#### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

#### **Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI. If our Company does not allot Equity Shares pursuant to the Issue within six Working Days from the Bid/Issue Closing Date or within such timeline as prescribed by the SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum or as may be required under applicable laws for the delayed period.

All Issue expenses shall be borne by our Company.

#### **Consents**

Written consent of our Directors, the BRLMs, our Company Secretary and Chief Compliance Officer, domestic legal counsel to our Company as to Indian Law, international legal counsel to our Company, domestic legal counsel to the BRLMs as to

Indian Law, international legal counsel to the BRLMs, special legal counsel to our Company, the independent chartered accountant and the predecessor auditors of our Company, Bankers to our Company, Registrar to the Issue, RedSeer have been obtained; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Issue Account Bank(s)/ Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus and the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

### **Expert to the Issue**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated November 8, 2021 from Price Waterhouse Chartered Accountants LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated October 28, 2021 on our Restated Consolidated Financial Information and their report dated October 28, 2021 on the Pro Forma Consolidated Financial Information and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has also received written consents dated (a) November 8, 2021 from MSKA and Associates, Chartered Accountants; and (b) November 8, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as “experts” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Thyrocare, and in respect of their audit reports, dated October 27, 2021 and May 8, 2021 on the Thyrocare Historical Financial Statements and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

Our Company has received written consent dated November 8, 2021 from B S R & Co. LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Ascent, and in respect of their audit report, dated October 31, 2021 on the Ascent Historical Financial Statements and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

We have also obtained consent dated November 2, 2021 from A.R. Sodha & Co, Chartered Accountants, in their capacity as predecessor auditors of our Company.

Our Company has also received consent dated October 28, 2021 from Saini Pati Shah & Co. LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as an “expert” in terms of the Companies Act, 2013, in relation to their certificate dated November 8, 2021 on the statement of special tax benefits available to (i) our Company and Shareholders; and (ii) our Material Subsidiaries, included in this Draft Red Herring Prospectus.

### **Particulars regarding capital issues by our Company and listed group companies, Subsidiaries or associate entities during the last three years**

Other than as disclosed in “*Capital Structure*” on page 104, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Thyrocare, our listed Subsidiary, has not made any capital issues (public, rights or composite) during the last three years.

Our associate companies, Equinox Labs Private Limited, Impex Healthcare Private Limited and Marg ERP Limited Company have not made any capital issues (public, rights or composite) during the last three years.

### **Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s incorporation.

### **Performance vis-à-vis objects – Public/ rights issue of our Company in the last five years**

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries of our Company**

Except for Thyrocare Technologies Limited, none of our Subsidiaries are listed on any stock exchanges. Further, our Company does not have an identifiable promoter in terms of SEBI ICDR Regulations and the Companies Act:

## Price information of past issues handled by the BRLMs

### I) Kotak Mahindra Capital Company Limited

#### 1. Price information of past issues handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-	-	-
2.	Vijaya Diagnostic Centre Limited	18,942.56	531 <sup>1)</sup>	September 14, 2021	540.00	+5.41%, [+4.50%]	-	-
3.	Aptus Value Housing Finance India Limited	27,800.52	353	August 24, 2021	333.00	-2.82%, [+5.55%]	-	-
4.	Cartrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31%, [+6.90%]	-	-
5.	Devyani International Limited	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	-	-
6.	Glenmark Life Sciences Limited	15,136.00	720	August 6, 2021	750.00	-6.40%, [+6.68%]	-12.85%, [+9.80%]	-
7.	Zomato Limited	93,750.00	76	July 23, 2021	116.00	+83.29%, [+3.75%]	+81.45%, [+15.20%]	-
8.	Clean Science and Technology Limited	15,466.22	900	July 19, 2021	1,755.00	+66.33%, [+5.47%]	+138.53%, [+16.42%]	-
9.	G R Infraprojects Limited	9,623.34	837 <sup>2)</sup>	July 19, 2021	1,715.85	+90.82%, [+5.47%]	+138.85%, [+16.42%]	-
10.	Krishna Institute of Medical Sciences Limited	21,437.44	825 <sup>3)</sup>	June 28, 2021	1,009.00	+48.10%, [-0.43%]	+48.35%, [+12.89%]	-

Source: www.nseindia.com

Notes:

- 1) In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share
- 2) In G R Infraprojects Limited, the issue price to eligible employees was ₹ 795 after a discount of ₹ 42 per equity share
- 3) In Krishna Institute of Medical Sciences Limited, the issue price to eligible employees was ₹ 785 after a discount of ₹ 40 per equity share
- 4) In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
- 5) The 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
- 6) Restricted to last 10 equity initial public issues.

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	12	358,203.77	-	-	3	3	4	1	-	-	-	1	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:

- The information is as on the date of this DRHP.
- The information for each of the financial years is based on issues listed during such financial year.

2) Morgan Stanley India Company Private Limited

1. Price information of past issues handled by Morgan Stanley India Company Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Issue Price (in ₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Zomato Limited	93,750	76	July 23, 2021	116.00	+ 67.4% [ + 4.2% ]	+ 81.4% [ + 15.4% ]	NA

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.

Notes:

- Issue Size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point
- Benchmark index considered is NIFTY50
- If the 30<sup>th</sup>/90<sup>th</sup>/180<sup>th</sup> day falls on a trading holiday then pricing information on the immediate next trading day has been considered
- Pricing Performance for the company is calculated as per the final offer price
- Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date

2. Summary statement of price information of past issues handled by Morgan Stanley India Company Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing date			No. of IPOs trading at premium as on 30 <sup>th</sup> calendar day from listing date			No. of IPOs trading at discount as on 180 <sup>th</sup> calendar day from listing date			No. of IPOs trading at premium as on 180 <sup>th</sup> calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-22	1	93,750	-	-	-	1	-	-	1	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

### 3) BofA Securities India Limited

#### 1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited

Sr. No.	Offer Name	Offer Size (₹ in mm)	Offer Price (₹)	Listing Date	Opening Price on Listing Date (₹) <sup>(2)</sup>	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing <sup>(3) (4) (5)</sup>	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing <sup>(3) (4) (6)</sup>	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing <sup>(3) (4) (7)</sup>
1	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	11-Oct-2021	715.00	-	-	-
2	Glenmark Life Sciences Limited	15,136.00	720.00	6-Aug-2021	750.00	-6.40% [+6.68%]	-12.85%[+9.80%]	-
3	Zomato Limited	93,750.00	76.00	23-July-21	116.00	+83.29% [+3.75%]	+81.45%[+15.20%]	-
4	UTI Asset Management Company Limited	21,598.80	554.00	12-Oct-20	500.00	-10.43% [5.87%]	-0.60%[+20.25%]	5.81% [24.34%]
5	SBI Cards and Payment Services Limited	103,407.80	755.00	16-Mar-20	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	12.50% [24.65%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

#### Notes:

- Equity public issues in last 3 financial years considered.
- Opening price information as disclosed on the website of NSE.
- Benchmark index is CNX Nifty.
- In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of previous trading day is considered.
- 30th listing day has been taken as listing date plus 29 calendar days.
- 90th listing day has been taken as listing date plus 89 calendar days.
- 180th listing day has been taken as listing date plus 179 calendar days.

