PROSPECTUS
Dated June 22, 2021
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED

Our Company was incorporated as 'Jagjit Singh and Sons Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai on July 26, 1973. Our Company changed the location of its registered office from the State of Maharashtra to the erstwhile State of Andhra Pradesh, pursuant to an order dated January 29, 2003 by the Company Law Board, Western Region Bench, Mumbai (**"Order"**) and the registration of the Order vide certificate of registration dated February 21, 2003 by the Registrar of Companies, Andhra Pradesh and Telangana (then the Registrar of Companies, Andhra Pradesh) (**"RoC"**). Subsequently, the name of our Company was changed to 'Krishna Institute of Medical Sciences Private Limited', pursuant to a letter of approval from the Central Government dated January 2, 2004 and a fresh certificate of incorporation issued by the RoC on January 2, 2004. Further, pursuant to the conversion of our Company to a public limited company, our name was changed to 'Krishna Institute of Medical Sciences Limited' and the RoC issued a fresh certificate of incorporation on January 29, 2004. For further details, see "***History and Certain Corporate Matters***" on page 198.

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

OUR PROMOTERS: DR. BHASKARA RAO BOLLINENI, RAJYASRI BOLLINENI, DR. ABHINAY BOLLINENI, ADWIK BOLLINENI AND BOLLINENI RAMANAIAH MEMORIAL HOSPITALS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF 25,997,133[*] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 825[^] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 815 PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING TO ₹ 21,437.44 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 2,436,595[*] EQUITY SHARES (INCLUDING 254,777[*] EQUITY SHARES TO BE ISSUED UNDER EMPLOYEE RESERVATION PORTION AT A PRICE OF ₹ 785 AGGREGATING TO ₹ 200.00 MILLION) AGGREGATING TO ₹ 2,000.00[^] MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 23,560,538[*] EQUITY SHARES AGGREGATING TO ₹ 19,437.44 MILLION (THE "OFFER FOR SALE"), COMPRISING 16,003,615[*] EQUITY SHARES AGGREGATING TO ₹ 13,202.98 MILLION BY GENERAL ATLANTIC SINGAPORE KH PTE. LTD (THE "INVESTOR SELLING SHAREHOLDER"), 387,966[*] EQUITY SHARES AGGREGATING TO ₹ 320.07 MILLION BY DR. BHASKARA RAO BOLLINENI, 775,933[*] EQUITY SHARES AGGREGATING TO ₹ 640.14 MILLION BY RAJYASRI BOLLINENI, 387,966[*] EQUITY SHARES AGGREGATING TO ₹ 320.07 MILLION BY BOLLINENI RAMANAIAH MEMORIAL HOSPITALS PRIVATE LIMITED (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS"), 6,005,058[*] EQUITY SHARES AGGREGATING TO ₹ 4,954.17 MILLION BY PERSONS REFERRED TO IN ANNEXURE A (REFERRED TO AS THE "OTHER SELLING SHAREHOLDERS", TOGETHER WITH THE INVESTOR SELLING SHAREHOLDER AND PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES THE "OFFERED SHARES").

THE OFFER INCLUDED A RESERVATION OF 254,777[*^] EQUITY SHARES, AGGREGATING TO ₹ 200.00 MILLION (CONSTITUTING 0.32% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER CONSTITUTES 32.48% AND 32.17% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY. THE OFFER PRICE IS ₹ 825 PER EQUITY SHARE AND IS 82.50 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE ANCHOR INVESTOR OFFER PRICE IS ₹ 825 PER EQUITY SHARE.

** Subject to finalisation of Basis of Allotment*
^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion

The Offer was made 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. The Offer was being made through the Book Building Process, in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", the "**QIB Portion**"). Our Company (through the IPO Committee) in consultation with the Book Running Lead Managers, allocated 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 was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors ("**Anchor Investor Allocation Price**"). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIBs (excluding the Anchor Investor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not more than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Net Offer was made available for allocation to Retail Individual Bidders, in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. Further, Equity Shares were made available for allocation on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) were required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts were blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, see "***Offer Procedure***" on page 382.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The Offer Price Price was decided by our Company (through the IPO Committee) 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 Offer Price***" on page 108 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 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 Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to "***Risk Factors***" on page 27.

ISSUER'S AND THE SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Further, each of the Selling Shareholders, severally and not jointly, accept responsibility for and confirm only the Selling Shareholder statements expressly made by such Selling Shareholder in this Prospectus to the extent of information specifically pertaining to itself and respective portion of its Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Selling Shareholders assume no responsibility for any other statements, including without limitation, any and all statement made by or relating to our Company or the other Selling Shareholders or in relation to our Company's business in this Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus and this 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 March 23, 2021 and March 24, 2021, respectively. For the purposes of the Offer, BSE is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus has been and a signed copy of this Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and material documents made available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "***Material Contracts and Documents for Inspection***" on page 405.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor, Plot No. C – 27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** kims.ipo@kotak.com **Website:** www.investmentbank.kotak.com **Investor Grievance ID:** kmccredressal @kotak.com **Contact Person:** Ganesh Rane **SEBI Registration Number:** INM000008704	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** kims.ipo@axiscap.in **Website:** www.axiscapital.co.in **Investor Grievance ID**: complaints@axiscap.in **Contact Person:** Ankit Bhatia **SEBI Registration Number:** INM000012029	**Credit Suisse Securities (India) Private Limited** Ceejay House, 10th Floor, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India **Tel:** +91 22 6777 3777 **E-mail:** list.kimsipo@credit-suisse.com **Website:** https://www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html **Investor Grievance ID:** list.igcellmerbnkg@credit-suisse.com **Contact Person:** Chunky Shah **SEBI Registration Number:** INM000011161	**IIFL Securities Limited** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West), Mumbai 400 013 Maharashtra, India **Tel**: +91 22 4646 4600 **E-mail:** kims.ipo@iiflcap.com **Website:** www.iiflcap.com **Investor Grievance ID:** ig.ib@iiflcap.com **Contact person:** Shirish Chikalge/Keyur Ladhawala **SEBI Registration Number:** INM000010940	**Link Intime India Private Limited** C-101, 247 Park L B S Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: kims.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor grievance ID**: kims.ipo@linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration Number**: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENED ON[(1)]	**Wednesday, June 16, 2021**
BID/OFFER CLOSED ON[(2)]	**Friday, June 18, 2021**

[(1)]The Anchor Investor Bid/Offer Period was Tuesday, June 15, 2021.
[(2)]UPI mandate end time and date was at 12:00 pm on Monday, June 21, 2021.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

*The words and expressions used in this Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in "**Industry Overview**", "**Key Industry Regulations and Policies**", "**Statement of Special Tax Benefits**", "**Restated Financial Statements**", "**Outstanding Litigation and Material Developments**" and "**Main Provisions of Articles of Association**" on pages 116, 190, 111, 233, 351 and 398 respectively, shall have the meaning ascribed to them in the relevant section.*

Company Related Terms

Term	Description
the Company / our Company / the Issuer/ KIMS Limited	Krishna Institute of Medical Sciences Limited, a company incorporated in India under the Companies Act 1956 with its registered and corporate office at D. No. 1-8-31/1, Minister's Road, Secunderabad – 3, Telangana 500 003, India
We / Us / Our / Group	Unless the context otherwise requires, our Company together with our Subsidiaries, as applicable
2012 Scheme	Scheme of arrangement between BRMH, BHCL and our Company as disclosed in "***History and Certain Corporate Matters***" on page 201
APL	Aishu Projects Limited
AoA / Articles of Association / Articles	The articles of association of our Company, as amended
Audit Committee	The audit committee of our Board as described in "***Our Management***" on page 215
BHCL	Bollineni Heart Center Limited
Board / Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Chief Financial Officer / CFO	The chief financial officer of our Company, namely, Vikas Maheshwari
Compliance Officer	The company secretary and compliance officer of our Company, namely, Umashankar Mantha
Corporate Promoter / BRMH	Bollineni Ramanaiah Memorial Hospitals Private Limited
CRISIL Report	The report titled "Assessment of the healthcare delivery market in India" dated February 2021, prepared by CRISIL and commissioned by our Company
CSR Committee	The corporate social responsibility committee of our Board
Director(s)	The director(s) on our Board
Equity Shares	The equity shares of our Company of face value of ₹ 10 each
EIF / Emerging India Fund	Emerging India Fund, a trust registered under the Indian Trust Act, 1882 and registered with SEBI as a domestic venture capital fund, represented by its trustee, IDBI, acting through its investment manager I-VEN
Group Companies	In terms of SEBI ICDR Regulations, the term 'group companies' includes companies (other than our Promoter and Subsidiaries) with which there were related party transactions in accordance with Ind AS 24 as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and such other companies as considered material by our Board, as identified in "***Group Companies***" on page 229
General Atlantic / GA	General Atlantic Singapore KH Pte. Ltd
IAF / India Advantage Fund	India Advantage Fund - S3 I, a trust registered under the Indian Trusts Act, 1882 and registered with SEBI as a domestic venture capital fund, represented by its trustee, IDBI, acting through its investment manager I-VEN
IAF S4 I	India Advantage Fund S4 I (acting through its investment manager, ICICI Venture Funds Management Company Limited)
IDBI	IDBI Trusteeship Services Limited
Independent Directors	Independent directors of our Company
Investor Selling Shareholder	General Atlantic
IPO Committee	The IPO committee of our Board constituted pursuant to the resolution of our Board dated February 8, 2021
I-VEN	ICICI Venture Funds Management Company Limited
AHPL	Arunodaya Hospitals Private Limited
ICIMSPL	Iconkrishi Institute of Medical Sciences Private Limited
KCPL	KIMS Cuddles Private Limited* **Our Board vide their resolution dated January 18, 2019 approved closure of KCPL and our Company has filed necessary closure forms with RoC on February 9, 2021.*
KFRC	KIMS Foundation and Research Center Trust
KHBPL	KIMS Hospital (Bhubaneswar) Private Limited
KHEPL	KIMS Hospital Enterprises Private Limited

Term	Description
KHKPL	KIMS Hospital Kurnool Private Limited
KHPL	KIMS Hospitals Private Limited
KSPL	KIMS Swastha Private Limited
KSHPL	KIMS Sahariah Healthcare Private Limited
SIMSPL	Saveera Institute of Medical Science Private Limited
SVML	Sri Viswa Medicare Limited
KIMS Anantapur	A multispecialty hospital, being operated at Anantapur in Andhra Pradesh by SIMSPL, our Subsidiary Company
KIMS Cuddles Program	A single specialty woman and child division, being operated at Kondapur in Telangana, by KHEPL, our Subsidiary Company under the brand name 'KIMS Cuddles'
KIMS Hyderabad	KIMS Hospitals, Hyderabad
KIMS Kondapur	A multispecialty hospital, being operated at Kondapur in Telangana by KHEPL, our Subsidiary Company
KIMS Kurnool	A multispecialty hospital, being operated at Kurnool in Andhra Pradesh by KHKPL, our Subsidiary Company
KIMS Nellore	A multispecialty hospital, being operated at Nellore in Andhra Pradesh by our Company
KIMS Ongole	A multispecialty hospital, being operated at Ongole in Andhra Pradesh by our Company
KIMS Rajahmundry	A multispecialty hospital, being operated at Rajahmundry in Andhra Pradesh by our Company
KIMS Secunderabad	Our flagship multispecialty hospital, being operated at Secunderabad in Telangana by our Company
KIMS Srikakulam	A multispecialty hospital, being operated at Srikakulam in Andhra Pradesh by AHPL, our Subsidiary Company
KIMS Vizag	A multispecialty hospital, being operated at Vishakapatnam in Andhra Pradesh by ICIMSPL, our Subsidiary Company
Key Managerial Personnel/KMP	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "***Our Management - Key Managerial Personnel***" on page 221
Materiality Policy	The policy adopted by our Board in its meeting dated February 22, 2021 and as updated by the IPO Committee in its meeting dated May 25, 2021 for determining: (i) outstanding material litigation involving our Company, Subsidiaries, Directors and Promoters and (ii) outstanding dues to creditors in respect of our Company, in terms of the SEBI ICDR Regulations for the purposes of disclosure in the offer documents. For further information, see "***Our Promoters and Promoter Group***" and "***Outstanding Litigation and Material Developments***" on pages 223 and 351, respectively
Materiality Policy for Identification of Group Companies	The policy adopted by our Board in its meeting dated February 22, 2021 and as updated by the IPO Committee in its meeting dated May 25, 2021 for determining: (i) material group companies and (ii) litigation involving our group companies which may have material impact on our Company. For further information, see "***Group Companies***" on page 229
MoA/Memorandum of Association	The memorandum of association of our Company
NIIF	NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited)
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "***Our Management***" on page 207
Non-executive Directors	Non-executive directors of our Company, appointed as nominees on behalf of General Atlantic, namely, Sandeep Naik and Shantanu Rastogi
OAHPL	Ongole Arogya Hospitals Private Limited
Other Selling Shareholders	Persons listed in Annexure A
Predecessor Auditors	The erstwhile statutory auditors of our Company, B S R & Associates LLP, Chartered Accountants
Promoters	The promoters of our Company, namely Dr. Bhaskara Rao Bollineni, Rajyasri Bollineni, Dr. Abhinay Bollineni, Adwik Bollineni and BRMH. For further information, see "***Our Promoters and Promoter Group***" on page 223
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further information, see "***Our Promoters and Promoter Group***" on page 227
Promoter Selling Shareholders	Dr. Bhaskara Rao Bollineni, Rajyasri Bollineni and BRMH
Registered and Corporate Office	The office of our Company located at D. No. 1-8-31/1, Minister's Road, Secunderabad – 3, Telangana 500 003, India
Registrar of Companies / RoC	Registrar of Companies, Andhra Pradesh and Telangana at Hyderabad. For further information, see "***General Information***" on page 77
Restated Financial Statements	Our restated Ind AS consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020, and March 31, 2019 and the related restated Ind AS consolidated summary statement of profits and losses (including other comprehensive income), restated Ind AS consolidated summary statement of changes in equity, restated Ind AS consolidated summary statement of cash flow and the restated Ind AS consolidated summary statement of significant accounting policies and other explanatory information for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, of our Company and its Subsidiaries each derived from our audited consolidated financial statements as at and for the Fiscal Year ended March 31, 2021, March 31, 2020 and March 31, 2019, each prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI
Selling Shareholders	The Investor Selling Shareholder, the Promoter Selling Shareholders and the Other Selling Shareholders
Shareholders	The holders of the Equity Shares from time to time
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as described in "***Our Management***" on page 218

Term	Description
Statutory Auditors	The current statutory auditors of our Company, being S. R. Batliboi & Associates LLP, Chartered Accountants
Subsidiaries	The subsidiaries of our Company, namely, AHPL, KHPL, KCPL*, KSPL, KHEPL**, KHBPL, ICIMSPL**, SIMSPL**, KHKPL and KSHPL#, as disclosed in "***History and Certain Corporate Matters – Our Subsidiaries***" on page 203 **Our Board vide their resolution dated January 18, 2019 approved closure of KCPL and our Company has filed necessary closure forms with RoC on February 9, 2021.* ***KHEPL, ICIMSPL and SIMSPL became subsidiaries of our Company with effect from March 30, 2018, May 05, 2018 and September 05, 2018, respectively.* *# Struck-off on March 30, 2019.*
Takeover MoU	Memorandum of understanding and agreement of takeover dated August 22, 2002 amongst Jagjit Singh, Vimla Swanni, Ajit Singh, Rajinder Swanni, Kamal Nain Swanni, Jibani Singh, Gurbani Singh, Gurmeher Singh and Dr. Bhaskara Rao Bollineni, Dr. Sambasiva Rao Maveni, Dr. S. Sahariah and Dr. A.V. Gurava Reddy
Whole-time Directors	The whole-time directors of our Company, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Anitha Dandamudi
Wilful Defaulter(s)	Wilful defaulter(s) as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Offer Related Terms