#### 2. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by BofA Securities India Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	3	1,36,568.56	-	-	1	1	-	-	-	-	-	-	-	-



2020-21		21,598.80	-	-		-	-	-	-	-	-	-	-	
2019-20		103,407.80	-		-	-	-	-	-	-	-	-	-	

Notes:

1. The information is as on the date of this Draft Red Herring Prospectus.
2. Based on the day of listing

#### 4) Citigroup Global Markets India Private Limited

##### I. Price information of past issues handled by Citigroup Global Markets India Private Limited:

S.No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	NA	NA	NA
2	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[5.55%]	NA	NA
3	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31%[+6.90%]	NA	NA
4	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29%[+3.75%]	+81.45%[+15.20%]	NA
5	Kalyan Jewellers India Limited	11,748.16	87.00	March 26, 2021	73.95	-24.60%[-1.14%]	-7.07%[+8.13%]	-21.95%[+19.92%]
6	Gland Pharma Limited	64,795.45	1,500.00	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%[+18.27%]	+104.17%[+17.49%]
7	UTI Asset Management Company Limited	21,598.84	554.00	October 12, 2020	500.00	-10.43%[+5.87%]	-0.60%[20.25%]	+5.81%[+24.34%]
8	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70%[-1.99%]	+23.76%[-4.09%]

Source: www.nseindia.com

Notes:

- (1) Nifty is considered as the benchmark index.
- (2) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
- (3) 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

##### 2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹mn.)	No. of IPOs trading at discount – 30 <sup>th</sup> calendar days from listing				No. of IPOs trading at premium – 30 <sup>th</sup> calendar days from listing				No. of IPOs trading at discount – 180 <sup>th</sup> calendar days from listing				No. of IPOs trading at premium – 180 <sup>th</sup> calendar days from listing			
			Over 50%	Between 50%	25-25%	Less than 25%	Over 50%	Between 50%	25-25%	Less than 25%	Over 50%	Between 50%	25-25%	Less than 25%	Over 50%	Between 50%	25-25%	Less than 25%
2021-22	4	1,79,218.21	-	-	2	1	-	-	-	-	-	-	-	-	-	-	-	
2020-21	3	98,142.45	-	-	2	-	1	-	-	-	-	1	-	-	-	-	1	
2019-20	1	13,452.6	-	-	-	-	-	-	1	-	-	-	-	-	-	-	1	

Source: www.nseindia.com

Notes:

(1) The information is as on the date of the document.

(2) The information for each of the financial years is based on issues listed during such financial year.

(3) Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

## 5) JM Financial Limited

### I. Price information of past issues handled by JM Financial Limited

Sr. No.	Issue name	Issue Size (in ₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	Not Applicable	Not Applicable	Not Applicable
2.	Krsnaa Diagnostics Limited <sup>9</sup>	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	Not Applicable	Not Applicable
3.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	22.28% [6.79%]	31.50% [10.20%]	Not Applicable
4.	Tatva Chintan Pharma Chem Limited	5,000.00	1,083.00	July 29, 2021	2,111.85	92.54% [5.87%]	136.37% [15.78%]	Not Applicable
5.	Clean Science and Technology Limited	15,466.22	900.00	July 19, 2021	1,755	66.33% [5.47%]	138.53% [16.42%]	Not Applicable
6.	India Pesticides Limited	8,000.00	296.00	July 5, 2021	350.00	12.64% [1.87%]	4.26% [10.72%]	Not Applicable

Sr. No.	Issue name	Issue Size (in ₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
7.	Shyam Metalics and Energy Limited <sup>7</sup>	9,085.50	306.00	June 24, 2021	380.00	40.95% [0.42%]	22.65% [11.22%]	Not Applicable
8.	Sona BLW Precision Forgings Limited	55,500.00	291.00	June 24, 2021	301.00	45.45% [0.42%]	93.40% [11.22%]	Not Applicable
9.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	30.22% [5.21%]	75.43% [10.89%]	146.32% [27.71%]
10.	Anupam Rasayan India Limited <sup>8</sup>	7,600.00	555.00	March 24, 2021	520.00	-0.11% [-0.98%]	30.49% [8.23%]	37.12% [20.87%]

Source: [www.nseindia.com](http://www.nseindia.com) for price information and prospectus/basis of allotment for issue details

Notes:

1. Opening price information as disclosed on the website of NSE.
2. Change in closing price over the issue/offer price as disclosed on NSE.
3. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
5. 30<sup>th</sup> calendar day has been taken as listing date plus 29 calendar days; 90<sup>th</sup> calendar day has been taken as listing date plus 89 calendar days; 180<sup>th</sup> calendar day has been taken as listing date plus 179 calendar days.
6. Restricted to last 10 issues.
7. A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount") equivalent to ₹ 15 per Equity Share.
8. A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
9. A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
10. Not Applicable – Period not completed

2. Summary statement of price information of past issues handled by JM Financial Limited

Financial Year	Total no. of IPOs	Total funds raised (in ₹ million)	Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date			Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date			os. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	9	1,65,177.63	-	-	1	2	3	2	-	-	-	1	-	-
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

\*\* Spandana Sphoorty Financial Limited raised ₹ 11,898.49 million as against the issue size of ₹ 12,009.36 million

## Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Lead Managers, as provided in the table below:

S. No.	Name of the BRLM	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Morgan Stanley India Company Private Limited	www.morganstanley.com Investor Grievance ID: investors_india@morganstanley.com
3.	BofA Securities India Limited	www.ml-india.com
4.	Citigroup Global Markets India Private Limited	www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
5.	JM Financial Limited	www.jmfl.com

## Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a minimum period of eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

Investors can contact the Company Secretary and Chief Compliance Officer, the BRLMs or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for RIB who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

All grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹ 100 per day or 15% per annum of the application amount for the period of such delay, which period shall start from the day following the receipt of a complaint from the investor. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated by the intermediary responsible for causing such delay in unblocking in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "General Information – Book Running Lead Managers" on pages 96.

Our Company, the BRLMs and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any act of the SCSBs, including any default in complying with their obligations under the applicable SEBI ICDR Regulations.

## **Disposal of Investor Grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Drashti Shah, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

### **Drashti Shah**

902, 9<sup>th</sup> Floor, Raheja Plaza I, B-Wing

Opposite R-City Mall, L.B.S. Marg

Ghatkopar West

Mumbai 400 086

Maharashtra, India

**Tel:** +91 22 6255 6255

**E-mail:** corporatesecretarial@apiholdings.in

Our Company shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES, upon filing of this Draft Red Herring Prospectus.

Further, our Board has constituted a Stakeholders' Relationship Committee, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" beginning on page 227. Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

## **Disposal of investor grievances by listed Group Companies**

Our Company does not have any Group Companies.

## SECTION VII: ISSUE INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities and such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Issue, to the extent and for such time as these continue to be applicable.

#### Ranking of Equity Shares

The Equity Shares being Allotted pursuant to the Issue shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees, upon Allotment of Equity Shares under the Issue, will be entitled to dividend and other corporate benefits, if any, declared by our Company from the date of Allotment. For details, see “*Main Provisions of Articles of Association*” beginning on page 765.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum of Association and Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines, policies or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 249 and 765, respectively.

#### Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹ 1 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and advertised in all editions of [●] an English national daily newspaper, [●] a Hindi national daily newspaper and [●] a Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, at least two Working Days prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Issue Price shall be determined by our Company in consultation with the Managers, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of Equity Shares.

#### The Issue

The Issue comprises a fresh issue of Equity Shares by our Company.

Expenses for the Issue shall be borne by our Company. For details, see “*Objects of the Issue - Issue Expenses*” on page 137.

#### Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;

- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend etc., see “*Main Provisions of Articles of Association*” beginning on page 765.

### **Allotment only in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialised form and trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated August 21, 2020 amongst NSDL, our Company and the Registrar to the Issue;
- Agreement dated July 6, 2020 amongst CDSL, our Company and the Registrar to the Issue.

### **Market lot and trading lot**

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares subject to a minimum Allotment of [●] Equity Shares.

### **Jurisdiction**

Exclusive jurisdiction for the purposes of the Issue is with the competent courts/ authorities in Mumbai, India.

### **Joint Holders**

Subject to the provisions of the Articles of Association of our Company, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 and the rules notified thereunder, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only in the prescribed form available on request at our Registered and Corporate Office or to the Registrar and Share Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall, upon the production of such evidence as may be required by our Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.



## Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserves the right not to proceed with the Issue after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Bidders and the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Issue, the BRLMs will submit reports of compliance with the prescribed listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC. If our Company, in consultation with the BRLMs withdraw the Issue after the Bid/ Issue Closing Date and thereafter determine that it will proceed with public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

## Bid/ Issue Programme

<b>BID/ ISSUE OPENS ON</b>	<input type="checkbox"/> *
<b>BID/ ISSUE CLOSES ON</b>	<input type="checkbox"/> **

\* Our Company in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period will be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI ICDR Regulations.

\*\* Our Company in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about <input type="checkbox"/>
Initiation of refunds (if any, for Anchor Investors)/ unblocking of funds from ASBA Account*	On or about <input type="checkbox"/>
Credit of Equity Shares to demat accounts of Allottees	On or about <input type="checkbox"/>
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about <input type="checkbox"/>

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Issue BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/PI/2021/2480/11M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/IP/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

**The above timetable is indicative and does not constitute any obligation or liability on our Company or the BRLMs.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Issue Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.**

**SEBI is in the process of streamlining and reducing the post-issue timeline for initial public offerings. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.**

**Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/ Issue Period (except the Bid/ Issue Closing Date)</b>	
Submission and revision in Bids	Only between 10:00 a.m. and 5:00 p.m. (Indian Standard Time (“IST”))
<b>Bid/ Issue Closing Date</b>	
Submission and revision in bids	Only between 10:00 a.m. and 3:00 p.m. IST

**On the Bid/ Issue Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/ Issue Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on daily basis within 60 minutes of the bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit a confirmation in respect thereof to the BRLMs and the Registrar to the Issue on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked in the relevant ASBA Account, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids and revisions in Bids will be accepted only during Working Days, during the Bid/ Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Issue period. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in the Bids shall not be accepted on Saturday and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.**

### **Minimum subscription**

If our Company does not receive the minimum subscription in the Issue as specified under Rule 19(2)(b) of the SCRR or the minimum subscription of 90% of the Issue on the Bid/ Issue Closing Date; or subscription level falls below aforesaid minimum subscription after the Bid/ Issue Closing Date due to withdrawal of Bids or technical rejections or any other reason; or in case of devolvement of underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Issue Closing Date or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Issue, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every Director of our Company, who are officers in default, shall pay interest as prescribed under the Companies Act 2013, SEBI ICDR Regulations and other Applicable Law.

In terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

### **Restrictions, if any on transfer and transmission of Equity Shares**

Except for the lock-in of the pre-Issue Equity Share capital of our Company and the Anchor Investor lock-in as provided in “*Capital Structure*” beginning on page 104. and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of the Equity Shares and on their consolidation or splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of Articles of Association*” beginning on page 765.

### **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

## ISSUE STRUCTURE

Issue of [●] Equity Shares for cash at price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 62,500 million. The Issue will constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

Our Company may, in consultation with the BRLMs, consider further issue of Equity Shares by way of a private placement of Equity Shares for cash consideration aggregating to ₹ 12,500 million, prior to filing of the Red Herring Prospectus with the RoC. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs. If the Pre-IPO Placement is undertaken, the Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Issue size (the Issue size so reduced by the amount raised from the Pre-IPO Placement) shall constitute at least 10% of the post-Issue paid-up Equity Share capital of our Company.

The face value of the Equity Shares is ₹1 each. The Issue is being made through the Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation <sup>*(2)</sup>	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders	Not more than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Issue Size available for Allotment/ allocation	Not less than 75% of the Issue Size shall be Allotted to QIBs. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to the Net QIB Portion	Not more than 15% of the Issue or Issue less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not more than 10% of the Issue or Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion):  (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above  Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "Issue Procedure" beginning on page 748.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue	Such number of Equity Shares in multiples of [●] Equity Shares so

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Bidders	Retail Individual Bidders
	exceeding the size of the Issue, subject to applicable limits	(excluding the QIB Portion), subject to applicable limits	that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors)		
Mode of allotment	Compulsorily in dematerialised form		
Allotment lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading lot	One Equity Share		
Who can apply <sup>(3)</sup>	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCLs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices which are re-categorised as category II FPI (as defined in the SEBI FPI Regulations) and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form</p>		

\* Assuming full subscription in the Issue.

<sup>(1)</sup> Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.

<sup>(2)</sup> Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

<sup>(3)</sup> If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

<sup>(4)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Issue Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

The Bids by FPIs with certain structures as described under “Issue Procedure” beginning on page 748 and having the same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

*Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

## ISSUE PROCEDURE

All Bidders should read the General Information Document, which highlights the key rules, processes and procedures applicable to public issues in general, in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations, which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of the CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document which are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### Book Building Procedure

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the

QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Issue cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange and subject to applicable law. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of other categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.**

### **Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020 dated March 30, 2020 decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Issue.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date. If the Issue is made under UPI Phase III of the UPI Circular, the same will be advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and



Corporate Office is located, each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### **Electronic registration of Bids**

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Issue.
- b) On the Bid/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/ Issue Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. RIBs can additionally Bid through the UPI Mechanism. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID (in case of RIBs), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID are liable for rejection.