Term	Description
Acknowledgment 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 the Fresh Issue and transfer of the respective portion of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
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
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, who applied 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	₹ 825 per Equity Share
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Anchor Investor Bid/Offer Period	June 15, 2021, being one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors were submitted and allocation to the Anchor Investors was completed
Anchor Investor Offer Price	₹ 825 per Equity Share The Anchor Investor Offer Price was decided by our Company (through the IPO Committee) in consultation with the Book Running Lead Managers
Anchor Investor Portion	60% of the QIB Portion, consisting of 11,584,060* Equity Shares which were allocated by our Company (through the IPO Committee), in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations **Subject to finalisation of the Basis of Allotment*
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 which includes applications made by RIBs using the UPI Mechanism where the Bid Amount was 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 were 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(s)	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, Escrow Collection Bank, Public Offer Bank, Sponsor Bank and Refund Bank, as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in the section "***Offer Procedure***" on page 382

Term	Description
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares 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 However, Eligible Employees applying in the Employee Reservation Portion could have applied at the Cut-off Price
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	18 Equity Shares and in multiples of 18 Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, June 18, 2021
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, June 16, 2021
Bid/ Offer Period	Except in relation to Anchor Investors, the period between June 16, 2021 and June 18, 2021, inclusive of both days
Bidder	Any investor who made 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 accepted 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 Offer has been made
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, namely, Kotak Mahindra Capital Company Limited, Axis Capital Limited, Credit Suisse Securities (India) Private Limited and IIFL Securities Limited
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders could have submitted 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	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	₹ 825 per Equity Share
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
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
Credit Suisse	Credit Suisse Securities (India) Private Limited
Cut-off Price	The Offer Price, i.e. ₹ 825 per Equity Share finalised by our Company (through the IPO Committee) in consultation with the Book Running Lead Managers Only Retail Individual Bidders Bidding in the Retail Portion, Eligible Employees under the Employee Reservation Portion were entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders were 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 collected the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders submitted 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 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 and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs

Term	Description
Designated RTA Locations	Such locations of the RTAs where Bidders submitted 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	BSE
Draft Red Herring Prospectus or DRHP	The Draft Red Herring Prospectus dated February 26, 2021, filed with SEBI and issued in accordance with the SEBI ICDR Regulations
Eligible Employee(s)	All or any of the following: (a) a permanent employee of our Company or of our Subsidiaries (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of the Red Herring Prospectus with the RoC and who continued to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continued to be a Director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000.00. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000.00. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.00
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to subscribe to or to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being 254,777[*^] Equity Shares, aggregating to ₹ 200.00 million which was made available for allocation to Eligible Employees, on a proportionate basis. [*]*A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion* [^]*Subject to finalisation of the Basis of Allotment*
Escrow Account(s)	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors transfered money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	The agreement dated June 7, 2021 entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, Syndicate Member, the Banker to the Offer and Registrar to the Offer, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
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 Account(s) has been opened, in this case being HDFC Bank Limited
First Bidder or Sole Bidder	Bidder whose name is mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	₹ 815 per Equity Share
Fresh Issue	Fresh issue of 2,436,595[*] Equity Shares (including 254,777[*] Equity Shares to be issued under Employee Reservation Portion at a price of ₹ 785[^] aggregating to ₹ 200.00 million) aggregating to ₹ 2,000 million by our Company [*]*Subject to finalisation of the Basis of Allotment* [^]*A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion*
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 Book Running Lead Managers
IIFL	IIFL Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	The Federal Bank Limited
Monitoring Agency Agreement	Agreement dated May 4, 2021, entered between our Company and the Monitoring Agency
Mutual Fund Portion	5% of the Net QIB Portion, or 386,136[^] Equity Shares which was made available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids having been received at or above the Offer Price [^]*Subject to finalisation of the Basis of Allotment*
Net Offer	The Offer less than Employee Reservation Portion
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "***Objects of the Offer***" beginning on page 100

Term	Description
Net QIB Portion	The portion of 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 ₹200,000.00 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Net Offer consisting of 3,861,353^ Equity Shares which was made available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids having been received at or above the Offer Price *^Subject to finalisation of the Basis of Allotment*
Non-Resident	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
Offer	The initial public offer of Equity Shares comprising the Fresh Issue and the Offer for Sale. The Offer comprises the Net Offer and Employee Reservation Portion
Offer Agreement	Agreement dated February 26, 2021 as amended by an amendment agreement to the Offer Agreement dated May 26, 2021, entered amongst our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of 23,560,538 Equity Shares aggregating to ₹ 19,437.44 million by the Selling Shareholders in the Offer
Offer Price	₹ 825* per Equity Share, being the final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and this Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which was decided by our Company (through the IPO Committee) in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus and this Prospectus The Offer Price was decided by our Company (through the IPO Committee) in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus **A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion*
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see *"**Objects of the Offer**"* beginning on page 100
Offered Shares	23,560,538 Equity Shares aggregating to ₹ 19,437.44 million being offered by the Selling Shareholders in the Offer for Sale
Price Band	The price band of a minimum price of ₹ 815 per Equity Share (Floor Price) and the maximum price of ₹ 825 per Equity Share (Cap Price)
Pricing Date	The date on which our Company (through the IPO Committee) in consultation with the Book Running Lead Managers, finalised the Offer Price, being June 22, 2021
Prospectus	This prospectus dated June 22, 2021 to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda hereto
Public Offer Account	Bank account opened with the Public Offer Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank	The bank with which the Public Offer Account has been opened, in this case being HDFC Bank Limited
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer comprising 19,306,768* Equity Shares which was made available for allocation to QIBs (including Anchor Investors), subject to valid Bids having been received at or above the Offer Price **Subject to finalisation of the Basis of Allotment*
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 dated June 9, 2021, issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the Offer Price and the size of the Offer read with the addendum and corrigendum dated June 12, 2021 and June 15, 2021
Refund Account	No lien and non-interest bearing account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund 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 Refund Account has been opened, in this case being HDFC Bank Limited
Registered Brokers	Stock brokers registered with SEBI and 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 April 14, 2021 and amendment to the Registrar Agreement dated June 8, 2021, entered by and amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer
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 Offer or Registrar	Link Intime India Private Limited

Term	Description
Retail Individual Bidder(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000.00 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not more than 10% of the Net Offer consisting of 2,574,235* Equity Shares which was made available for allocation to Retail Individual Bidders (subject to valid Bids having been received at or above the Offer Price) **Subject to finalisation of the Basis of Allotment*
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 and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. 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?doRecognisedFpi=yes&intmId=34, 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 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 could apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely, Link Intime India Private Limited
Share Escrow Agreement	Agreement dated May 26, 2021, entered amongst our Company, the Promoter Selling Shareholders, the Investor Selling Shareholder, the Other Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by such Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate accepted Bid cum Application Forms
Sponsor Bank	HDFC Bank Limited, being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Syndicate or Members of the Syndicate	Together, the Book Running Lead Managers and the Syndicate Member
Syndicate Agreement	Agreement dated June 8, 2021, entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar and the Syndicate Member, in relation to collection of Bids by the Syndicate
Syndicate Member	Intermediary registered with SEBI, namely, Kotak Securities Limited
Underwriters	The BRLMs and Syndicate Member
Underwriting Agreement	Agreement dated June 22, 2021 entered amongst our Company, the Selling Shareholders and the Underwriters
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number 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, the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any other circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI

Term	Description
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 da ted 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&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism used by RIBs in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Working Day(s)	All days on which commercial banks in Mumbai, Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, Working Day shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, Working Days shall mean all trading days excluding Sundays and bank holidays in India, as per the circulars issued by SEBI

Technical/Industry Related Terms or Abbreviations

Term	Description
Aarogyasri Scheme	YSR Aarogyasri scheme as implemented by the Andhra Pradesh Government and Aarogyasri scheme, as implemented by the State Government of Telangana
AE Act	Atomic Energy Act, 1962
AERB	Atomic Energy Regulatory Board
AHPI	Association of Healthcare Provides (India)
ALOS	Average of length of stay, which equals total length of stay divided by inpatients volume, excluding dialysis and chemotherapy stays and volumes
APMCE Act	Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002
APMCE Rules	Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Rules, 2007
ARPOB	Average Revenue Per Operating Bed, which equals revenue divided by the total length of stay days
BMW Rules	Bio-Medical Waste Management Rules, 2016
CCTV	Closed-circuit television
CGHS	Central Government Health Scheme
CII	Confederation of Indian Industry
Clinical Trials Rules	New Drugs and Clinical Trials Rules, 2019
CT	Computed tomography
DNB	Diplomate of National Board
DISHA	Draft Digital Information Security in Healthcare Act
DPCO 2013	Drug (Prices Control) Order, 2013
Drugs Act	Drugs and Cosmetics Act, 1940
Drugs Rules	Drugs and Cosmetics Rules, 1945
EBITDA	EBITDA is calculated as restated profit/(loss) for the year, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses
EBITDA Margin	EBITDA Margin is the percentage of EBITDA divided by total income
EBUS	Endobronchial ultrasound
ECMO	Extra Corporeal Membrane Oxygenation
EHS	Employee Health Scheme
EP	Electrophysiology
ERCP	Endoscopic retrograde cholangiopancreatography
Ethics Regulations	Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002
FFR	Fractional flow reserve
Green OT	Green Operation Theatre
HBM Guidelines	Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes, 1997
HDR	High dose rate
ICMR	Indian Council of Medical Research
ICMR Guidance	Guidance on Transfer of Human Biological Material for Commercial Purposes
ICMR Code	National Ethical Guidelines for Biomedical and Health Research Involving Human Participants, 2017
ICSI	Intracytoplasmic sperm injection
IGRT	Image-guided radiation therapy
IMRT	Intensity-modulated radiation therapy
IUI	Intrauterine insemination
IVF	In vitro fertilization

Term	Description
IVUS	Intravascular ultrasound
ISO	Industrial Standards Organisation
Jeevandan Scheme	Jeevandan Scheme for Cadaver Organ Transplantation
LINAC	Medical linear accelerator
MOHFW	Ministry of Health and Family Welfare, GoI
MRI	Magnetic resonance imaging
MTP Act	Medical Termination of Pregnancy Act, 1971
NABH	National Accreditation Board for Hospitals and Healthcare Providers, India
NABL	National Accreditation Board for Testing and Calibration Laboratories
NDPS	National Drugs and Psychotropic Substances
NDPS Act	National Drugs and Psychotropic Substances Act, 1985
NDPS Rules	National Drugs and Psychotropic Substances Rules, 1985
Net Asset Value per Equity Share	Net asset value per Equity Share is Net Worth divided by weighted average number of Equity Shares outstanding during the year
Net Worth	Net worth means total equity attributable to owners of the Company
NMC Act	National Medical Commission Act, 2019
NoC	No objection certificate
NTOHC	Non-transplantation organ harvesting centre
Nuclear Medicine Facilities Code	Safety Code for Nuclear Medicine Facilities, 2011
Nursing Act	Indian Nursing Council Act, 1947
O&M	Operations and maintenance
OTC	Organ transplant centre
PCPNDT	Pre-Conception and Pre-Natal Diagnostic Technique
PCNDT Act	Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994
PET CT	Positron emission tomography – computed tomography
PGD	Preimplantation genetic diagnosis
PhD	Doctor of Philosophy
PNDT Act	Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994
PSU	Public sector undertaking
Radiation Rules	Atomic Energy (Radiation Protection) Rules, 2004
Radioactive Waste Rules	Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987
RBD Act	Registration of Births and Deaths Act, 1969
Return on Net Worth	Return on Net Worth is the profit/ (loss) attributable to owners of the Company divided by Net Worth
THO Act	Andhra Pradesh Transplantation of Human Organs Act, 1995
Total Borrowings	Together, the long term borrowings (including current maturity of long term debts) and the short term borrowings (at amortised cost)
X-Ray Safety Code	Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001

Conventional and General Terms or Abbreviations

Term	Description
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
API	Application performing interface
AP	Andhra Pradesh
Banking Regulation Act	Banking Regulation Act, 1949, as amended
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
GoI	Central Government/Government of India
CIN	Corporate Identity Number
UEN	Unique Entity Number
Companies Act 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act 2013/Companies Act	Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CRISIL	CRISIL Limited
CRISIL Research	CRISIL research division of CRISIL
CSR	Corporate social responsibility
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DP ID	Depository Participant's identity number

Term	Description
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FDI Policy	Consolidated FDI Policy Circular of 2020
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI
Financial Year/Fiscal/Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
HSEL	Hyderabad Stock Exchange Limited
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-tax Act, 1961
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
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
INR/Indian Rupee/Rs./₹	Indian Rupee, the official currency of the Republic of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information Technology
MSEL	Madras Stock Exchange Limited
MCA/Ministry of Corporate Affairs	Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRE	Non-Resident External
NRO	Non-Resident Ordinary
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
ODI	Offshore derivative instruments
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on Capital Employed
ROE	Return on Equity
RoNW	Return on Net Worth
Rule 144A	Rule 144A under the U.S. Securities Act
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018, as amended
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI 2016 Circular	Circular dated October 10, 2016 bearing no. SEBI/HO/MRD/DSA/CIR/P/2016/110, issued by the SEBI
SEBI 2017 Circular	Circular dated August 1, 2017 bearing no. SEBI/HO/MRD/DSA/CIR/P/2017/92, issued by the SEBI
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 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	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

Term	Description
STT	Securities Transaction Tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TDS	Tax deducted at source
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. QIB	"Qualified institutional buyer", as defined in Rule 144A of the U.S. Securities Act
U.S. Securities Act	United States Securities Act of 1933, as amended
US$/USD/US Dollar	United States Dollar, the official currency of the United States of America
USA/U.S./US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this 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 GoI, 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 Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial data in this Prospectus is derived from the Restated Financial Statements.

Our restated Ind AS consolidated summary statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 and the related restated Ind AS consolidated summary statement of profits and losses (including other comprehensive income), restated Ind AS consolidated summary statement of changes in equity, restated Ind AS consolidated summary statement of cash flow and the restated Ind AS consolidated summary statement of significant accounting policies and other explanatory information for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, of our Company and its Subsidiaries each derived from our audited consolidated financial statements as at and for the Fiscal Year ended March 31, 2021, March 31, 2020 and March 31, 2019, each prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations, as amended from time to time, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI.

For further information on our Company's financial statements, see "***Restated Financial Statements***" on page 233.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this 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 data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see "***Risk Factors – Significant differences exist between the Indian Accounting Standards ("Ind AS") and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition***" on page 55. The degree to which the financial information included in this 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 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this 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 financial information of our Company in "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Conditional and Results of Operations***" on pages 27, 165 and 319, respectively, and elsewhere this Prospectus have been calculated on the basis of amounts derived from our Restated Financial Statements.

In this 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 Restated 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 measures and certain other statistical information relating to our operations and financial performance like hospital revenue, group revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, adjusted profit before tax, adjusted profit after tax, net worth, return on net worth, net asset value per equity share, non-current borrowings (including current maturity of long term debt) /total equity ratio, total borrowings/ total equity ratio and others, have been included in this Prospectus. We compute and disclose such Non-GAAP 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. These Non-GAAP measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any 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 and are not measures of operating

performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Please see, "***Risk Factors- This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry."*** on page 50.

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 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 Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Exchange Rates

This 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 years indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at		
	March 31, 2021	**March 31, 2020**	**March 31, 2019***
1 USD	73.50	75.39	69.17

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

** 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 Prospectus has been obtained or derived from publicly available information as well as industry publication and sources. Further, the information has also been derived from the CRISIL Report which has been commissioned by our Company from CRISIL Research. For risks in relation to commissioned reports, see "***Risk Factors – This Prospectus contains industry information that has been extracted or derived from an industry report prepared by CRISIL Research, which was commissioned by our Company.***" on page 50.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although the industry and market data used in this Prospectus is reliable, it has not been independently verified by our Company, the Selling Shareholders, the Book Running Lead Managers, or any of their respective affiliates or advisors and none of these parties, jointly or severally, make any representation as to the accuracy of this information. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

In accordance with the SEBI ICDR Regulations, "***Basis for Offer Price***" on page 108 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither our Company, the Selling Shareholders, nor the Book Running Lead Managers have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

The extent to which the market and industry data used in this 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 amongst 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***" on page 27. Accordingly, investment decisions should not be based solely on such information.

Disclaimer of CRISIL Research

This Prospectus contains data and statistics from certain reports and the CRISIL Report commissioned by our Company, which is subject to the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report ("CRISIL Report") based on the Information obtained by CRISIL from sources which it considers reliable ("Data"). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / CRISIL Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / CRISIL Report. This CRISIL Report is not a recommendation to invest / disinvest in any entity covered in the CRISIL Report and no part of this CRISIL Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the third-party subscribers / third-party users / transmitters/ distributors of this CRISIL Report. Without limiting the generality of the foregoing, nothing in the CRISIL Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Krishna Institute of Medical Sciences Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the CRISIL Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this CRISIL Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this CRISIL Report may be published/reproduced in any form without CRISIL's prior written approval."*

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 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 Offer, including the merits and risks involved. The Equity Shares 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 (a) in the United States only to persons reasonably believed to be 'qualified institutional buyers' (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as "U.S. QIBs") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. 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 Prospectus as 'QIBs'. This Prospectus is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited.

Information to Distributors

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 Offer.

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.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "***aim***", "***anticipate***", "***believe***", "***expect***", "***estimate***", "***intend***", "***likely to***", "***objective***", "***plan***", "***propose***", "***project***", "***will***", "***seek***", "***will continue***", "***will pursue***" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Prospectus that are not statements of historical fact are 'forward – looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- An inability to retain our healthcare professionals, including doctors that we engage on consultancy basis, on whom we are highly dependent;
- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Our high dependence on our hospitals in Hyderabad, Telangana and on certain specialities for majority of our revenues;
- An inability to continue our business operations at some of our facilities;
- An inability to obtain requisite occupancy certificate from the relevant municipal authority and fire NoC from Telangana State Disaster Response and Fire Services Department for KIMS Kondapur hospital building; and
- An inability to locate certain records of educational qualifications and past work experience of one of our Promoters and Directors.

For details regarding factors that could cause actual results to differ from expectations, see "***Risk Factors***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 27, 165 and 319, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders 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.

Forward-looking statements reflect current views as on the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholders, the Book Running Lead Managers 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 SEBI ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders shall ensure that the Bidders in India are informed of material developments in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in this Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder, as the case may be, in this Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SUMMARY OF THIS PROSPECTUS

The following is a general summary of the terms of the Offer and is not exhaustive. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including "***Risk Factors***", "***The Offer***", "***Capital Structure***", "***Objects of the Offer***", "***Industry Overview***", "***Our Business***", "***Restated Financial Statements***", "***Outstanding Litigation and Material Developments***", "***Offer Procedure***", and "***Main Provisions of Articles of Association***" on pages 27, 61, 85, 100, 116, 165, 233, 351, 382 and 398, respectively.

Summary of the business of our Company

We are one of the largest corporate healthcare groups, in AP and Telangana in terms of number of patients treated and treatments offered, according to the CRISIL Report commissioned by our Company. We provide multi-disciplinary integrated healthcare services in Tier 1, 2 and 3 cities, operating nine multi-specialty hospitals under the "KIMS Hospitals" brand, with an aggregate bed capacity of 3,064 beds including over 2,500 operational beds, as of March 31, 2021. We offer healthcare services across over 25 specialties and super specialties, including cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, organ transplantation, renal sciences and mother and child care.

Summary of the industry in which our Company operates (*Source: CRISIL Report commissioned by our Company)*

The Indian healthcare delivery market is valued at ₹ 4.3 trillion and accommodated ₹ 1.7 billion treatments (both in-patient and out-patient) in Fiscal 2021. With renewed impetus from the PMJAY, the healthcare delivery market is expected to log a CAGR of 17-18% and reach ₹7.07 trillion in fiscal 2024. The share of IPD (in value terms) is expected to grow from 69% in the current fiscal to nearly 74% in Fiscal 2024, with OPD contributing the remaining. In terms of volumes, OPD is estimated to outweigh IPD volumes, with the latter contributing the bulk of the revenues to healthcare facilities. For further details, see "***Industry Overview***" on page 116.

Names of our Promoters

Our Promoters are Dr. Bhaskara Rao Bollineni, Rajyasri Bollineni, Dr. Abhinay Bollineni, Adwik Bollineni and BRMH.

Offer size

The following table summarizes the details of the Offer size:

Offer of Equity Shares[(1)(2)]	25,997,133[*] Equity Shares aggregating to ₹ 21,437.44[^] million
of which:	
(i) Fresh Issue[(1)]	2,436,595[*#] Equity Shares aggregating to ₹ 2,000.00[^] million
(ii) Offer for Sale[(2)]	23,560,538[*] Equity Shares aggregating to ₹ 19,437.44 million by the Selling Shareholders
Employee Reservation Portion[(3)]	254,777[*] Equity Shares aggregating to ₹ 200.00[^] million
Net Offer	25,742,356[*] Equity Shares aggregating to ₹ 21,237.44[^] million

[*]Subject to finalisation of the Basis of Allotment
[^]A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion
[#]including 254,777 Equity Shares to be issued under Employee Reservation Portion at a price of ₹ 785 aggregating to ₹ 200.00 million

(1) The Fresh Issue has been authorised by our Board pursuant to resolution passed on February 8, 2021 and by our Shareholders pursuant to special resolution passed on February 10, 2021.

*(2) Each Selling Shareholder (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "**Other Regulatory and Statutory Disclosures**" on page 361.*

*(3) In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.00. The unsubscribed portion, if any, in the Employee Reservation Portion, shall be added to the Net Offer. For further details, see "**Offer Structure**" on page 379.*

The Offer and Net Offer constitutes 32.48% and 32.17% of the post-Offer paid-up Equity Share Capital of the Company, respectively.

Objects of the Offer

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

(in ₹ million)

Particulars	Estimated Amount
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company and our Subsidiaries *viz.* KHKPL, SIMSPL and KHEPL	1,500.00
General corporate purposes[*]	416.60
Total	**1,916.60**

For further details, see "***Objects of the Offer***" on page 100.

Aggregate pre-Offer shareholding of Promoters, Promoter Group and Selling Shareholders

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

a) Promoters and Promoter Group

Name of Promoter	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
Dr. Bhaskara Rao Bollineni	21,407,895	27.59
BRMH	5,228,628	6.74
Rajyasri Bollineni	2,149,936	2.77
Dr. Abhinay Bollineni	47,299	0.06
Adwik Bollineni	8,128	0.01
Subtotal (A)	**28,841,886**	**37.17**
Name of member of Promoter Group		
Seenaiah Bollineni	4,582,517	5.91
Aishwarya Bollineni	2,683,272	3.46
Krishnaiah Bollineni	173,944	0.22
Sujatha Bollineni	34,386	0.04
Sweata Raavi	7,845	0.01
Subtotal (B)	**7,481,964**	**9.64**
Total (A+B)	**36,323,850**	**46.81**

b) Selling Shareholders

Name of Selling Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
Investor Selling Shareholder		
General Atlantic*	29,800,513	38.41
Subtotal (A)	**29,800,513**	**38.41**
Promoter Selling Shareholders		
Dr. Bhaskara Rao Bollineni	21,407,895	27.59
Rajyasri Bollineni	2,149,936	2.77
BRMH	5,228,628	6.74
Subtotal (B)	**28,786,459**	**37.10**
Persons listed in Annexure A	13,088,091	
Subtotal (C)	**13,088,091**	**16.87**
Total (A+B+C)	**71,675,063**	**92.38**

* *Pursuant to share purchase agreement dated June 11, 2021 General Atlantic transferred 1,784,242 and 155,151 Equity Shares held by it to IAF S4 I and Dynamic India Fund S4 US I, respectively.*

Summary of select financial information

The following details of our Equity Share capital, net worth, net asset value per Equity Share and total borrowings as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 and total income, profit/(loss) for the year and earnings per Equity Share (basic and diluted) for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 are derived from the Restated Financial Statements:

(*in ₹ million, unless otherwise stated*)

Particulars^	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2020	As at and for the Financial Year ended March 31, 2019
Equity Share capital	775.93	744.90	744.90
Net worth (1)	8,637.34	5,981.25	5,406.60
Total income	13,401.02	11,287.28	9,238.69
Profit/(loss) for the year	2,054.79	1,150.72	(488.07)
Earning per Equity Share (₹ / share) (4)			
- Basic (in ₹)	26.87	16.00	(6.91)
- Diluted (in ₹)	26.42	15.87	(6.91)
Net Asset Value per Equity Share (in ₹) – Basic (2) (3)	115.36	80.30	78.18
Total Borrowings (short term borrowings and long term borrowings (including current maturity of long term debt))	2,704.68	3,207.79	2,880.97

Note:

(1) *Net worth = total equity attributable to owners of the Company*

(2) *Net asset value per equity share (₹) = Total equity attributable to owners of the Company divided by weighted average number of equity shares outstanding during the year*

(3) *Our net asset value reflects our results of operations after making certain adjustments. For more information, see "**Other Financial Information**" on page 311*

(4) *Basic and diluted earnings per Equity Share are computed in accordance with 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. Basic EPS = Restated profit / (loss) attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year – basic. Diluted EPS = Restated profit / (loss) attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year - diluted*

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Qualifications of the Statutory Auditors which have not been given effect to in the Restated Financial Statements

The Restated Financial Statements do not contain any qualifications by the Statutory Auditors.

Summary of outstanding litigation and material developments

A summary of outstanding litigation proceedings involving our Company, Promoters, Subsidiaries, Directors and Group Companies as on the date of this Prospectus, is provided below:

Nature of Cases	Number of outstanding cases	Amount involved (in ₹ million)*
Litigation involving our Company		
Criminal proceedings	5	14.00
Material civil litigation	3	257.19
Actions by statutory or regulatory authorities	-	-
Direct and indirect tax proceedings	10	90.62
Litigation involving our Promoters		
Criminal proceedings**	1	-
Material civil litigation	-	-
Actions by statutory or regulatory authorities	-	-
Direct and indirect tax proceedings	-	-
Outstanding disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years	2	-
Litigation involving our Subsidiaries		
Criminal proceedings	-	-
Material civil litigation	1	-
Actions by statutory or regulatory authorities	-	-
Direct and indirect tax proceedings	1	0.09
Litigation involving our Directors		
Criminal proceedings**	2	-
Material civil litigation	-	-
Actions by statutory or regulatory authorities	-	-
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Group Companies		
Outstanding litigation which may have a material impact on the Company	Nil	Nil

* *To the extent quantifiable, excluding interest and penalty thereon.*

** *Additionaly, certain criminal proceedings initiated against our Company, also involve Dr. Bhaskara Rao Bollineni in his capacity as the Managing Director of our Company. For details, see "**Outstanding Litigation and Material Developments - Criminal proceedings against our Directors**" on page 355.*

For further details, see "***Outstanding Litigation and Material Developments***" on page 351.

Risk Factors

Specific attention of the investors is invited to the section "***Risk Factors***" on page 27 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 as at March 31, 2021 are set forth in the table below:

(*in ₹ million*)

S. No.	Particulars	Contingent Liabilities as at March 31, 2021
1.	Luxury tax matters in dispute	82.27
2.	Service tax matters in dispute	0.09
3.	VAT matters in dispute	1.76
4.	Goods and service tax matters in dispute	6.59
5.	Medical claims (gross excluding interest/costs)	124.78
6.	Other claims	23.76

Summary of related party transactions

A summary of related party transactions as per the requirements under Ind AS 24 read with the SEBI ICDR Regulations entered into by our Group with related parties as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 are as follows:

Disclosure post elimination of intra group transactions

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
Transactions during the year			
i. Loans and advances given			
KIMS Foundation and Research Centre	-	-	3.58
ii. Repayment of loans and advances			
KIMS Foundation and Research Centre	-	10.01	5.00
iii. Payment for purchase of land			
Dr. Bhaskara Rao Bollineni	-	4.25	70.00
BSCPL Infrastructure Limited	292.50	-	-
iv. Professional fee to KMP			
Dr. Bhaskara Rao Bollineni	18.00	18.00	18.00
Dr. Raavi Swetha	-	-	2.31
v. Professional fee to relative of KMP			
Dr. Raavi Swetha	2.03	2.16	1.80
vi. Rent expenses			
Dr. Bhaskara Rao Bollineni	0.10	0.10	0.10
vii. Managerial remuneration to KMP**			
Short term employee benefits			
Dr. Bhaskara Rao Bollineni	22.00	24.00	24.00
Dr. Abhinay Bollineni	9.00	7.75	5.35
Mrs. Anitha Dandamudi	3.60	3.60	3.00
Mr. Vikas Maheshwari	8.73	7.37	6.57
Mr. Uma Shankar Mantha	2.23	1.98	1.78
viii. Directors sitting fee			
Mr. Krishnaiah Bollineni	-	-	0.29
Mr. G Rajeswara Rao	0.32	0.64	0.47
Mrs. Jyothi Prasad	0.32	0.58	0.38
Mr. K Padmanaabhaiah	-	-	0.23
Mr. Amitabha Guha	-	-	0.47
ix. Expenditure towards CSR			
KIMS Foundation and Research Centre	21.29	15.72	10.14
x. Conversion of share warrants in to equity shares			
Dr. Bhaskara Rao Bollineni (amount received during the year ₹ 950.23)	953.33	-	-
xi. Commission to Directors			
Mr G Rajeswara Rao	0.20	-	-
Mr. Saumen Chakraborty	0.88	-	-
Mr. Pankaj Vaish	0.45	-	-
Mr. Kaza Ratna Kishore	0.20	-	-
Mr. Venkata Ramudu Jasthi	0.20	-	-
xii. Reimbursement of claims			
Sri Viswa Medicare Limited*	-	-	0.00
xiii. Interest expense			
India Advantage Fund	-	-	120.01

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
xiv. Fair value changes in financial instrument			
India Advantage Fund	-	-	871.27
xv. Derecognition of financial liability			
India Advantage Fund	-	-	6,596.22
xvi.Issue of equity shares including share premium			
General Atlantic Singapore KH Pte. Ltd.	-	-	880.00
xvii. Cash received for issue of share warrants			
Dr. B Bhaskara Rao	-	-	3.10
Receivable from related parties			
i. Trade receivables			
Sri Viswa Medicare Limited	1.90	2.13	2.21
ii. Other advances			
KIMS Foundation and Research Centre	-	-	10.01
iii. Capital advance			
Dr. Bhaskara Rao Bollineni	-	-	70.00
Payable to related parties			
iv. Trade payables			
Dr. Bhaskara Rao Bollineni	0.10	0.10	1.36
Dr. Raavi Swetha	0.18	0.16	0.14
v. Employee benefits payable			
Dr. Bhaskara Rao Bollineni	-	-	1.16
Dr. Abhinay Bollineni	-	0.32	0.47
Mr. Vikas Maheshwari*	-	0.31	0.00
Mr. Uma Shankar Mantha	-	0.12	0.11
Mrs. Anitha Dandamudi	-	0.16	0.14
vi.Commission payable to Directors			
Mr G Rajeswara Rao	0.16	-	-
Mr. Saumen Chakraborty	0.69	-	-
Mr. Pankaj Vaish	0.35	-	-
Mr. Kaza Ratna Kishore	0.16	-	-
Mr. Venkata Ramudu Jasthi	0.16	-	-

*Note: For certain loans availed by the Group, few Directors of the Group have given personal guarantee. For details see, "**Other Financial Information – Related Party Transactions**" on page 314.*