RIBs bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- (i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (ii) RIBs using UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- (iii) QIBs (other than Anchor Investors) and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB. In order to ensure timely information to investors SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked/unblocked.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	[●]
Non-residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]

\* Excluding electronic Bid cum Application Form.

Notes:

- (1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))
- (2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges.

Subsequently, for ASBA Forms (other than RIBs using UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs are required to send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares**

are only being offered and sold (i) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **Participation by the BRLMs, Syndicate Members, and their associates and affiliates**

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any persons related to the BRLMs can apply in the Issue under the Anchor Investor Portion:

- (i) mutual funds sponsored by entities which are associate of the BRLMs;
- (ii) insurance companies promoted by entities which are associate of the BRLMs;
- (iii) AIFs sponsored by the entities which are associate of the BRLMs; or
- (iv) FPIs (other than individuals, corporate bodies and family offices) sponsored by the entities which are associates of the BRLMs.

Further, an Anchor Investor shall be deemed to be an “associate of the Manager” if:

- (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
- (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
- (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

#### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that such Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

#### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Bid cum Application Form meant for Non-Residents, should authorize their SCSB to block their Non-Resident External (“NRE”) accounts (including UPI ID, if activated), or Foreign Currency Non-Resident (“FCNR”)

accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

In accordance with the FEMA rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour). Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

For details of investment by NRIs, see “Restrictions on Foreign Ownership of Indian Securities” beginning on page 764. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

### **Bids by HUFs**

Bids should be made by Hindu Undivided Families in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs may be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI including its investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

With effect from April 1, 2020, the aggregate limits for FPI investments are the sectoral caps applicable to our Company (i.e. up to 100% under the automatic route)

The FEMA Non-Debt Instruments Rules was enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager (“MIM”) structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category I FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN). In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

#### **Bids by SEBI registered VCFs, AIFs and FVCIs**

The SEBI VCF Regulations as amended, inter alia prescribe the investment restrictions on VCFs, registered with SEBI. The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs (under Schedule I of the FEMA Non-Debt Instruments Rules) registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their respective corpus in one investee company. A category III AIF cannot invest more than 10% of its corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 ("**Banking Regulation Act**"). and the Reserve Bank of India Master Direction (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company; (iii) hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above.

#### **Bids by SCSBs**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserve the right to reject any Bid, without assigning any reason thereof.

### **Bids under power of attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the BRLMs, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company in consultation from the BRLMs, may deem fit.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids by Anchor Investors**

- (a) In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹ 100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹ 100 million.
- (c) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (d) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and will be completed on the same day.
- (e) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
  - (i) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹ 100 million;
  - (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million, subject to a minimum Allotment of ₹ 50 million per Anchor Investor; and
  - (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million, subject to minimum Allotment of ₹ 50 million per Anchor Investor.
- (f) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.

- (g) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (h) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Issue Price is lower than the Anchor Investor Issue Price, Allotment to successful Anchor Investors will be at the higher price.
- (i) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (j) Neither the BRLMs nor any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the and BRLMs) shall apply in the Issue under the Anchor Investor Portion. For details, see “- Participation by the BRLMs, Syndicate Members, and their associates and affiliates” on page 752.
- (k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

**The above information is given for the benefit of the Bidders. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.**

In accordance with existing regulations by the RBI, OCBs cannot participate in this Issue.

#### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

#### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bid(s) during the Bid/Issue Period and withdraw their Bid(s) until Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/Issue Period.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;



4. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears on the website of the SEBI;
6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIBs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue;
8. If the first Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all Bidders other than RIBs bidding using the UPI Mechanism);
9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
10. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
12. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
14. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
23. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
24. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
25. Ensure that PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021;
26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and
27. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned on the website of SEBI is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account;
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. If you are a RIB and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the GIR number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;
20. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries after you have submitted a Bid to the Designated Intermediary;
21. Do not Bid for Equity Shares more than what is specified by respective Stock Exchange for each category;
22. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid/Issue Closing Date;
23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
24. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
25. Do not submit Bids to a Designated Intermediary at a location other than Specified Locations. If you are RIB and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;
26. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
27. Do not Bid if you are an OCB;
28. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;
29. Do not submit the Bid cum Application Forms to any non-SCSB bank;
30. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by RIB Bidder using the UPI Mechanism); and
31. If you are in the United States, then do not Bid unless you are a U.S. QIB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Chief Compliance Officer. For details of the Company Secretary and Chief Compliance Officer, see “General Information” beginning on page 95.

For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “General Information – Book Running Lead Managers” on pages 96.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares offered through the Issue through the Red Herring Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Issue to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of Equity Shares in the Retail Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

### **Payment into Escrow Account(s) for Anchor Investors**

Our Company in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors and Underwriters: “[●]”

(b) In case of Non-Resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections of Bid amounts from Anchor Investors.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Marathi newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located, each with wide circulation.

In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**The above information is given for the benefit of the Bidders. Our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

### **Signing of the Underwriting Agreement and the RoC Filing**

(a) Our Company and the Syndicate intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Issue, which will be executed after the determination of the Issue Price and allocation of Equity Shares, prior to the filing of the Prospectus with the RoC.

(b) After signing the Underwriting Agreement, the Prospectus will be filed with the RoC in accordance with applicable law. The Prospectus will contain details of the Issue Price, the Anchor Investor Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

## Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken in consultation with the BRLMs within such period as may be prescribed under applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- Except for the Pre-IPO Placement and the Equity Shares that may be allotted pursuant to the exercise of vested employee stock options granted under the ESOP Plan 2020, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;
- Our Company and the BRLMs, reserve the right not to proceed with the Issue, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company will issue a public notice in the [●] editions of [●], an English national daily newspaper, [●] and editions of [●] a Hindi national daily newspaper, and [●] editions of [●], an Marathi daily newspaper Marathi also being the regional language of Mumbai, where our Registered and Corporate Office is located, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue

## Utilisation of Issue Proceeds

Our Board certifies that:

- all monies received from the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised from the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- details of all unutilized monies from the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases.

The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**Consolidated FDI Policy**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular. The Consolidated FDI Policy provides that 100% FDI under automatic route is permitted in the marketplace model of e-commerce, while FDI is not permitted in the inventory based model of e-commerce.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of our Company pursuant to the initial public offering of the equity shares of our Company. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, in so far as such conflict or inconsistency relates to any right or obligation of the holders of the securities, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All articles of Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the initial public offering of the equity shares of our Company and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.*

*Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### **Authorised Share Capital**

Article 6 provides that the authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

### **Lien**

Article 26 provides that the Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that Article 26 will have full effect. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of Article 26.

The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

Article 27 provides that the Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

Article 28 provides that Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made:

- (a) unless a sum in respect of which the lien exists is presently payable; or
- (b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency.

No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### **Calls on Shares**

Article 34 provides that the Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board.

Article 35 provides that each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.