**Amount is below the rounding off norms adopted by the Group. Below is the particulars in full value:*

Particulars	***Amount (in ₹)***
Reimbursement of claims to Sri Viswa Medicare Limited	1,500
Employee benefits payable to Vikas Maheshwari	1,108

***The managerial personnel are covered by the Group's gratuity policy and are eligible for leave encashment along with other employees of the Group. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Group as a whole.*

Disclosure prior to elimination of inter-group transactions as per Schedule VI (Para 11 (I)(A)(i)(g)) of the SEBI ICDR Regulations

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
Transactions by the Company with other Group entities:			
i. Loans and advances given			
KIMS Hospitals Private Limited	-	2.00	5.10
KIMS Swastha Private Limited	-	0.05	0.07
Iconkrishi Institute of Medical Sciences Private Limited	40.00	42.50	195.80
Saveera Institute of Medical Sciences Private Limited	105.00	77.00	37.00
KIMS Hospitals Kurnool Private Limited	105.00	87.50	-
ii. Refund of loans and advances			
Iconkrishi Institute of Medical Sciences Private Limited	26.80	-	166.50
KIMS Hospitals Kurnool Private Limited	76.90	40.00	-
KIMS Hospitals Private Limited	-	135.74	-
Saveera Institute of Medical Sciences Private Limited	135.00	54.00	-
iii. Interest income earned on loans given			
KIMS Hospitals Private Limited	-	8.39	10.55

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
KIMS Swastha Private Limited	0.39	0.51	0.51
Iconkrishi Institute of Medical Sciences Private Limited	10.34	5.56	8.91
Saveera Institute of Medical Sciences Private Limited	7.24	9.38	1.97
KIMS Hospitals Kurnool Private Limited	8.88	4.52	-
iv. Purchase of medical consumables, drugs and surgical instruments			
Arunodaya Hospitals Private Limited	0.67	-	-
KIMS Hospital Enterprises Private Limited	1.61	0.18	0.95
Iconkrishi Institute of Medical Sciences Private Limited	0.93	0.26	-
Saveera Institute of Medical Sciences Private Limited	0.76	0.03	-
KIMS Hospitals Kurnool Private Limited	0.83	0.30	-
v. Income from pharmacy			
KIMS Hospital Enterprises Private Limited	8.49	4.90	9.95
Arunodaya Hospitals Private Limited	1.46	0.17	0.11
Iconkrishi Institute of Medical Sciences Private Limited	5.60	0.65	-
Saveera Institute of Medical Sciences Private Limited	7.98	0.56	-
KIMS Hospitals Kurnool Private Limited	6.57	0.39	-
vi. Investment in subsidiaries			
Iconkrishi Institute of Medical Sciences Private Limited (equity shares)	-	0.25	73.38
Iconkrishi Institute of Medical Sciences Private Limited (preference shares)	-	-	100.00
Saveera Institute of Medical Sciences Private Limited (equity shares)	-	0.75	18.03
Saveera Institute of Medical Sciences Private Limited (preference shares)	-	19.90	290.00
KIMS Hospital Enterprises Private Limited	352.73	706.52	-
KIMS Hospitals Kurnool Private Limited	-	94.22	-
KIMS Hospital Private Limited	-	161.74	-
vii. Write off of investment			
KIMS Sahariah Healthcare Private Limited	-	-	0.10
KIMS Cuddles Private Limited	0.10	-	-
viii. Guarantee closed			
KIMS Hospital Enterprises Private Limited	400.00	-	-
ix. Guarantee given on behalf of			
Iconkrishi Institute of Medical Sciences Private Limited	-	-	170.00
Saveera Institute of Medical Sciences Private Limited	-	30.00	550.00
KIMS Hospitals Kurnool Private Limited	-	530.00	-
x. Commission income on guarantees given to			
KIMS Hospital Enterprises Private Limited	5.07	0.55	2.00
Iconkrishi Institute of Medical Sciences Private Limited	0.52	0.52	0.18
Saveera Institute of Medical Sciences Private Limited	1.61	1.52	0.71
KIMS Hospitals Kurnool Private Limited	1.73	1.47	-
xi. Revenue from Test and Investigations			
KIMS Hospital Enterprises Private Limited	8.13	11.25	-
Iconkrishi Institute of Medical Sciences Private Limited	0.75	0.66	-
Saveera Institute of Medical Sciences Private Limited	-	1.30	-
KIMS Hospitals Kurnool Private Limited	-	1.74	-
Transactions by Arunodaya Hospitals Private Limited:			
i. Krishna Institute of Medical Sciences Limited			
Purchase of medical consumables, drugs and surgical instruments	1.46	0.17	0.11
Revenue from sale of pharmacy and sale of services	0.67	-	-
ii. Iconkrishi Institute of Medical Sciences Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.28	-	-
Income from pharmacy	0.02	-	-
iii.KIMS Hospital Enterprises Private Limited			
Income from pharmacy	0.23	-	-
Transactions by Iconkrishi Institute of Medical Sciences Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Loan received	40.00	42.50	195.80
Repayment of loan	26.80	-	166.50
Issue of 12% cumulative optionally convertible redeemable preference shares	-	-	100.00
Guarantee commission expense	0.52	0.52	0.18

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
Corporate guarantee received	-	-	170.00
Interest expenses on loan taken	10.34	5.56	8.91
Income from pharmacy	0.93	0.26	-
Purchase of medical consumables, drugs and surgical instruments	5.60	0.65	-
Tests & investigation expense	0.75	0.66	-
ii. Arunodaya Hospitals Private Limited			
Income from pharmacy	0.02	-	-
Purchase of medical consumables, drugs and surgical instruments	0.28	-	-
KIMS Hospitals Kurnool Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.19	-	-
Transactions by KIMS Hospital Enterprises Private Limited:			
i. Krishna Institute of Medical Sciences Limited			
Purchase of medical consumables, drugs and surgical instruments	8.49	4.90	9.95
Income from pharmacy	1.61	0.18	0.95
Corporate guarantee closed	400.00	-	-
Commission on guarantee taken	5.07	0.55	2.00
Tests & investigation expense	8.13	11.25	-
ii.Saveera Institute of Medical Sciences Private Limited			
Sale of pharmacy items	0.37	-	-
Sale of equipment	4.64	-	-
iii.Arunodaya Hospitals Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.23		
Transactions by Saveera Institute of Medical Sciences Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Loans received	105.00	77.00	37.00
Interest expense	7.24	9.38	2.69
Issue of 0.001% optionally convertible redeemable preference shares	-	19.90	290.00
Commission on guarantee taken	1.61	1.52	-
Corporate guarantee received	-	30.00	550.00
Income from pharmacy	0.76	0.03	-
Repayment of loan	135.00	54.00	-
Purchase of medical consumables, drugs and surgical instruments	7.98	0.56	-
Tests & investigation expense	-	1.30	-
Prepaid guarantee commission	-	0.69	-
KIMS Hospital Enterprises Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.37	-	-
Purchase of equipment	4.64	-	-
KIMS Hospitals Kurnool Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.19	-	-
Income from pharmacy	0.02	-	-
Transactions by KIMS Hospitals Kurnool Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Commission on guarantee taken	1.73	1.47	-
Corporate guarantee received	-	530.00	-
Interest expense	8.88	4.52	-
Loans received	105.00	87.50	-
Repayment of loans	76.90	40.00	-
Income from pharmacy	0.83	0.30	-
Purchase of medical consumables, drugs and surgical instruments	6.57	0.39	-
Tests and investigation expense	-	1.74	-
ii.Iconkrishi Institute of Medical Sciences Private Limited			
Income from pharmacy	0.19	-	-

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
iii.Saveera Institute of Medical Sciences Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.02	-	-
Income from pharmacy	0.19	-	-
Transactions by KIMS Swastha Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Interest expense on advance given	0.39	0.51	0.51
Loans received	-	0.05	0.07
Transactions by KIMS Hospitals Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Interest expense	-	8.39	10.55
Loans received	-	2.00	5.10
Repayment of loans	-	135.74	-
Issue of shares	-	161.74	-
The balances receivables from and payable within the Group:			
(these transactions got eliminated in Restated IND AS Consolidated Summary Statement)*			
In the Books of the Company:			
i. Loans			
KIMS Hospitals Private Limited	-	-	133.74
KIMS Swastha Private Limited	6.40	6.40	6.34
Iconkrishi Institute of Medical Sciences Private Limited	85.00	71.80	29.30
Saveera Institute of Medical Sciences Private Limited	30.00	60.00	37.00
KIMS Hospitals Kurnool Private Limited	75.60	47.50	
ii. Interest accrued on loans			
KIMS Hospitals Private Limited	-	-	17.60
KIMS Swastha Private Limited	1.97	1.46	0.95
Saveera Institute of Medical Sciences Private Limited	6.68	-	1.77
Iconkrishi Institute of Medical Sciences Private Limited	7.51	5.00	-
KIMS Hospitals Kurnool Private Limited	1.59	4.07	-
iii. Guarantee given on behalf of			
KIMS Hospital Enterprises Private Limited	-	400.00	400.00
Iconkrishi Institute of Medical Sciences Private Limited	170.00	170.00	170.00
Saveera Institute of Medical Sciences Private Limited	580.00	580.00	550.00
KIMS Hospitals Kurnool Private Limited	530.00	530.00	-
iv. Financial guarantee liability			
KIMS Hospital Enterprises Private Limited	-	5.07	9.42
Iconkrishi Institute of Medical Sciences Private Limited	2.41	2.92	3.19
Saveera Institute of Medical Sciences Private Limited	14.85	16.46	17.24
KIMS Hospitals Kurnool Private Limited	9.32	11.06	-
v. Trade receivables			
Arunodaya Hospitals Private Limited	0.23	-	-
Saveera Institute of Medical Sciences Private Limited	9.40	1.16	-
Iconkrishi Institute of Medical Sciences Private Limited	2.81	1.32	-
KIMS Hospitals Kurnool Private Limited	0.91	1.52	-
vi. Trade payable			
KIMS Hospitals Kurnool Private Limited	-	0.30	-
Iconkrishi Institute of Medical Sciences Private Limited	-	0.26	-
Savera Institute of Medical Sciences Private Limited	-	0.03	-
In the Books of Iconkrishi Institute of Medical Sciences Private Limited:			
i. Krishna Institute of Medical Sciences Limited			
Loan payable	85.00	71.80	29.30
Corporate guarantee received	170.00	170.00	170.00

(*in ₹ million*)

Particulars	As at and for the Financial Year ended March 31		
	2021	2020	2019
Prepaid guarantee commission	2.41	2.92	3.19
Interest accrued on loan	7.51	5.00	-
Trade payable	2.81	1.32	-
Trade receivables	-	0.26	-
In the Books of KIMS Hospital Enterprises Private Limited:			
i. Krishna Institute of Medical Sciences Limited			
Corporate guarantee received	-	400.00	400.00
Prepaid guarantee commission	-	5.07	9.42
In the Books of Saveera Institute of Medical Sciences Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Loan outstanding	30.00	60.00	37.00
Prepaid guarantee commission	14.85	16.46	17.24
Interest accrued on loan	6.68	-	1.77
Corporate guarantee received	580.00	580.00	550.00
Trade payable	9.40	1.16	-
Trade Receivable	-	0.03	-
In the Books of Kurnool Rainbow Hospitals Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Prepaid guarantee commission	9.32	11.06	-
Trade receivables	-	0.30	-
Loans payable	75.60	47.50	-
Corporate guarantee received	530.00	530.00	-
Interest accrued on loan	1.59	4.07	-
Trade payables	0.91	1.52	-
In the Books of KIMS Hospitals Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Interest accrued on loans	-	-	17.60
Loans payable	-	-	133.74
In the Books of KIMS Swastha Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Interest accrued on loans	1.97	1.46	0.95
Loans	6.40	6.40	6.34
In the Books of Arunodaya Hospitals Private Limited			
i. Krishna Institute of Medical Sciences Limited			
Trade payable	0.23	-	-

Financing Arrangements

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

Weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders, in the last one year preceding the date of this Prospectus

The weighted average price at which Equity Shares were acquired by the Promoters in the last one year is set forth in the table below:

Name	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
Dr. Bhaskara Rao Bollineni	3,103,731	307.16
Dr. Abhinay Bollineni	750	400.00

**As certified by SV Rao Associates, Chartered Accountants, by way of their certificate dated May 26, 2021.*

The weighted average price at which Equity Shares were acquired by the Selling Shareholders in the last one year is set forth in the table below:

Name	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
Dr. Bhaskara Rao Bollineni	3,103,731	307.16
Gogineni Sitaram Prasad	300	405.00
Vijay Kumar Devraj	6,579	380.00

**As certified by SV Rao Associates, Chartered Accountants, by way of their certificate dated May 26, 2021.*

Average cost of acquisition of Equity Shares

The average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders are as set forth in the table below:

a) Promoters

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Promoters		
Dr. Bhaskara Rao Bollineni	22,914,395	89.85
Rajyasri Bollineni	3,199,936	95.40
Dr. Abhinay Bollineni	47,299	121.97
Adwik Bollineni	8,128	114.94
BRMH	5,262,268	30.43

**As certified by SV Rao Associates, Chartered Accountants, by way of their certificate dated May 26, 2021. The average cost of acquisition has been calculated based on the cost of Equity Shares acquired/allotted/purchased.*

b) Selling Shareholders

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Dr. Bhaskara Rao Bollineni	22,914,395	89.85
Rajyasri Bollineni	3,199,936	95.40
BRMH	5,262,268	30.43
General Atlantic	31,739,906	310.26
Seenaiah Bollineni	5,414,408	6.68
Aishwarya Bollineni	2,683,272	49.24
P V N Raju	4,000	250
Jwala Srikala Mulugu	10,000	250
Mulukutla Sambasiva Sastry	19,800	5.15
K. Kalyana Chowdary	13,466	176.64
Darshan Jayantilal Rathod	10,000	250
Vaka Krishnasree	45,336	93.27
Hygriv Rao Bhaganagarapu	4,000	250
Konduri Rajender Nath	5,560	172.15
Rajendra Kumar Premchand	1,481,618	13.47
Sasikala Vasthimal	93,889	266.27
Rajendra Kumar Premchand Shah (HUF)	75,778	290.32
Naresh Rajendra Shah	36,400	95.33
Sahariah Sarbeswar	1,216,280	17.39
Dr. VSV Prasad	178,856	5.76
VS Srinath	104,864	48.63
T N C Padmanabhan	149,896	22.01
Sudhakar Kanthamneni	174,272	5.76
Sitaram Prasad Gogineni	369,630	166
Venkata Krishna Kumar Kodali	1,085,560	30.89
Gavini Sathyanarayana	90,932	125.30
Gavini Jayanthi	68,360	90.37
Srivalli Marakadamani	65,113	307.16
Meka Yanadi Naidu	4,000	250
Krishna Rao Inturi	22,000	300
Raghu Rama Pillarisetti	413,288	49.15
S Vyjayanthi	70,000	250
Kotha Usha Lakshmi Kumari	2,920	250
Vijay Kumar Devraj	67,962	46.20
Doppalapudi Pooja Lakshmi	36,660	250
Kolla China Subba Rao	119,935	180.54
Rama Devi Kolla	28,000	250

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Kolla Sridevi	20,000	250
Kolla Srikanth	36,000	250
NS Ramaraju	227,149	185.76
Atluri Naga Deepthi	60,000	250
Praveen Mallikarjuna Mulukuntla	20,000	280
Pyar Ali Jiwani	140,000	42.97
Ravikanth Garipalli	98,049	28.12
Thota Narender Kumar	3,035	360
G Rajender	4,000	250
C. Naresh Kumar Reddy	69,328	245
Bala Padmaja Chowdary	30,000	83.38

** As certified by SV Rao Associates, Chartered Accountants, by way of their certificate dated May 26, 2021. The average cost of acquisition has been calculated based on the cost of Equity Shares acquired/allotted/purchased.*

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares by way of pre-Offer Placement from the date of this Prospectus until the listing of the Equity Shares.

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

No Equity Shares were issued for consideration other than cash in the last one year.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Prospectus.

SECTION II: RISK FACTORS

*An investment in the Equity Shares involves significant risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. If any of the following risks or any of the other risks and uncertainties actually occur, our business, financial condition, results of operations, cash flows and prospects could be impacted, the trading price of our Equity Shares could decline, and you may lose significant part of your investment. These risks and uncertainties are not the only ones that we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial, may in the future have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. This section should be read together with the sections titled "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 165 and 319, respectively, as well as the other financial and statistical information contained in this Prospectus. In making an investment decision, prospective investors must rely on their own examination of details shared by us and the terms of this Offer, including the merits and risks involved and consult their tax, financial and legal advisors about particular consequences to them, of an investment in the Equity Shares.*

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

*This Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements, as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See "**Forward-Looking Statements**" on page 15.*

In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company, our Subsidiaries and our Associate. Unless otherwise stated, the financial information of our Company used in this section is derived from our Restated Financial Statements.

INTERNAL RISK FACTORS

1 ***We are highly dependent on our healthcare professionals, including doctors that we engage on a consultancy basis, and our business and financial results could be impacted if we are not able to attract and retain such healthcare professionals.***

Our operations depend on the efforts, ability and experience of our healthcare professionals, including our doctors, nurses, consultants and other medical staff at our hospitals. A majority of our doctors are not our employees. As of March 31, 2021, we had 1,137 doctors, of whom 647 were engaged on a consultancy basis and 230 were doctors under the DNB and post-doctoral fellowship student program. Some of our doctors do not work exclusively with us and are permitted to engage in private practice outside of our business and to work at hospitals that compete with us. The attrition rate for our healthcare professionals, which includes resident doctors (including DNB students), consultant doctors, nursing staff (including interns) and paramedical personnel, for Fiscal Years 2019, 2020 and 2021 was 39.7%, 39.0% and 51.6%, respectively. The higher attrition rate in Fiscal Year 2021 was primarily due to higher attrition in nursing staff.

Our performance and the execution of our business strategies depend substantially on our ability to attract, recruit and retain leading healthcare professionals in a particular specialty or in a region relevant to our growth plans. We compete with other healthcare services providers in recruiting and retaining trained healthcare professionals, which are in shortage in the market.

Factors that healthcare professionals consider important before deciding where they will work include emoluments and incentives, reputation of the healthcare establishment, quality of the facilities, academic and research opportunities, and a sufficient number of patients and surgeries made available to them. There can be no assurance that healthcare professionals will conclude that we compare favorably with other healthcare service providers on these factors. We seek to attract healthcare professionals who are well-known personalities in their fields and regions with large patient bases and referral networks, and it may be difficult to negotiate favorable terms and arrangements with these professionals. We typically agree to pay our specialist physicians a professional fee based on the services they provide. Depending on market conditions and scarcity of the trained professionals, we may have to increase the fees and salaries (as applicable) paid to our healthcare professionals and consultants, and there would be no assurance that we will be able to control such expenses completely as planned. If we are unable to make payments to these consultants or other healthcare professionals on time, or if our relationship with them deteriorates, or these professionals receive better opportunities with other healthcare service providers, we may be unable to retain them.

Failure to attract and retain sufficient qualified healthcare professionals for our hospitals could adversely affect our business, financial condition, results of operations, cash flows and prospects. Certain patients choose our hospitals because of the reputation of some of our individual doctors. If we fail to retain these key doctors, we may not be able to attract such patients, which may have an adverse impact on the patient volume and our profitability at such locations. Although we have entered into binding agreements with our doctors, including those working on a consultancy basis, we cannot assure you that our doctors will not prematurely terminate such agreements.

There is no assurance that our consultant doctors will continue to provide services to us or devote the whole of their time to our hospitals. We may, as a result, be unable to effectively utilize their time and expertise in providing services to our patients. These arrangements may also give rise to conflicts of interest, including with regard to how these doctors allocate their time and other resources between our hospitals and other clinics or hospitals at which they work and where doctors refer patients. Such conflicts may prevent us from providing a high quality of service at our hospitals and adversely affect the level of our patient intake which may have an impact on our business, results of operations and cash flows.

Our performance also depends on our ability to identify, attract and retain other healthcare professionals, including nurses. We have experienced, and expect to continue to experience pressure to increase wages and other benefits, due to a general shortage of qualified nurses and paramedical staff in India. We may also be required to hire more expensive temporary or contract personnel to address short-term needs.

As a multi-specialty hospital operator, we must attract and retain qualified healthcare professionals in a wide range of specialty areas, and there may be fewer qualified professionals and competition for these individuals in a particular specialty area at the time when our staffing needs arise. We may also face heightened challenges in attracting sophisticated and efficient healthcare professionals at peripheral units, as healthcare professionals usually prefer to settle down in major cities and metropolitan areas. We may experience a slower-than-usual growth rate in peripheral units due to the lack of qualified healthcare professionals.

If we are unable to attract or retain healthcare professionals as required, we may not be able to maintain the quality of our services and we may have to admit fewer patients to our hospitals, thereby having a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. We may also be required to incur increased costs to retain and recruit medical personnel, which may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

2 ***The COVID-19 pandemic has affected our regular business operations and may continue to do so, depending on the severity and duration of the COVID-19 pandemic.***

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognized as a pandemic by the World Health Organization, on March 11, 2020. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. In response to the COVID-19 outbreak, the governments of India and many other countries have taken preventive and protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside their homes. Temporary closures of businesses had been ordered and numerous other businesses have been temporarily closed voluntarily. We have monitored and considered the impact of known events arising from the COVID-19 pandemic including with respect to our liquidity and going concern, recoverable values of property, plant and equipment, goodwill, intangible assets, trade receivables and the net realisable value of other assets. As the outbreak continues to evolve, we will continue to closely monitor the impact that COVID-19 may have on our Company, including any material changes to future economic condition, liquidity and result of operations of our business and prospects. While there have been progressive relaxations and calibrated easing of lockdown measures by the Government, the full impact of the COVID-19 pandemic is still unknown and difficult to predict. Possible additional "waves" or resurgences of COVID-19 cases may result in slower economic recovery, further disruptions to businesses and the imposition of stricter or extended government lockdown policies.

Beginning in March 2020 and, in particular in April 2020, we experienced a substantial reduction in inpatient and outpatient volumes due to the nationwide lockdown implemented on March 25, 2020, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions. There was also a reluctance or unwillingness of some patients to seek healthcare services in hospitals due to their perception of an increased risk of infection when traveling to hospitals and coming into close contact with healthcare professionals. Medical tourism has also slowed. As a result, our monthly inpatient volume decreased in each month from February to April 2020, reaching 5,460 in April 2020, as compared to 11,653 in January, 2020, a decrease of 53.15%.

We may encounter additional COVID-19 related difficulties and experience, including but not limited to:

- directives or actions by governments, government authorities, local agencies and courts that affect our ability to operate our hospitals and/or the manner in which we operate our hospitals. For example, directives or actions to regulate various aspects of our operations (such as, amongst other things, prices, and mandatory bed allocation) and/or to oversee, manage or administer the provision of healthcare to COVID-19 patients;

- reluctance or unwillingness of some patients to seek healthcare services in hospitals due to their perception of an increased risk of infection when traveling to hospitals and coming into close contact with healthcare professionals;

- slowed medical tourism, particularly from international patients due to international travel restrictions;

- delay in renewing or obtaining necessary registrations, approvals, licenses and permits from statutory and regulatory bodies;

- heightened risk of COVID-19 infection to doctors, nurses and other healthcare professionals at our hospitals, which may lead to a shortage of manpower and additional labor and employment expenses;

- possible delay in our existing or planned projects, which may adversely impact our ability to comply with the financial covenants; and

- increased costs to ensure the safety of our workforce and continuity of operations while conforming to the measures implemented by various governments.

In order to reduce the impact of COVID-19 on our operations, we have taken various steps to manage our expenses and liquidity, including making adjustments to the professional fees paid to our doctors and other healthcare professionals, reducing the lease amount for one building at KIMS Kondapur and reducing costs related to marketing, branding and travel. We have also obtained and drew down approximately ₹ 687.50 million from three credit facilities to reinforce our available working capital and maintain higher liquidity levels to meet unforeseen events. While revenue derived from our COVID-19 patients have helped to offset the decline in patient volumes in fiscal year 2021, there is no assurance that our business will not be adversely affected if the COVID-19 pandemic were to worsen or last for an extended period of time. Our trade receivables as of March 31, 2021 and 2020 amounted to ₹ 1,098.19 million and ₹ 1,322.68 million, respectively. In fiscal year 2021, we experienced a decrease in the turnover days of our receivables as compared to fiscal year 2020, primarily due to an increase in revenue from out-of-pocket payments and insurance programs as a percentage of our total revenue due to COVID-19. Further, as a response to the COVID-19 pandemic, the government and insurance companies also undertook to facilitate a faster settlement and payment process for healthcare institutions, which also contributed to reducing our receivable turnover days. For details regarding the impact of COVID-19 on our ALOS and hospital revenue information, please see "***Management's Discussion and Analysis of Financial Condition and Results Of Operations - Factors Affecting Results Of Our Operations - Occupancy Rate***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations - Business Update Regarding COVID-19***" on page 320 and page 323, respectively.

We have implemented safety protocols to ensure the safety and wellbeing of our healthcare professionals during the COVID-19 pandemic. We adopted digital consultation and telephone consultation as alternatives to physical visits in accordance with applicable laws and our confidentiality obligations. We provided PPE kits to healthcare team and supporting staff, distributed suitable face masks, face shields, and set up a screening team to check the body temperature and other symptoms of individuals entering our hospitals. However, we may not be able to fully mitigate the risks of our healthcare professionals contracting COVID-19 due to the fact that they are in close contact with patients on a daily basis, and we have, in the past, occasionally been required to quarantine our healthcare professionals suspected of contracting the virus. An outbreak of COVID-19 among a concentrated group of our healthcare professionals could disrupt our business and operations in the affected facilities or areas.

The duration of the COVID-19 outbreak and its ultimate impact on us and the general economy cannot be predicted. The COVID-19 pandemic and its effects may last for an extended period of time, and could result in significant and continued market volatility, exchange trading suspensions and closures, declines in global and Indian financial markets, higher default rates, and a substantial economic downturn or recession. The foregoing could disrupt our operations, adversely affect our ability to establish and implement business development plans, and negatively impact our financial performance. In addition, if we do not respond appropriately to the pandemic, or if patients perceive our response to be inadequate, we could suffer damage to our reputation and our brand, which could adversely affect our business in the future.

Our hospitals require authorization from the relevant state government in order to treat COVID-19 patients. The governments of AP and Telangana have issued multiple orders, which, among others things, set the ceiling rate chargeable by private hospitals and laboratories for treatment and testing of COVID-19 patients. If these orders remain in place for an extended period of time or the number of patients that we treat under these orders increases, our results of operations, financial position, cash flows and profitability may be adversely affected. Private hospitals in India have come under public scrutiny for allegations of charging COVID-19 treatment rates in excess of those prescribed by the government and for general mismanagement of COVID-19 cases, including the states of AP and Telangana where we operate our hospitals. In response to these allegations, the government of Telangana issued orders directing certain private hospitals to cease treatment of COVID-19 patients. On May 26, 2021, the Office of the Director of Public Health and Family Welfare, Government of Telangana ("Health and Welfare Department") issued a show cause notice to KIMS Secunderabad alleging excess billing rates and mismanaged treatment of a COVID-19 patient, pursuant to a complaint received by the Health and Welfare Department. A reply denying these allegations was submitted by KIMS Secunderabad to the Health and Welfare Department along with the compliant withdrawal letter from the respective COVID-19 patient on May 29, 2021. A direction was issued by the Health and Welfare Department to KIMS Secunderabad on June 1, 2021 not to treat any new COVID-19 patients until further notice. On June 5, 2021, the Health and Welfare Department revoked its direction and restored KIMS Secunderabad's permission to provide COVID-19 treatment and deferred action on the allegation, and the Health

and Welfare Department also directed us to take immediate steps to settle the outstanding grievances and provide refunds of any excess charges. While we intend to comply fully with the government's orders, there can be no assurance that the government will not take further action against us in the future. In addition, it is likely that COVID-19 treatment at our hospitals will continue to be closely scrutinized by the government and the public, and we may be the subject of similar allegations and government inquiries in the future. We may incur additional costs and devote significant management attention to defend against such allegations and respond to such inquiries. If such allegations or inquiries are resolved against us, it may result in a revocation of our permission to treat COVID-19 patients and require us to pay fines or refunds. In addition, such allegations or inquiries, even if resolved in our favor, may adversely affect our reputation and prospects. Further, a public interest litigation suit has been filed by an individual before the Supreme Court of India directing the Central Government to (i) regulate the cost of treatment of COVID-19 at private hospitals across the country and (ii) mandate private hospitals operating on public land or as charitable institutions to treat COVID-19 patients either on a pro bono or non-profit basis. In addition, in May 2021, news outlets reported that the Andhra Pradesh High Court has asked the state government to consider taking control of private hospitals in the state for treating COVID-19 patients.

The COVID-19 pandemic could also exacerbate the risks identified in this "Risk Factors" section. Therefore, its impact, as well as the impact of any other infectious illness outbreaks that may arise in the future, could adversely affect our consolidated results of operations, financial position and cash flows in ways that cannot necessarily be foreseen.

3 ***Our revenues are highly dependent on our hospitals in Hyderabad (Telangana). We are also significantly dependent on certain specialties for a majority of our revenues. Any impact on the revenues from these hospitals or earnings from our top specialties could materially affect our business, financial condition, results of operations and cash flows.***

A significant percentage of our patients were served by our hospitals in Hyderabad: KIMS Secunderabad and KIMS Kondapur. The following table sets forth selected operating and financial data for these two hospitals for the years indicated:

	As of and for the year ended March 31,		
	2019	**2020**	**2021**
% of group revenue	68.05%	62.98%	64.09%
% of group inpatient volume	47.85%	40.74%	38.67%
% of group outpatient volume	50.37%	43.85%	39.95%

Our hospital at Secunderabad (Telangana) also has contributed more to our revenue from operations due to high-end specialised procedures and services being provided, given its location and the profile of patients that it caters to. In Fiscal Years 2020 and 2021, our seven main specialty departments (cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, renal sciences and mother & child care) accounted for 80.80% and 76.51% of our inpatient volumes, respectively. Any material impact on our revenues from our hospitals at Secunderabad and Kondapur in Telangana or from such specialties, including by reason of reduction in patient footfall, reputational harm, liabilities on account of medical negligence or natural calamities and increased competition, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, our concentration in AP and Telangana exposes us to adverse economic or political circumstances that affect demand for healthcare services in the region. Any political unrest, disruption, disturbance or sustained downturn in the economy of AP and Telangana and other states in southern India could adversely affect our business, financial condition, results of operations and cash flows.

4 ***We have ceased operations at some of our facilities in the past, and we may continue to do so in the future.***

We have, in the past, shut down certain facilities. In Fiscal Year 2015, we ceased operations at one facility at Vijayawada, AP due to non-renewal of the lease (renewable in three years) by the lessor. See also ***"—Certain lands on which our hospital buildings are operating are not owned by us and not leased on a perpetual basis***" on page 31. Further, the leases of two of our leased properties at KIMS Rajahmundry in Andhra Pradesh will expire in the next two years. One of these properties is currently used for out-patient consultations and the other is used for dialysis patients under the Aarogyasri Scheme. The total revenue from KIMS Rajahmundry in Andhra Pradesh accounted for less than 10.00% of our total revenue in fiscal year 2021. Any adverse impact on the title or ownership rights of the owner or breach of the terms or non-renewal of the license agreement may lead to disruptions and affect our business operations. We closed our subsidiary, KIMS Sahariah Healthcare Private Limited, in 2019 and we are in the process of closing our subsidiary, KIMS Cuddles Private Limited for which we have filed necessary documents with the RoC. We had write-offs of ₹ 0.10 million and ₹ 0.10 million in Fiscal Years 2019 and 2021, respectively, in relation to the closure of these two subsidiaries. These and similar actions may require us to record write-offs, which may be substantial, and may reduce the likelihood that we are able to recover our investments in these facilities. As we rely on our network of facilities to build brand recognition among potential patients and bring in revenues, any discontinued operations may also adversely impact our result of operations and business prospects.