The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

Article 36 provides that the Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

Article 37 provides that the joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

Article 38 provides that if a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, then the Member shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in Article 38 shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

Article 39 provides that any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

Article 40 provides that in case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 41(a) provides that the Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him. Article 41(b) provides that upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum or at such other rate prescribed under applicable law, as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him.

### **Transfer of Shares**

Article 58 provides that the Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

Article 60(a) provides that instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996, as amended, shall apply.

Article 60(b) provides that the Board may decline to recognize any instrument of transfer unless: (i) the instrument of transfer is in the form prescribed under the Act; (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (iii) the instrument of transfer is in respect of only one class of shares. Article 60(c) provides that no fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Article 61 provides that every such instrument of transfer shall be executed, by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

### **Transmission of Shares**

Article 67 provides that subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article 67, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Article 68 provides that a person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

### **Alteration of Capital**

Article 72 provides that the Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

Article 73 provides that the Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Article 74 provides that where shares are converted into stock: (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose; (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage; (c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"Member" shall include "stock" and "stockholder" respectively.

Article 75 provides that the Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act: (a) its share capital; and/or (b) any capital redemption reserve account; and/or (c) any share premium account; and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (iii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

### **Capitalisation of Profits**

Article 148(a) provides that the Company in General Meeting, may, on recommendation of the Board resolve: (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution; and (ii) that such sum be accordingly set free for distribution in the manner specified in Article 148(b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.

Article 148(b) provides that the sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Article 148(c), either in or towards: (i) paying up any amounts for the time being unpaid on shares held by such Members respectively; (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly that specified in sub-clause (ii); (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to

Members of the Company as fully paid bonus shares; (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

## General Meetings

Article 78 provides that (a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year; (b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

Article 79 provides that all General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

Article 80 provides that the Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

Article 81 provides that all General Meetings shall be convened by giving not less than clear twenty one (21) days' notice, in writing or through electronic mode, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and shall contain a statement of the business proposed to be transacted at such a meeting. Notice of every meeting shall be given to all the Members, legal representative of any deceased member or the assignee of an insolvent member, the auditor or auditors of the company; and every director of the company. Any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings. The Members may participate in General Meetings through such modes as permitted by applicable laws.

Article 82 provides that upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty-one (21) days. Provided however that, a general meeting may be held at shorter notice, by giving a notice (in written or through electronic mode) of at least 48 (forty eight) hours in accordance with applicable law to the Shareholders and the convening of such general meeting at shorter notice having been agreed to by (a) 95% of the Shareholders entitled to vote, in case of an Annual General Meeting; and (b) majority in number of Shareholders entitled to vote and who represent not less than 95% of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, in case of any other general meeting.

Article 85 (a) provides that no business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as prescribed under the provisions of the Act

## Board of Directors

Article 102 provides that unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The following shall be the first Directors of the Company

- (a) Mrs. Namita Rungta; and
- (b) Mr. Nimesh Rungta.

Article 102A provides:

- (a) So long as any of Prosus, Temasek and TPG ("**Selected Investors**"), either individually or together with any of its Affiliates, (i) holds at least 5% (Five per cent) of the total issued and paid-up equity share capital of the Company (excluding ESOPs that are yet to be exercised) ("**Selected Investor Director Threshold**"), each such Selected Investor shall be entitled to nominate 1 (One) Director to the Board ("**Selected Investor Director**"). The Selected Investor Director shall be liable to retire by rotation in accordance with Applicable Law, subject to reappointment and any such retirement shall be without prejudice to the right of the Selected Investors to nominate the Selected Investor Director for so long as it holds the Selected Investor Director Threshold. The Selected Investors shall be entitled to nominate an alternate director for the Selected Investor Director. The Selected Investors shall have the right to nominate a replacement for the Selected Investors Director, at any time and without cause. For the avoidance of doubt, each of the Selected Investor shall cease to have the right to appoint its Selected Investor Director once its shareholding falls below the Selected Investor Director Threshold, notwithstanding that its shareholding subsequently increases to or beyond the Selected Investor Director Threshold, provided however that the Selected Investor Director at the time the shareholding of the Selected Investor falls below the Selected Investor Director Threshold shall be entitled to continue in his position until the expiry of his term.

- (b) So long as at least 3 (Three) Founders continue to remain in full time employment of the Company, the Founders collectively shall be entitled to nominate not more than 3 (Three) Directors to the Board of the Company (“Founder Directors”) from among the Founders. In the event the number of Founders who are in full time employment of the Company falls below 3 (Three), the remaining Founders shall have the right to nominate such Directors from among the remaining Founders, which is proportionate to the number of remaining Founders. For instance, if there are two remaining Founders, they shall collectively be entitled to nominate not more than 2 (Two) Directors from among the two such remaining Founders to the Board and if there is 1 (One) remaining Founder, such remaining Founder shall be entitled to nominate itself to the Board.
- (c) If none of the Founders continue to remain in the full time employment of the Company, so long as the Founders, together with their respective Affiliates, jointly hold at least 5% (Five per cent) of the total issued and paid-up share capital of the Company (excluding ESOPs that are yet to be exercised) (“Founder Directors Threshold”), such Founders shall collectively be entitled to nominate not more than 1 (One) Director (“Founder Director”) from among the Founders, to the Board of the Company. For the avoidance of doubt, for the purposes of this sub-article 102A (c), the Founders shall cease to have the right to appoint the Founder Director once the joint shareholding of the Founders falls below the Founder Director Threshold, notwithstanding that their joint shareholding subsequently increases to or beyond the Founder Director Threshold, provided however that the Founder Director at the time the joint shareholding of the Founders falls below the Founder Director Threshold, shall be entitled to continue in his position until the expiry of his term.
- (d) For the purposes of Articles 102A(b) and 102A(c), it is clarified that the Founder Directors shall be entitled to nominate alternate directors for the Founder Directors.
- (e) Further, such rights of nomination of Director(s) shall not supersede the requirement of the composition of the Board being in compliance with Applicable Law and shall be subject to receipt of necessary regulatory approvals, if applicable. In addition, the rights of the the Selected Investors and the Founders in this regard shall be subject to the receipt of shareholders’ approval by way of special resolution, in the first general meeting of the Company held after successful listing and trading pursuant to completion of the IPO.

For the purposes of this Article 102A, the term “Affiliate” shall mean:

“Affiliate” in relation to a Person, other than Temasek:

- (i) being a person other than a natural person, means any entity or person, which controls, is controlled by, or is under the common control with such person;
- (ii) being a natural person, means the Relatives (the term “Relative” would have the meaning as ascribed to it under the Act) of such person, and any person which is controlled by such natural person; and
- (iii) being an investor, and without prejudice to the generality of the foregoing, includes its general partners, limited partners and any fund or investment vehicle owned, managed, advised, controlled or promoted by such investor, or by its affiliates or investment managers or advisors,

Without limiting the generality of the foregoing, the term “Affiliate”, in relation to the Founders, shall also include, without limitation a trust for which any of the Founders is a settlor or a beneficiary.

- (i) Temasek Holdings (Private) Limited (“Temasek Holdings”); and
- (ii) Temasek Holding’s wholly-owned subsidiaries whose boards of directors or equivalent governing bodies comprise employees or nominees of (a) Temasek Holdings; (b) Temasek Pte. Ltd. (being a wholly-owned subsidiary of Temasek Holdings); and/or (c) wholly-owned subsidiaries of Temasek Pte. Ltd.

Without limiting the generality of the foregoing, the term “Affiliate”, in relation to TPG, shall also include, without limitation:

- (i) each fund, collective investment scheme, trust, partnership (including any co-investment partnership), investment vehicle or other entity managed, advised or Controlled by TPG Group Holdings (SBS) Advisors, Inc. or any of its Affiliates (“TPG Funds”);
- (ii) any general partner, manager or investment adviser of, or to, a TPG Fund (as long as such general partner, manager or investment adviser is also controlled by TPG Group Holdings (SBS) Advisors, Inc.);
- (iii) any body corporate controlled by any TPG Fund; and / or
- (iv) any limited partner of, or investor in, any TPG Fund.

Article 103 provides that subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Article 104(a) provides that the Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India (hereinafter in Article 104 called the "Original Director").

Article 104(b) provides that an alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 104(c) provides that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act.

Article 106(a) provides that a Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

Article 106(b) provides that the Board of Directors may allow and pay or reimburse any Director compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

Article 106(c) provides that managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

### **Proceedings of the Board**

Article 116(a) provides that the meeting of the Board of Directors shall take place in accordance with applicable law, including the Act.

Article 116(b) provides that the Chairperson may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice by giving a prior notice of at least 24 (twenty four) hours in accordance with applicable law to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any. .

Article 116(c) provides that the notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

Article 116(d) provides that to the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

Article 117 provides that questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairperson, in his absence the Vice Chairperson or the Director presiding shall have a second or casting vote.

Article 118 provides that subject to the provisions of the Act, the quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum. At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less

than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director within the meaning as prescribed under the provisions of the Act.

Article 120(a) provides that the Board may elect a Chairperson of its meeting and determine the period for which he is to hold office.

Article 120(b) provides that if no such Chairperson is elected or at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the Chairperson of the meeting.

Article 122(a) provides that the Company shall constitute such Committees as may be required under the provisions of the Act, the SEBI Listing Regulations and other applicable law.

Article 122 (b) provides that the Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

Article 122 (c) provides that any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

Article 123(a) provides that a committee may elect a Chairperson of its meeting. If no such Chairperson is elected or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the Chairperson of the committee meeting.

Article 123(b) provides that the quorum of a committee shall as per the provisions of the Act or the SEBI Listing Regulations and if the same is not defined thereunder, than it may be fixed by the Board of Directors.

### **Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer**

Article 133(a) provides that subject to the provisions of the Companies Act, a chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

Article 133 (b) provides that subject to the provisions of the Companies Act, a director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

Article 133(c) provides that subject to the provisions of the Companies Act, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

Article 133(d) provides that subject to the provisions of the Companies Act, a provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **Dividend**

Article 136 provides that the Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Article 137 provides that subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

Article 138 provides that (a) where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits; (b) where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account of API Holdings Limited"; (c) the Company shall, within a period of ninety days of making any transfer of an amount to the Unpaid Dividend Account of the Company, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as

may be prescribed; (d) any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer along with interest accrued, if any, thereon, shall be transferred by the Company to the fund known as Investor Education and Protection Fund (“Fund”) established under the provision of the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such transfer; (e) no unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law; and (f) all other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

Article 139 provides that subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

Article 140 provides that all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

Article 141(a) provides that the Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time think fit.

Article 141(b) provides that the Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

Article 142 provides that subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

Article 143 provides that the Board may retain dividends payable upon shares in respect of which any person is, under Articles 58 to 71 of the Articles, entitled to become a Member, until such person shall become a Member in respect of such shares.

Article 144 provides that any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

Article 145 provides that any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

Article 146 provides that no dividends shall bear interest against the Company.

Article 147 provides that subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

## **Winding up**

Article 157(a) provides that subject to the applicable provisions of the Act, if the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

Article 157(b) provides that subject to the applicable provisions of the Act, for the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

Article 157(c) provides that subject to the applicable provisions of the Act, the liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## **Indemnity**

Article 159 provides that subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil, criminal or arbitration, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal or any awards is granted to him by the arbitrator. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the gross negligence, wilful misconduct or bad faith acts or omissions of such Director.



## SECTION IX: OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and will also be available at the website of our Company from date of the Red Herring Prospectus until the Bid/Issue Closing Date.

#### A. Material Contracts for the Issue

1. Issue Agreement dated November 8, 2021 between our Company and the BRLMs.
2. Registrar Agreement dated November 2, 2021 among our Company and the Registrar to the Issue.
3. Cash Escrow and Sponsor Bank Agreement dated [●] among our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Bankers to the Issue.
4. Syndicate Agreement dated [●] among our Company, the BRLMs, the Syndicate Members, and the Registrar to the Issue.
5. Underwriting Agreement dated [●] among our Company and the Underwriters.
6. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

#### B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of incorporation dated March 31, 2019 issued to our Company under the name API Holdings Private Limited by the Registrar of Companies.
3. Certificate of incorporation dated October 28, 2021 issued by the RoC, consequent upon change of our name to "API Holdings Limited", pursuant to conversion to a public limited company.
4. Resolution of our Board dated October 13, 2021, authorising the Issue and other related matters.
5. Shareholders' resolution dated October 13, 2021, authorising the Issue and other related matters.
6. Resolution of our Board dated October 28, 2021 and resolution of the IPO Committee dated November 8, 2021, approving this Draft Red Herring Prospectus.
7. Employment agreement dated September 9, 2021 entered into between our Company and Siddharth Shah, our Co-founder, Managing Director and Chief Executive Officer.
8. Employment agreement dated September 9, 2021 entered into between our Company and Dharmil Sheth, our Co-founder and Whole-time Director.
9. Employment agreement dated September 9, 2021 entered into between our Company and Harsh Parekh, our Co-founder and Whole-time Director.
10. Employment agreement dated September 9, 2021 entered into between our Company and Hardik Dedhia, our Co-founder
11. Employment agreement dated September 9, 2021 entered into between our Company and Dhaval Shah, our Co-founder
12. Shareholders' agreement dated September 27, 2021 entered into by and amongst our Company, Siddharth Shah, Harsh Parekh, Hardik Dedhia, Dharmil Sheth, Dhaval Shah, Dr. Bhaskar Prataprai Shah, Jasmine Bhaskar Shah, Arpi Siddharth Shah, Priyanka Bhaskar Shah, Evermed Holdings Pte. Ltd., B Capital Asia II, Ltd, B Capital Asia III LLC, Bessemer India Capital Holdings II Ltd., Shivanand S. Mankekar Jt. Laxmi Shivanand Mankekar Jt. Kedar Shivanand Mankekar, Laxmi S. Mankekar Jt. Shivanand Shankar Mankekar Jt. Kedar