5 ***One of our hospital buildings taken on lease, KIMS Kondapur, does not possess the requisite occupancy certificate from the relevant municipal authority and fire NoC from Telangana State Disaster Response and Fire Services Department.***

We may be subject to adverse regulatory action and may be required to vacate this facility, which may materially and adversely affect our business, reputation and financial condition.

KIMS Kondapur does not possess the occupancy certificate ("**OC**") for one of its leased buildings ("**Block I**") and the fire NoC from the Telangana State Disaster Response and Fire Services Department ("**Fire Services Department**") for the entire premises. The building owner of Block I had submitted an application for renewal of the fire NoC in the year 2015 and subsequently in the year 2019. The application for renewal of the fire NoC has been recently rejected by the Fire Services Department ("**Rejection Letter**") due to, amongst others, deficits in the open spaces and construction of an extra block and walkways, with a direction to re-file an application for fire NoC after rectifying the lapses highlighted in the Rejection Letter and payment of requisite statutory fees. The building owner of the Block II building of KIMS Kondapur ("**Block II**") has submitted an application to renew the fire NoC in 2020, and the application is currently pending.

The building owner of KIMS Kondapur hospital building (Block I), from whom we have leased the premises, has applied to obtain the OC from Greater Hyderabad Municipal Corporation ("**GHMC**") under the Building Regularisation Scheme, 2015 ("**BRS**") in the year 2016, which is currently pending. The building owner of Block I has been regularly paying property tax to GHMC as per applicable laws. However, in the past, a penalty had been levied on the building owner of Block I by Southern Power Distribution Company of Telangana Limited ("**SPDC**"), due to failure in submission of the OC with SPDC. The building owner of Block I had challenged the penalty by a writ petition before the High Court of Judicature, Hyderabad. An interim stay order was passed in favour of the building owner of Block I, and the matter was closed in 2014. However, recently, SPDC issued another notice to the building owner of Block I, requesting submission of the OC for Block I within three months and alleging to disconnect the power supply in the event of non-compliance ("**Disconnection Letter**"). The building owner of Block I has requested the SPDC to waive its requirement of submitting the OC within a period of three months as the application for OC is pending before GHMC under the BRS and has also requested the SPDC to not to take any adverse actions. Further, the building owner of Block I has also filed a writ petition in May 2021, before the High Court of Judicature, Hyderabad challenging the Disconnection Letter and had also sought for interim relief to restrict SPDC from disconnecting the power supply of Block I. Pursuant to an interim order dated May 13, 2021, passed by the High Court of Judicature, Hyderabad, in favour of the building owner, SPDC has been restricted from disconnecting the power supply of Block I of KIMS Kondapur.

Failure to obtain the OC and the fire NoC may subject the building owner to penalties or charges. Further, if the applications are rejected, the building may be disposed of or demolished by the relevant authorities, for which we may have no effective remedy. While we are not impleaded or addressed in this matter, we cannot assure you that in the future, SPDC or any other regulatory authority will not take any adverse action against the building owner, which may require us to vacate or may impact our business operations at KIMS Kondapur. We may not be able to effectively re-locate our operations and, even if we are able to re-locate, there is no assurance that we would resume the same level of operation or revenue contribution after such relocation. Our reputation, business, financial condition, results of operations and prospects may be impacted significantly as a result of any such action. See also, ***"- Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows***" on page 46.

6 ***We have not been able to obtain certain records of educational qualifications and past work experience of one of our Promoters and Directors, and have relied on certificates and affidavits furnished by them for such details of their profile, included in this Prospectus.***

One of our Promoters, Rajyasri Bollineni, has been unable to trace copies of documents pertaining to her educational qualification, namely her bachelor's degree in commerce from Reddy College, Hyderabad. Further, one of our Independent Directors, Venkata Ramudu Jasthi, has been unable to trace copies of documents pertaining to his past work experience with the Indian Revenue Services (Income Tax) from 1979 to 1981. Accordingly, reliance has been placed on certificates and affidavits furnished by such Promoter and Director to us and the BRLMs to disclose details of their respective educational qualifications and past work experience, in this Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Prospectus. Further, there can be no assurances that such Promoter and Director will be able to trace the relevant documents pertaining to their respective educational qualifications and past work experience in future, or at all.

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

Our hospitals at Vizag (AP), Kondapur (Telangana) and Nellore (AP) (partially leased) are situated on land that is leased on a non-perpetual basis with terms ranging from 2 years to 30 years, renewable upon expiration on mutually agreed terms. Our Company and certain of our Subsidiaries, namely KIMS Kondapur, KIMS Vizag, KIMS Kurnool, KIMS Saveera and AHPL Srikakulam, have entered into lease deeds with various vendors for, amongst others, staff accommodation, and nursing hostels. Terms of such leases vary from vendor to vendor ranging from 11 months to 10 years. For details, please see "***Our Business – Properties***" on page 189. Any use of the leased land pursuant to the lease deeds will have to be in

compliance with the terms and conditions contained in such lease deeds. The lessors may terminate the leases in the event of a breach of the terms of the lease deeds, including delay in payment or non-payment of rent, usage of the property other than for the purposes for which it has been leased, or on the transfer, assignment or mortgage of the land or the clinical establishments situated thereon in breach of the terms of the lease deeds. There is no assurance that we will be able to renew these leases on commercially acceptable terms, or at all. We may not be able to effectively re-locate our operations and, even if we are able to re-locate, there is no assurance that we can resume the same level of operation or revenue contribution after such relocation. Also see, "- ***We may not be able to successfully implement all our growth strategies, including due to failure to manage our Subsidiaries which run certain of our hospitals, which could adversely affect our business, financial condition, results of operations and cash flows***".

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

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

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

As of March 31, 2021, our short term borrowings and long term borrowings (including current maturity of long term debt) amounted to ₹ 2,704.68 million on a consolidated basis. As of March 31, 2021, 99.89% of our short term and long term borrowings (including current maturity of long term debt) entailed interest payments at variable rates, and our Company has issued corporate guarantees to HDFC Bank and the Federal Bank for term loan of ₹ 1,023.91 million for loans taken by our Subsidiaries.

There are restrictive covenants in agreements entered into by our Company and Subsidiaries with certain banks and financial institutions for short-term loans and long-term borrowings. These restrictive covenants require us to seek the prior consent of these banks and financial institutions for various activities, including effecting any changes to our capital structure or shareholding pattern, raising fresh capital or any term loans or debentures; undertaking any merger, amalgamation or restructuring, utilizing loans for purposes other than those set out in the financing agreement, implementing any scheme of expansion, diversification or modification (other than incurring routine capital expenditure), disposing of any assets; taking actions that result in a change of control over us, declaring or paying dividends, making investments in other concerns and effecting any amendments in our memorandum and articles of association.

While we have obtained consents from our lenders in terms of our respective financing facilities for the purposes of the Offer, one such lender consent obtained from NIIF is subject to: (a) our Promoters retaining management control during the tenure of such financing facility; and (b) our Promoters and Promoter Group continuing to hold 30.00% of the equity share capital of our Company during the tenure of such facility. We cannot assure you that our Promoters and Promoter Group will continue to comply with such conditions during the tenure of such facility, in which event we may be required to obtain the necessary waivers or repay this loan and enter into other financing arrangements as may be negotiated at that time. For further details in respect of the loan obtained from the NIIF, please see "***Objects of the Offer – Details of the Objects of the Fresh Issue***" on page 101 of this Prospectus.

Under our financing arrangements, certain of our lenders also have the right to appoint nominee directors on our Board of Directors in the event of our default. We cannot assure investors that we will receive necessary approvals in a timely manner or at all. In the event our lenders refuse to grant the requisite approvals, or impose onerous conditions in the approvals granted, our business or corporate strategies may be adversely impacted.

Certain financing agreements also require us to maintain specified financial ratios, which may limit our operational flexibility or ability raise capital on our preferred terms. As of the date of this Prospectus, there has not been any breaches of such requirements on financial ratios, nor have we received any notice of default or non-compliance from any of our existing lenders. However, in the event of receipt of such notice or upon any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs and penalties, and we may be subject to enforcement actions against the security we provided. In addition, we are required to create a mortgage over our immovable properties by depositing original title deeds. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. Furthermore, certain of our financing arrangements also contain cross default provisions, which would be automatically triggered by defaults under other financing arrangements, as well as equity conversion provision, which

provide the banks and financial institutions with the right to convert amounts due into equity in the case of default. For further details on our financing agreements, see "***Financial Indebtedness***" on page 315.

We are susceptible to changes in interest rates and the risks arising therefrom. Our financing agreements entail interest at variable rates with a provision for the periodic reset of interest rates. See "***Financial Indebtedness***" on page 315 for a description of interest typically payable under our financing agreements. If the interest rates for our existing or future borrowings increase, our cost of servicing our borrowings may increase which may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Any additional financing that we require to fund our expenditure, if met by way of additional debt financing, may place restrictions on us which may, among other things, limit our ability to pursue our growth plans, require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes, limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise. Currently, we have a credit rating of AA- for long-term facilities and A1+ for short-term facilities. We have not experienced any downgrade in our credit rating in the past 3 years. However, there is no guarantee that we will be able to maintain such ratings in the future.

9 ***We operate in a highly regulated industry, and compliance with applicable safety, health, environmental and other governmental regulations and any violations of existing regulations may adversely affect our business, results of operations and cash flows.***

The healthcare industry is subject to laws, rules and regulations in the regions where we conduct our business or in which we intend to expand our operations. For a description of the regulations to which we are subject, see "***Key Industry Regulations and Policies***" on page 190. Given our hospitals are situated at multiple locations, we are subject to various and extensive local laws, rules and regulations relating to, among other things, the establishment and operation of private medical care establishments.

Health and safety laws and regulations in India have become increasingly stringent over time, and it is possible that they will become more stringent in the future. For instance, the Bio-Medical Waste Rules, 2016 require mandatory authorization and annual reporting requirements for all establishments handling bio-medical waste. In the fertility business, the proposed Assisted Reproductive Technology (Regulation) Bill of 2020 prescribes registration requirements for clinics providing assisted reproductive services, imposes additional obligations on fertility clinics which provides counseling to individuals opting for such procedures, specifies duties for clinics using human gametes and embryos, and mandates record keeping obligations and stricter compliance norms with respect to procedures being carried out. The Assisted Reproductive Technology (Regulation) Bill of 2020 also prescribes penalties, both in the form of fine and imprisonment which may be levied on our doctors and our Company. In the past, our Company and some of its Subsidiaries have received show cause and/or demand notices from the Employee State Insurance Corporation for damages and interest payments arising out of our failure to pay employees' contribution within the timelines stipulated in the Employees' State Insurance Act, 1948 ("**ESI Act**"). In the last three years, our Subsidiary, KHKPL, has received certain demand notices from the Employee State Insurance Corporation for its failure to pay for employees' contribution in accordance with the ESI Act. Further, under the terms of various orders issued by the Government of Telangana, a ceiling has been placed on the rates chargeable by private healthcare providers for providing testing and treatment services to COVID-19 patients. These price caps are inclusive of certain facilities and services, such as ECG, drugs and consultations and exclude facilities and services like PPE kits, central line insertion and certain high end investigations. If these orders remain in place for an extended period of time or the number of patients that we treat under these government orders increase, our results of operations, financial position, cash flows and profitability may be adversely affected. While we were not subject to any regulatory actions for any non-compliance of laws in the past 3 years, there is no assurance that we will not be subject to such actions in the future, which could materially and adversely affect our business and reputation.

The laws, regulations, policies, guidelines and licensing and accreditation requirements that we are subject to cover many aspects of our business. We may incur substantial costs in order to comply with current or future laws, rules and regulations, and we may not be able to maintain, at all times, full compliance with such laws, regulations, policies and guidelines. These current or future laws, rules and regulations may also impede our operations. Any non-compliance with the applicable laws, rules and regulations may subject us to regulatory action, including penalties and other civil or criminal proceedings, which may materially and adversely affect our business, prospects and reputation.

The qualification and practicing activities of our healthcare professionals are strictly regulated by applicable laws, regulations, policies and guidelines, as well as by applicable codes of professional conduct or ethics. If our health professionals fail to comply with applicable laws, regulations, policies or guidelines, including professional licensing requirements, we may be subject to penalties including fines, loss of licenses or restrictions on our healthcare facilities and operations, which could materially and adversely affect our business and reputation.

We are also subject to laws and regulations governing relationships with our employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. If labor laws become more stringent, it may become difficult for us to maintain flexible human resource policies, discharge employees, or downsize, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows.

10 ***Our ability to provide affordable healthcare to our patients is dependent our ability to effectively estimate, price and manage our healthcare costs.***

Our ability to provide affordable healthcare depends on our ability to effectively manage and predict our costs. We have entered into several agreements under which we are required to provide medical services at rates fixed by, among others: (i) Central Government Health Scheme, (ii) Aaroyasari Scheme, and (iii) AP Employee Health Scheme. In addition, KIMS Vizag is required to reserve 100 beds for and provide medical services at subsidized rates to certain classes of patients pursuant to the service agreement entered into among us, IIMSL and Milk Producers and Employees Educational Health and Medical Trust. We face the pressures of rising business costs, including increased, employee compensation and outsourced staff cost relating to housekeeping and security, increased cost of medical technology and prescription drugs, government-mandated benefits and other regulatory changes to provide such services. While we seek to manage our pricing model in light of these costs, we may not always be able to do so, including due to our fee arrangements and existing contracts, as well as regulatory restrictions. We are also subject to risks relating to fluctuations in market interest rates. For details, see "**– *Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business***" on page 32.

11 ***Our business depends on the strength of our brand and reputation. Failure to maintain and enhance our brand and reputation, and any negative publicity and allegations in the media against us, may materially and adversely affect the level of market recognition of, and trust in, our services, which could result in a material adverse impact on our business, financial condition, results of operations and prospects.***

We believe that our brand and reputation are critical to our success. Many factors, some of which are beyond our control, are important to maintaining and enhancing our brand and may negatively impact our brand and reputation if not properly managed, such as:

- our ability to maintain a convenient, standardized and reliable customer experience as customer preferences evolve and as we expand our service categories and develop new business lines;
- our ability to increase brand awareness among existing and potential clients through various means of marketing and promotional activities;
- our ability to adopt new technologies or adapt our technology and systems, including our websites and user portals, to user requirements or emerging industry standards in order to maintain our customer experience;
- our ability to effectively control the quality of service in our hospitals, and to monitor their performance as we continue to expand our network; and
- our ability to maintain and renew existing accreditations or to apply for additional accreditations as we expand our network.

Despite our effort to manage and supervise healthcare professionals in our network, they may fail to meet our requirements and their contractual obligations with us. They may not possess the permits or qualifications required by the relevant laws and regulations at all times, or they may fail to meet other regulatory requirements for their operations. Our brand and reputation may be adversely impacted if our healthcare professionals provide inferior service, engage in medical malpractice, violate laws or regulations, commit fraud or misappropriate funds, harm a patient or mishandle personal healthcare information, in addition to any impact that such development would have on our business, financial condition, results of operations and prospects. We face heightened risks of noncompliance with respect to healthcare professionals who do not operate fully under our management and over whom we have limited control.