Shivanand Mankekar, Shivanand Shankar Mankekar HUF, through its Karta, Mr. Shivanand S. Mankekar, Kedar Shivanand Mankekar Jt. Shivanand Shankar Mankekar, Eight Roads Ventures India III LP, F-Prime Capital Partners Healthcare Fund V LP, TIMF Holdings, Think Investments PCC, the Fundamentum Partnership Fund I, acting through its investment manager Mr. Sanjeev Aggarwal, KB Global Platform Fund Limited Partnership, acting through its General Partner, KB Investment Co., Ltd., CDPQ Private Equity Asia Pte. Ltd, J. M. Financial and Investment Consultancy Services Private Limited, JM Financial Products Limited, Orios Venture Partners Fund – I, acting through its investment manager Orios Advisors LLP, Orios Select Fund I, acting through its investment manager Orios Advisors LLP, ORIOS FUND IIIa, a scheme of Orios Venture Partners Fund III, represented by its trustee Vistra ITCL (India) Limited and acting through its investment manager, Orios Advisors LLP, Orios Advisors LLP, Astarc Ventures Private Trust, Trifecta Venture Debt Fund – I, acting through its investment manager, Trifecta Capital VDF Management LLP, Trifecta Leaders Fund – I, Lightrock Growth Fund I S.A., SICAV-RAIF and acting on behalf of and for the account of the Lightrock Global Fund by its alternative investment fund manager LGT Capital Partners (Ireland) Limited, MacRitchie Investments Pte. Ltd., TPG Growth V SF Markets Pte. Ltd, Naspers Ventures B.V., Internet Fund VI Pte. Ltd., Ronak Kishor Morbia, Ramesh Jethalal Morbia, Kishor Jethalal Morbia, Kavita Kishor Morbia, Pradeep Vishanji Chheda, Dhanlaxmi Ramesh Morbia, Jayshree Pradip Morbia, Pradip Jethalal Morbia, Rashi Kishor Morbia, Ravi Pradip Morbia, Rinkle Apurva Ambavi, Twinkle Ramesh Morbia, Ramakant Sharma, Anuj Srivastava, Bina Jhaveri, Manju Singh, Siddharth Bagadia, Siddharth Bagadia, Rishabh Bagadia and Rekha Bagadia (in their capacity as a heir / successor of Late Mr. Bharatbhai J. Bagadia), Siddharth Kothari, Rita Vasudevan, Jisal Shah, Mahesh Shah, Dhaval Mehta, Bhavini Gala, Manish Sheth, Prasad Uno Family Trust, Shobha Agrawal, M/s. Siddhant Partners, Tulip Lab Private Limited, Elizabeth Mathew, Shalibhadra Navinchandra Shah, Navinchandra Bhogilal Shah, Deepika Navinchandra Shah, Saroj Mahesh Shah, Chetan Gopaldas Cholera, Aditya Puri, Deepak Vaidya, Chaitanya Vaidya, Dr. A Velumani, Kotak Pre-IPO Opportunities Fund and acting through its investment manager Kotak Investment Advisors Limited, Daksha Alpesh Sheth, Logx Ventures Partners LLP, Govinda Rajan Mehta, Harsh Vardhan Khandelwal, Suresh Ramchand Mandhyan, Kruti Bhavin Sheth, Shekhar Suresh Agrawal, Jaydeep Dahyalal Tank, Jaydeep Dahyalal Tank HUF, Parikshit Dahyalal Tank, Rajesh Harilal Chauhan, Ashok Mohanlal Shah, Harshit Ashok Shah, Jawaharlal Mohanlal Shah, Pushpa Jawaharlal Shah, Sanket Sharad Mehta, Kunal Dilip Jhaveri, Reena Jatin Solanki, Sejal Bhavin Gandhi, Satvik Utkarsh Mehta, Sameer Lalitchandra Parekh, Utkarsh Vasantkumar Mehta, Beetle Ventures Private Limited, Zarina Yar Khan, Mayank Kapoor, Shaunak Joshi, Varun Vohra, Amaara Partners, RISA Partners, Steadview Capital Mauritius Limited, Amansa Investments Ltd., ApaH Opportunity Fund I, Sarv Investments Limited, Janus Henderson Global Research Fund, Janus Henderson Emerging Markets Fund, Janus Henderson Investment Fund Series I – Janus Henderson Emerging Markets Opportunities Fund, Janus Henderson Global Research Portfolio, Janus Henderson Fund – Janus Henderson Emerging Markets Fund, Neuberger Berman Emerging Markets Equity Fund, Neuberger Berman Emerging Markets Equity Master Fund L.P., Orbimed Genesis FDI Ltd., Orbimed New Horizons FDI Ltd., Worldwide Healthcare Trust Plc, Ananth Sankaranarayanan Family Trust, Ananth Sankaranarayanan, Dream Incubator Inc., Times Internet Limited, Matrix Partners India Investment Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Ivy Icon Solutions LLP, Sudhir Singh, Anup Singh, Mahender Singh and Beta Oryx Limited.

13. Scheme of amalgamation of Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with our Company.
14. Scheme of amalgamation of Medlife International Private Limited, Evriksh Healthcare Private Limited and their respective shareholders with our Company.
15. Scheme of amalgamation of Medlife Wellness Retail Private Limited, Metarain Distributors Private Limited, Arzt and Health Private Limited and their respective shareholders with Threpsi Solutions Private Limited.
16. Scheme of amalgamation of Muthu Pharma Private Limited, Pearl Medicals Private Limited, Rau and Co Pharma Private Limited, Shell Pharmaceuticals Private Limited and their respective shareholders with Ascent Wellness and Pharma Solutions Private Limited.
17. Securities Purchase agreement dated December 16, 2020 entered into by and amongst our Company, Medlife International Private Limited, Ananth Sankaranarayanan, Prasad Uno Family Trust, Ananth Sankaranarayanan Family Trust, Matrix Partners India Investments Holdings II, LLC, Matrix Partners India Investments II Extension, LLC, Times Internet Limited, Dream Incubator Inc read with the amendment agreement dated December 30, 2020.
18. Shareholders' Agreement dated August 19, 2021 entered into by and amongst our Company, Akna Medical Private Limited, Vikram Kumaraswamy, Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Lightrock Growth

- Fund I S.A., SICAV – RAIF read with the share subscription and share purchase agreement dated August 19, 2021 by and amongst our Company, Akna Medical Private Limited, Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra.
19. Share purchase agreement dated August 19, 2021 entered into by and amongst our Company, Akna Medical Private Limited, Apurva Bhupendra Shah (HUF), Hiten Pravin Shah, Telama Investment, Chitra Mittal, Deepti Talra and Rohit Razdan.
  20. Shareholders' agreement dated October 12, 2021 entered into by and amongst our Company, Marg ERP Limited, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi and Roxy Kanwar.
  21. Share purchase agreement dated October 12, 2021, entered into by and amongst our Company, Marg ERP Limited, Anup Singh, Mahender Singh and Sudhir Singh.
  22. Share subscription agreement dated October 12, 2021 entered into by and amongst our Company, Anup Singh, Mahender Singh, and Sudhir Singh.
  23. Agreement to Sell dated October 7, 2021 entered into by and amongst our Company, Lightrock Growth Fund I S.A., SICAV – RAIF and Akna Medical Private Limited.
  24. Agreement to Sell dated September 16, 2021 entered into by and amongst our Company, Akriva LLP, Ankur Nand Thadani, Vrinda Mathur, Vikram Kumaraswamy and Akna Medical Private Limited.
  25. Side letter dated August 19, 2021 entered into by and amongst our Company and Mahadevan Narayanamoni and Saurabh Pandey;
  26. Agreement to sell dated October 12, 2021 entered into by and amongst our Company, Anup Singh, Mahender Singh, Sudhir Singh, Shakuntala Devi, Rukmani Devi, Chameli Devi, Roxy Kanwar and Marg ERP Limited.
  27. Share subscription agreement dated August 19, 2021 entered into by and amongst our Company, Mahadevan Narayanamoni, Saurabh Pandey, Mayank Kapoor, Shaunak Joshi and Varun Vohra.
  28. Amended and restated licensing and services agreement dated July 29, 2021 entered into by and between Threpsi Solutions Private Limited and Axelia Solutions Private Limited.
  29. Logistics Service Agreement dated September 9, 2021 between Axelia Solutions Private Limited and our Company.
  30. Brand usage agreement dated September 20, 2021 entered into by and amongst Threpsi Solutions Private Limited and our Company.
  31. Service listing agreement dated October 26, 2021 entered into by and amongst Axelia Solutions Private Limited and our Company;
  32. Vendor agreement dated June 10, 2021 entered into by and amongst Axelia Solutions Private Limited and Docon Technologies Private Limited read with the amendment agreement dated October 20, 2021;
  33. Service agreement dated October 20, 2021 entered into by and amongst Axelia Solutions Private Limited and Docon Technologies Private Limited;
  34. Healthcare Service agreement dated July 29, 2021 entered into by and amongst Axelia Solutions Private Limited and Thyrocare Technologies Limited;
  35. Shareholders' Agreement dated July 29, 2021 entered into by and amongst our Company, JM Financial Products Limited, Mathew Cyriac, Krushang Boria, Himanshu and Aarman Solutions Private Limited read with the share subscription agreement dated July 29, 2021.
  36. Copies of the audited financial statements along with the auditor report and directors' report of our Company for Fiscals 2021 and 2020.
  37. The examination report dated October 28, 2021 of the Statutory Auditors on our Restated Consolidated Financial Information and report dated October 28, 2021 of the Statutory Auditors on our Pro Forma Consolidated Financial Information.

38. The report dated November 8, 2021 on the statement of possible special tax benefits from Saini Pati Shah & Co LLP, Chartered Accountants.
39. Consent letters of the Directors, the BRLMs, the Syndicate Members, domestic legal counsel to our Company as to Indian Law, international legal counsel to our Company, domestic legal counsel to the BRLMs as to Indian Law, international legal counsel to the BRLMs, special legal counsel to our Company, Registrar to the Issue, RedSeer, Escrow Collection Bank(s), Public Issue Account Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Chief Compliance Officer, to act in their respective capacities.
40. Our Company has received written consent dated November 8, 2021 from Price Waterhouse Chartered Accountants LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013, in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report, dated October 28, 2021 on our Restated Consolidated Financial Information and their report dated October 28, 2021 on the Pro Forma Consolidated Financial Information.
41. Consents from MSKA and Associates, Chartered Accountants and B S R & Co. LLP, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations and as “experts” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Thyrocare, and in respect of their audit reports, dated October 27, 2021 and May 8, 2021 on the Thyrocare Historical Financial Statements.
42. Consents from B S R & Co. LLP, Chartered Accountants to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations and as “experts” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as statutory auditors of Ascent, and in respect of their audit report, dated October 31, 2021 on the Ascent Historical Financial Statements.
43. Consent dated November 2, 2021, from A.R. Sodha & Co, Chartered Accountants, in their capacity as predecessor auditors of our Company.
44. Consent from Saini Pati Shah & Co LLP, Chartered Accountants, to include their name as an “expert” in relation to their certificate dated November 8, 2021 on the statement of special tax benefits available to (i) our Company and Shareholders; and (ii) our Material Subsidiaries, included in this Draft Red Herring Prospectus.
45. Report titled “Report on the Healthtech market in India” dated November 7, 2021 prepared and issued by RedSeer.
46. Engagement letter of RedSeer dated June 1, 2021.
47. Due diligence certificate dated November 8, 2021, addressed to SEBI from the BRLMs.
48. In principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.
49. SEBI observation letter bearing reference number [●] and dated [●].
50. Tripartite agreement dated August 21, 2020 among our Company, NSDL and the Registrar to the Issue.
51. Tripartite agreement dated July 6, 2020 among our Company, CDSL and the Registrar to the Issue.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Shareholders subject to compliance of the provisions contained in the Companies Act, 2013 and other relevant laws.

## DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by the SEBI, established under Section 3 of the SEBI Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act 1956, the Securities Contracts (Regulation) Rules, 1957, the SEBI Act, 1992 or the rules framed or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

<b>Siddharth Shah</b> <i>Co-founder, Managing Director and Chief Executive Officer</i> DIN: 05186193 Place: Mumbai	
<b>Aditya Puri</b> <i>Chairman and Non-Executive Director</i> DIN: 00062650 Place: Mumbai	
<b>Harsh Parekh</b> <i>Co-founder and Whole-time Director</i> DIN: 06661731 Place: Mumbai	
<b>Dharmil Sheth</b> <i>Co-Founder and Whole-time Director</i> DIN: 06999772 Place: Mumbai	
<b>Ashutosh Sharma</b> <i>Non-Executive Director</i> DIN: 07825610 Place: Bengaluru	
<b>Ankur Thadani</b> <i>Non-Executive Director</i> DIN: 03566737 Place: Mumbai	
<b>Deepak Vaidya</b> <i>Independent Director</i> DIN: 00337276 Place: Mumbai	
<b>Vineeta Rai</b> <i>Independent Director</i> DIN: 07013113 Place: Delhi	
<b>Subramaniam Somasundaram</b> <i>Independent Director</i> DIN: 01494407 Place: Bengaluru	
<b>Ramakant Sharma</b> <i>Independent Director</i> DIN: 02318054 Place: Bengaluru	
<b>Jaydeep Tank</b> <i>Independent Director</i> DIN: 05014753 Place: Mumbai	

### SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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**Chebolu Venkata Ramana Ram**  
*(Chief Financial Officer)*  
*(Place: Mumbai)*

**Date:** November 8, 2021

**Place:** As disclosed above