'KIMS' is used by various institutions including two other hospitals in the states of Kerala and Karnataka. Certain of these institutions have also initiated opposition applications against our trademark applications. For details, see **"- *We may fail to protect our intellectual property rights and may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation***" on page 37 and "***Outstanding Litigation and Material Developments – Outstanding material civil litigation involving our Company***" on page 352. Therefore, negative publicity due to any negative impact on these hospitals or any other hospitals and institutes using the name KIMS can significantly impact our brand, public image and reputation, regardless of their veracity. Further, our brand promotion efforts may be expensive and may fail to effectively promote our brand or generate additional sales.

Further, our Company has filed an FIR dated June 15, 2021 bearing no. 120/2021 with Ramgopalpet Police Station, Secunderabad against certain unknown person on fraudulent and unauthorised use of name, logo and address of BRMH and fabricated payment receipts to indicate alleged acceptance of public deposits by BRMH, and requesting for initiation of appropriate action in the matter. For more details, please see "***Outstanding Litigation and Material Developments - Criminal proceedings by our Company***" on page 352. Our failure to maintain and enhance our brand and reputation may materially and adversely affect the level of market recognition of, and trust in, our services. This could materially and adversely affect our business, financial condition, results of operations and prospects.

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

We operate in a competitive environment. In most markets, we compete with hospitals, clinics, diagnostic chains and dispensaries of varying sizes with different specialties. We compete on the basis of factors such as our specialty and other service offerings, quality and selection of healthcare professionals, affordability, quality of care, technology, quality of facilities, patient satisfaction, brand and reputation. Our most significant competitors in the country are as follows:

1. Apollo Hospitals Enterprise Limited;
2. Fortis Healthcare Limited;
3. HealthCare Global Enterprises Limited;
4. Manipal Health Enterprises Private Limited; and
5. Narayana Hrudayalaya Limited.

Additionally, our most significant competitors in Hyderabad are:

1. Apollo Hospitals Enterprise Limited;
2. Quality CARE India Limited
3. Yashoda Healthcare Services Private Limited;
4. Sarvejana Healthcare Private Limited; and
5. Asian Institute of Gastroenterology Private Limited.

Our pharmacies in our hospitals compete on factors such as price and product offerings. Some of our multi-specialty competitors offer services that we do not offer. Some of our competitors are owned or operated by governmental bodies or by private not-for-profit entities supported by endowments and charitable contributions, which can finance capital expenditures without incurring significant tax obligations. We may also face competition from new market entrants, such as established foreign healthcare companies which may enter the Indian market in the future. We are required to evaluate and increase our competitive position in each of our markets for example by offering competitive compensation to healthcare professionals and quality services with competitive rates to our patients. As a result, we may experience lower profitability as we strive to compete with our competitors on all fronts.

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

Existing or new competitors may try to compete for patients by exerting pricing pressures on some or all of our services by pricing their services at a significant discount to ours or offering services with greater convenience or better quality. Further, our competitors may expand their healthcare networks, which may exert further pricing and recruiting pressure on us. If we are unable to compete effectively with our competitors, our market share, business, financial condition, results of operations and cash flows could be materially and adversely affected.

13 ***If we are unable to maintain bed occupancy rates at sufficient levels, we may not be able to generate adequate returns on our capital expenditure, which could materially and adversely affect our operating efficiencies and our profitability***

We generated a substantial portion of revenue from our services to inpatients. We have invested, and expect to continue to invest, significant amounts to establish or acquire new hospitals and to add bed capacity, modernize infrastructure at our existing hospitals, introduce new technologies and expand our range of services. Our ability to sustain current levels of profitability and operating efficiencies depends on our ability to maintain and increase bed occupancy rates, which in turn depends on factors such as brand recognition in the communities in which we operate, our ability to attract and retain

quality healthcare professionals, our ability to develop super-specialty practices and our ability to compete effectively with other hospitals and clinics. Our average bed occupancy rate was 80.49% in Fiscal Year 2020. Our bed occupancy rate was 78.60% in Fiscal Year 2021, largely due to the impact of COVID-19. If we fail to maintain or improve our occupancy rates while we continue to incur significant capital expenditure, our business, financial condition, results of operations and prospects may be materially and adversely affected.

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

The healthcare services industry is characterized by periodic technological changes, new equipment and service introductions, changes in patients' needs and evolving industry standards, including, for example, changes associated with diagnosis process, treatments and patient-doctor interactions in telemedicine offerings. Our continued success depends on our ability to anticipate industry trends and identify, develop and market new value-added services that meet client demands, to continually enhance our equipment and technologies in a timely and cost-effective manner.

Developing new services and tools in a timely and cost-effective manner may be difficult, particularly as market preferences can change rapidly. Our assessment of the market and evolving customer preferences may not lead to new services that are commercially successful. We may also experience delays or failures in any stage of our service development, introduction or implementation. Our competitors may be more efficient at developing new services and may introduce those services to the market before us. The introduction of new or similar services by our competitors may result in reductions in our prices, profit margins, and market share. Further, as industry standards evolve, we may be required to enhance and develop our internal processes and procedures, as well as equipment and technologies, to comply with such standards and maintain the accreditations that we have received. The research, design and development of new services may also require significant resources, including financial and management time and attention. If we are unable to develop new services in a timely manner to meet market demand, or if there is insufficient demand for our services, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Rapid changes in the medical and healthcare industry require sourcing for and investing in new medical equipment and technology. We may not be able to continually invest in, procure and integrate the latest equipment and technologies at commercially suitable terms and in a timely manner. We may not be able to recover the financial outlay for the medical equipment and systems that we invest in. We may incur significant costs in replacing or modifying equipment in which we have already made a substantial investment. New equipment and services based on new or improved technologies or new industry standards can lead to earlier than planned redundancy of our medical equipment and result in asset impairment charges in the future. Although we sometimes sell obsolete equipment back to the suppliers of such equipment, there can be no assurance that we will be able to continue to do so on financially viable terms. We may experience short-term disruptions to our operations if our equipment is damaged or breaks down. Extended downtime of our medical equipment, and repair or replacement costs of such equipment, could result in loss of revenue, client dissatisfaction, and damage to our reputation. Injuries caused by medical equipment in our healthcare facilities due to equipment defects, improper maintenance or improper operation could also subject us to liability claims, which may not be insured completely or at all. Regardless of their merit or eventual outcome, such liability claims could result in significant legal defense costs for us, damage to our reputation, and a material adverse effect on our business, financial condition and results of operation.

Our operations are also subject to risks inherent in the use of complex medical equipment. Some equipment we use in our hospital involves radioactive substances. Failures, accidents, defects, improper use or lack of maintenance of our equipment may lead to injury of our patients and healthcare professionals. We may incur significant repair and maintenance costs and may experience disruptions in our operations in the event of any material malfunction or breakdown of our equipment in the future. In Fiscal Years 2021, 2020 and 2019, our expenses relating to repairs and maintenance of medical equipment were ₹ 242.33 million, ₹ 194.73 million and ₹ 175.27 million, respectively. In addition, we may not be able to respond to such failures or malfunctions in a timely manner or with acceptable cost, which could adversely impact our ability to provide patients with necessary treatments and quality services, result in injury of our healthcare professionals, and damage our reputation.

15 ***In the past, certain of our Promoters and Directors have been involved with companies that have had some historical non-compliances***

Three of our Promoters namely, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni were promoters of Aishu Projects Limited ("**APL**"), two of our Promoter Group members namely, Krishnaiah Bollineni and Seenaiah Bollineni are promoters of APL, two of our Promoter Group members namely, Lalitamma Tallaru and Aishwarya Bollineni and one of our Directors namely Anitha Dandamudi are shareholders of APL, which was previously listed on HSEL and MSEL, erstwhile stock exchanges that were de-recognized as a stock exchange by the Central Government pursuant to a notification dated September 19, 2007 and by SEBI pursuant to its order dated May 14, 2015, respectively. Accordingly, APL was identified as an exclusively listed company and was placed on the dissemination board of NSE. While APL was on the dissemination board, pursuant to the SEBI 2016 Circular and the SEBI 2017 Circular, NSE issued a public notice dated June 22, 2018, stating that in accordance with the SEBI 2017 Circular pertaining to action against exclusively listed

companies and its promoters and directors, it was decided to freeze the demat accounts of the directors and promoters of, amongst other companies, APL with effect from June 22, 2018. Further, all promoters and directors of such companies were debarred from accessing the capital markets for raising capital, and were not eligible to become directors of any listed company until the exit option was granted to the public shareholders of these companies. Subsequently, APL vide a letter dated July 20, 2018, had submitted its plan of action to NSE by opting to provide exit opportunity to its public shareholders. Thereafter, APL was removed from the dissemination board of NSE with effect from September 18, 2018 vide a notice dated September 12, 2018, issued by NSE in accordance with the SEBI 2016 Circular and the SEBI 2017 Circular and the demat accounts of our Promoters, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni and our Promoter Group members, Krishnaiah Bollineni and Seenaiah Bollineni were unfrozen. As on the date of this Prospectus, there are no actions pending against our Promoters, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni and our Promoter Group members, Krishnaiah Bollineni and Seenaiah Bollineni in respect of their association with APL.

Further, Dr. Abhinay Bollineni, one of our Promoters, and our executive Director and CEO is currently appearing in the list of disqualified directors published by the MCA and the RoC due to his erstwhile directorship in Pulse Nano Surgical Equipments Private Limited, which had failed to file its financial statements and annual returns for a continuous period of three years. Thereafter, pursuant to General Circular No. 16/2017 issued by the MCA, relating to the Condonation of Delay Scheme, 2018 ("**Condonation Scheme**"), the MCA provided defaulting companies and their directors with a window until March 31, 2018 to comply with the applicable rules and regulations. In furtherance of the Condonation Scheme, Pulse Nano Surgical Equipments Private Limited filed its Form-e-CODS 2018 and Dr. Abhinay Bollineni's DIN was re-activated. However, post filing of the aforementioned form, the MCA and the RoC have not removed the aforementioned list of disqualified directors from their website nor have they issued a revised list of disqualified directors.

There can be no assurance that, in the future and no legal proceedings or regulatory action will be initiated against our Promoters in this regard, which may have an adverse impact on our business, financial condition and reputation. There can be no assurance that we will not be subject to penalty or liabilities with respect to such non-compliances in the future.

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

Our patients pay for our inpatient and outpatient services through a mix of cash on-site and credit arrangements, including through third-party payers such as private and public insurers and public sector undertakings. For further details of our payers, see "***Our Business – Payment for our Services***" on page 182. As of March 31, 2021, we had trade receivables (at amortised cost) of ₹ 1,098.19 million, net of trade receivable - credit impaired of ₹ 411.87 million. For disclosure of trade receivables and impairment allowance as at March 31, 2021, 2020 and 2019 as per Schedule III of Companies Act 2013, see "***Annexure VI – Notes to Restated IND AS Consolidated Summary Statement - 6 Trade Receivables (at amortised cost)***" on page 273. For patients who partially pay their bills during their stay at our hospitals, we may not be able to collect their remaining payments in a timely manner, or at all. Our agreements with third party payers are an important source of payments that impacts our revenue. While we enter into long-term arrangements with these third party payers to set out terms and conditions of cashless payments and fees charged to these insurance companies, certain of these agreements can be terminated by the insurance companies without cause as well which may impact our revenue. We, our promoters and our Affiliates, may be involved in disputes with such payers from time to time. For example, United India Assurance Company Limited has filed a complaint against our Promoter in relation to fraudulent medical claim policies in the year 2007, for details, see "***Outstanding Litigation and Material Developments – Outstanding criminal litigation involving our Promoters***" on page 353. While our third-party payer arrangement with UIACL continues, there is no assurance that such arrangement will continue in the future. If we do not receive payments on a timely basis from our third party payers, including from the Government payers under the Aarogyasri Scheme, our financial condition, cash flows and results of operations could be materially and adversely affected. Furthermore, any revision in the prices set under the Aarogyasri Scheme, the Central or State Government Health Schemes, Ex-Servicemen Contributory Health Scheme or by the third-party administrators may affect the ability of our patients to pay the outstanding dues.

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

We have applied for registration of trademarks for our corporate logo and our word mark with the Registrar of Trademarks and such trademarks and workmarks are yet to be granted in the name of our Company. Maintaining and enhancing our brand and reputation associated with our intellectual property is integral to our success. We have made applications for 'KIMS HOSPITALS' 'KIMS – THE FUTURE OF HEALTH' , 'KIMS HOSPITALS' and 'KIMS Krishna Institute of Medical Science' in various classes for the registration of these trademarks, including our corporate logo and word marks. Opposition applications have been filed against (i) four of our trademark applications for "KIMS HOSPITALS", (ii) two of our applications for 'KIMS Krishna Institute of Medical Science', (iii) one of our trademark applications for 'KIMS The Future of Health' (logo) and (iv) two of our applications for our logo by certain other institutions that currently hold the trademark registration "KIMS" in certain categories. These opposition applications have been filed on various grounds including, *inter alia*, deceptive similarity with certain trademarks used by the opposing

parties, claiming that grant of registration of trademarks that we applied for could lead to loss of distinctive character and reputation of their trademarks. For details, see "***Outstanding Litigation and Material Developments – Outstanding material civil litigation involving our Company***" on page 352. Two of our applications for 'KIMS Krishna Institute of Medical Science' have been objected by Trademarks Registry, Chennai. Our failure to register or protect our intellectual property rights may also undermine our brand and result in harm to the growth of our business. If any of our confidential or proprietary information, were to be disclosed or misappropriated, or if a competitor independently developed any such information, our competitive position could be harmed.

Moreover, even if the applications are approved, third parties may seek to oppose or otherwise challenge these registrations and assert intellectual property claims against us, particularly as we expand our business and the number of healthcare services we offer.

There are other entities that have similar trade names to ours. The use of "KIMS" or similar trade names by third parties may lead to confusion among patients. Any adverse medical experience of patients with those parties using similar trade names, as well as any consequent negative publicity or perceptions perceived to be associated with us, may adversely affect our reputation and brand and business prospects.

Our defense of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability. In addition, resolution of claims may require us to cease using those rights altogether. In addition, there is no assurance that steps taken by us to protect our intellectual property rights will be adequate to stop infringement by others, including imitation and misappropriation of our brand.

Furthermore, we cannot be certain that the equipment suppliers, from whom we purchase equipment (including related software to operate such equipment), have all requisite third party consents and licenses for the intellectual property used in the equipment they manufacture. As a result, we may be exposed to risks associated with intellectual property infringement and misappropriation claims by third parties. Such risks may further increase as we expand our services and the geographic scope of our marketing.

18 ***We may not be successful in expanding our operations to other parts of India which could have an adverse effect on our business, financial condition, results of operations and cash flows.***

We operate 9 multi-specialty hospitals under the "KIMS Hospitals" brand in the states of AP and Telangana. We have been growing and expanding since we established our oldest hospital in Nellore in 2000.

It is our growth strategy to further expand our presence in adjacent markets in the southern, central and eastern India, and we may face risks with respect to our operations in these new geographic areas where we have not operated in the past and may not possess the same level of familiarity with local economic conditions, culture and patient expectations. We also intend to expand in these regions via different models, which include asset-light models or models involving no ownership of assets. For example, we may enter into revenue sharing arrangement and management fee-based arrangements, or expand by acquiring operations and management undertakings from other market players of target hospitals. We have not identified any target hospitals in these regions yet. There is no assurance that we will be able to identify suitable targets or that we will be able to enter into such arrangements with favorable terms. In addition, our competitors may already have established operations in such areas and we may find it difficult to attract patients in such new areas. We may not be able to successfully manage the risks of such an expansion, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

We are exposed to the risk of legal claims and regulatory actions arising out of the medical services provided by us. From time to time, we may be subject to claims alleging, among other things, medical negligence by our healthcare professionals and product liability for medical devices we use, pharmaceuticals we dispense and medical and pharmaceutical products we sell in our pharmacies. We could also be the subject of complaints from patients who are dissatisfied with the quality and cost of healthcare services.

We may from time to time receive complaints from, or be involved in, disputes with our clients and patients with regard to false positive or false negative checkup results, misdiagnosis, or other acts of medical negligence. The occurrence of false positive or false negative checkup results, misdiagnosis and other acts of medical negligence is a unique risk of the healthcare service industry caused by uncertainties during the medical examination service process. They can be attributed to various factors, such as the negligence of medical personnel, failure of medical equipment, inaccurate results of medical tests conducted by outsourced laboratories, individual patient-specific conditions and disease complications. In addition, people may contract serious communicable diseases during their stay or visit at our facilities, which could result in significant claims for damages against us and, as a result of reports and press coverage, damage our reputation.

We rely on our healthcare professionals to make proper diagnoses, administer proper treatment and make other clinical decisions. However, we do not have direct control over the clinical activities of our healthcare professionals, as their diagnoses and treatments of patients are subject to their professional judgment, and in most cases, must be performed on a real time basis. In addition, some doctors who work for KIMS on a consultancy basis are subject to pending proceedings before TSMC for medical negligence, which may lead to their removal from the register of medical practitioners for a period of time or permanently. Even though we are not a party to such proceedings, our reputation and business may be adversely impacted by their negative outcomes and publicity. Furthermore, our healthcare professionals are susceptible to contracting diseases that we treat in our facilities, and if our healthcare professionals become infected, it may significantly reduce the treatment and care capacity at our medical facilities.

In addition, medical consumables used in various treatments and other products we sell may be subject to contamination, mislabelling, malicious tampering and other damage such as errors in the dispensing and packaging of pharmaceuticals, which may lead to injury or death to our patients. Current or former patients or their families may commence or threaten litigation for medical negligence or malpractice against us. If such claims succeed, we may become liable for damages and other financial consequences and may even be exposed to criminal liability, which may materially and adversely affect our reputation, financial condition, results of operations and cash flows. Additionally, clinical trials conducted at our facilities may cause unintended adverse consequences including personal injury, sickness or death of patients participating in such trials. We could be held liable and may be required to pay damages for such consequences.

As litigations and regulatory proceedings are inherently unpredictable, we cannot assure you that any potential claims or disputes will not have a material adverse effect on our business, results of operations, and financial condition. Although we defend ourselves vigorously against claims and lawsuits, these matters could:

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

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

Products that we sell could become subject to contamination, product tampering, mislabelling or other damage. In addition, errors in the dispensing and packaging of pharmaceuticals could lead to serious injury, death or litigation. In addition, our operations involve the use of hazardous and flammable materials, including chemicals, radioactive and nuclear materials. Most of the radiation therapy and diagnostic imaging equipment we use contain radioactive and nuclear materials or emit radiation during operation. Radiation, radioactive materials and nuclear materials are extremely hazardous unless properly managed and contained. We source nuclear and radioactive material from AERB and other authorized suppliers, and we store and dispose of such materials in accordance with the applicable rules and guidelines. Personnel who are engaged in providing radiation therapy wear protective gear and use TLD badges for monitoring of radiation levels. The TLD badges are sent to AERB for periodic monitoring of radiation levels, in accordance with applicable law. However, we cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

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

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

us, which could adversely affect our ability to provide our services, and therefore, could adversely affect our business, results of operations and cash flows.

We also rely on a limited number of equipment suppliers to carry out repairs and maintenance of our equipment. Any failure or negligence by these third parties in performing maintenance on our equipment could result in harm to our healthcare professionals or patients and could adversely affect our business, results of operations, reputation and brand. Our dependence on a limited number of service providers exposes us to risks of delays or inability in carrying out repairs and maintenance of equipment. We may also be unable to find alternative service providers in time, or at all, and at a suitable cost. In some cases, we depend on the original equipment manufacturer or an even more limited pool of "authorized" service providers for equipment repair and maintenance, which exposes us to further risk of delay or higher repair and maintenance costs. Any delay or inability to repair and maintain our equipment could cause disruptions in our operations and adversely affect our business, financial condition and cash flows.

There can be no assurance that we will be able to maintain our relationships with our major suppliers. If the business relationship between our Company and our major suppliers were to deteriorate or if any of those suppliers were to terminate their business relationship with our Company or renegotiate our contracts on less favorable terms, our business, results of operations and prospects may be adversely affected. We could also experience higher costs, network healthcare provider disruptions, less attractive services for our clients and/or difficulty in meeting regulatory or accreditation requirements, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

Our Company had, by way of preferential allotment, allotted 733,535 Equity Shares to 64 persons on September 14, 2005, which was not in compliance with the then applicable laws relating to a private placement of securities (the "**Stated Allotment**"). Under the first proviso to Section 67(3) of the Companies Act, 1956, any offer or invitation for subscription of shares made to more than 49 persons was deemed to be a public offer, which triggered compliances under the Companies Act and the framework prescribed in this regard by SEBI. For further details of the Stated Allotment, see "***Capital Structure***" on page 85. Pursuant to a press release dated November 30, 2015 and circulars dated December 31, 2015 and May 3, 2016 (collectively, the "**SEBI Circulars**"), SEBI has provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a fiscal year may avoid penal action subject to fulfilment of certain conditions. These conditions include providing an option to the current holders of the equity shares so allotted to surrender such equity shares at an exit price not less than the amount of subscription money paid along with 15% interest per annum or such higher return as promised to investors. Based on the SEBI Circular, in good faith and in the interest of the shareholders of our Company, our Board by a resolution dated March 8, 2017, authorised Dr. Bhaskara Rao Bollineni, our Promoter, to provide an exit offer to all existing shareholders of our Company as of May 5, 2017 ("**Eligible Shareholders**" and such offer, the "**Exit Offer**"). Subsequently, an invitation was issued through letters dated May 22, 2017 to all the Eligible Shareholders to offer all Equity Shares held by them on the record date for sale to our Promoters at a purchase price calculated in accordance with the SEBI Circulars. Further, in accordance with the SEBI Circulars, our Company has also submitted a certificate obtained from a peer reviewed practicing independent company secretary certifying compliance of the Exit Offer with the SEBI Circulars to SEBI. Our Company along with Dr. Bhaskara Rao Bollineni, Krishnaiah Bollineni and Sambasiva Rao Mayeni (**"Applicants"**) had also filed an application dated June 10, 2017 with the Regional Director, South East Region, Hyderabad / National Company Law Tribunal, Hyderabad (**"NCLT"**) under Section 621A of the Companies Act, 1956 and section 441 of the Companies Act, 2013, seeking to compound any breach of the Companies Act, 1956, on the ground that the non-compliance of the Companies Act, 1956 was unintentional and inadvertent. The Regional Director, Ministry of Corporate Affairs, Hyderabad has compounded the violation and the Applicants have paid the applicable compounding fee of ₹ 5,000 each. For further details, see "***Outstanding Litigation and Material Developments - Outstanding disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years***" on page 354. There can be no assurance that the SEBI or any other regulatory authority or court will not take any action or initiate proceedings against our Company, Promoters, Directors and other officers in respect of the Stated Allotments in the future. Any such proceeding or action which may be initiated in the future may divert management time and attention and may subject us to further regulatory consequences, including adjudicatory penalties, criminal sanctions or additional remedial measures, and could have a material adverse effect on our business, finances, results of operations and cash flows, as well as on our reputation.

22 ***We may not be able to grow our business due to a failure in successfully implementing all our growth strategies, including due to a failure in managing our Subsidiaries which run certain of our hospitals, which could adversely affect our business, financial condition, results of operations and cash flows.***

We propose to grow our business by adopting a series of strategies. For details, see "***Our Business – Our Strategies***" on page 171.

Our growth depends on our ability to develop, acquire and manage additional hospitals and to expand and improve our existing hospital facilities. Any failure to effectively manage our Subsidiaries or any future subsidiary or associate under

which any new hospital is operated could adversely affect our business, financial condition, results of operations and cash flows. In addition, our growth strategies could place significant demand on our management and our administrative, operational and financial resources. Successful implementation of our growth strategies also depends on our access to funds and capital, which in part depends on the ability of our hospitals to generate revenues and profits. See also, "–***Our revenues are highly dependent on our hospitals in Hyderabad (Telangana). We are also significantly dependent on certain specialties for a majority of our revenues. Any impact on the revenues from these hospitals or earnings from our top specialties could materially affect our business, financial condition, results of operations and cash flows***" on page 30.

We are continuously evaluating other projects, including acquisition opportunities. We may not be able to identify suitable greenfield sites for new hospitals, acquisition or hospital management opportunities or opportunities to expand capacity at our existing hospital facilities. The number of attractive expansion opportunities may be limited and may command high valuations. We may be unable to secure the necessary financing or negotiate attractive terms for expansion projects. See also "–***We may not be able to successfully integrate our acquisitions or investments, which may negatively affect their performance and respective contributions to our results of operations***" on page 41.

Our ability to acquire or build and operate new hospital projects is subject to various risks and uncertainties, many of which may be beyond our control. We may face delays in project execution and significant time and cost overruns, delays or failure to receive government approvals, unavailability of human and capital resources, inability to comply with laws or obtain approvals from relevant authorities or any other risks that we may or may not have been foreseen. For details, see "–***Risk Factors - We have ceased operations at some of our facilities in the past, and we may continue to do so in the future***." below.

Expansion into new geographic regions, including new regions in India will subject us to various challenges, including those relating to our lack of familiarity with the social, political, economic and cultural conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of brand recognition and reputation in such regions. We may not achieve the operating levels that we expect from future projects and we may not be able to achieve our targeted return on investment on, or intended benefits or operating synergies from, these projects.

As we operate in a highly competitive industry, we may have to revise our management estimates and even our expansion strategies, from time to time, which may result in significant changes in our funding requirements and may put significant strain on our resources. If we are unable to successfully execute our growth strategies, our business, financial condition, results of operations and prospects could be materially and adversely affected.

23 ***We may not be able to successfully integrate our acquisitions or investments, which may negatively affect their performance and respective contributions to our results of operations.***

We have acquired four hospitals since Fiscal Year 2016, and we expect to continue to acquire, build and operate new hospitals as a part of our growth strategy. There is no assurance that we will be able to successfully integrate our acquisitions or anticipate and overcome the challenges arising from our acquisitions and investments. In integrating the healthcare facilities, companies or businesses that we acquire, we may encounter challenges such as legal, regulatory, contractual, or labor issues; difficulties arising from the consolidation of corporate and administrative functions, and difficulties in integrating finance and accounting systems, policies and procedures. Integration of our acquisitions and investments may take significant time and resources and, even if successful, may not yield their expected benefits.

There is no assurance that we can effectively integrate new facilities with our current operations. We may not be able to transfer skills and experience from one market to another, to recruit, train and retain skilled and qualified management personnel, administrative, sales and marketing personnel, and healthcare professionals or be able to deliver consistent quality of service across the markets we expand into. We have in the past, and will continue to, cooperate and work closely with local doctors in the regions where we set up our hospitals. We cannot assure you that we will be able to identify such doctors or establish mutually beneficial relationship with them on favorable terms, or that such cooperative relationship will benefit us in the anticipated manner, or at all.

Any business that we acquire may have unknown or contingent liabilities, and we may become liable for the past activities of such businesses. We may be subject to undisclosed risks and liabilities from any historic non-compliances which may exist in relation to such businesses. Although we would typically seek to obtain indemnities and other forms of buyer protections from the sellers of our acquired businesses, assets and companies, these protections may not be adequate or we may not be able to successfully make claims to cover all losses that we may suffer in connection with these liabilities.

If we are unable to successfully integrate our acquisitions or realize anticipated synergies or economic, operational and other benefits from our acquisitions or investments in a timely manner, we could incur substantial costs and delays or other operational, technical or financial problems, and dilutions to our profit margins. We may also have to dispose of, or wind up, the operating entities that we acquired.

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties, which include loans, advances and guarantees given by our Company on behalf of certain of our loss-making Subsidiaries, namely KHKPL and SIMSPL. For details, see "***Other Financial Information - Related Party Transactions***" on page 314. We cannot assure you that we will receive similar terms in our related party transactions in the future. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. All of our related party transactions of our Company shall be conducted in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable law as applicable. However, we cannot assure you that in the future related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and cash flows, including as a result of potential conflicts of interest or otherwise. For more information regarding our related party transactions, see "***Other Financial Information – Related Party Transactions***" on page 314.

25 ***We could be exposed to risks relating to the handling of personal information, including medical data.***

Indian laws, including proposed legislation such as the draft Digital Information Security in Healthcare Act and the Personal Data Protection Bill 2019, which is yet to become effective, rules and regulations generally require medical institutions to protect the privacy of their patients or clients and prohibit unauthorized disclosure of personal information, including medical data. Compliance with new and evolving privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require us to alter our business model or operations, which may in turn affect our business, financial condition, results of operations and prospects. Deficiencies in managing our information systems and data security practices may lead to leaks of patient records, test results, prescriptions, lab records and other confidential and sensitive information which could adversely impact out business and damage our reputation. For example, there has been reports of a recent data breach in India at a multi-specialty hospital unrelated to our Company, where medical data, including lab results and prescriptions, of patients who sought treatment were leaked and available online.

We have taken measures to maintain the confidentiality of our clients' medical and personal information, however these measures may not always be effective in protecting our clients' or patients' medical information. While we have not faced any such breach or theft of confidential and other sensitive information of our patients or procedures or any kind of data leakage in the past, any breach of our confidentiality obligations to our patients, including due to data leakages or improper use of such medical information notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, which would adversely impact our reputation. As cyber-attacks and similar events become increasingly sophisticated, we may need to incur additional costs to implement data security and privacy measures, modify or enhance our protective measures or investigate and remediate any vulnerability to cyber incidents.

26 ***We have incurred net loss in the past, and we may not be able to achieve or maintain profitability in the future.***

We have in the past incurred, and may in the future incur, net losses. We incurred net losses for the year of ₹ 488.07 million in Fiscal Year 2019, primarily due to losses on fair value changes in financial instrument and interest expense on liability component of financial instruments, both related to Shares held by ICICI Venture Funds Management Company Limited (under various funds) ("**Prior Investors**") . For more information, see "***Management's Discussion and Analysis of Financial Conditions and Results of Operations – Financial Liability related to a prior investment***". We generated profit for the year of ₹ 1,150.72 million and ₹ 2,054.79 million in Fiscal Years 2020 and 2021, respectively.

We cannot assure you that we will be able to generate net profits or continue to generate positive cash flow from operating activities in the future. We expect to continue to make substantial expenditures in the future to develop and expand our business, which may result in us incurring future losses. Our healthcare business is capital intensive and new hospitals require a gestation period to break even. Our growth strategy may also prove more expensive than we expect, and we may not succeed in growing our revenue at a rate faster than our cost. We may not generate sufficient revenue for a number of reasons, including increasing competition, challenging macro-economic environment, the ramifications of the COVID-19 pandemic, as well as other risks discussed elsewhere in this prospectus. If we fail to sustain or increase profitability, our business, results of operations and cash flows could be adversely affected.

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

Our performance is highly dependent on our Promoters, Dr. Bhaskara Rao and Dr. Abhinay Bollineni, senior management and other key personnel to maintain our strategic direction, manage our operations and meet future business challenges that may also arise in relation to our business. The loss of, or inability to attract or retain, such persons could materially and adversely affect our business and financial results. In particular, the active involvement of our Promoters in our operations and the services of our senior management and our key management personnel have been integral to our development and business. For details in relation to the experience of our Promoters and key management personnel, see "***Our Promoters and Promoter Group***" and "***Our Management***" on pages 223 and 221, respectively. If one or more of these individuals or any other member of our senior management team are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, which could have a material adverse effect on our business, financial results, results of operations and cash flows. We may take a significant period of time to hire and train replacement personnel when skilled personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we are unable to hire and train replacement personnel in a timely manner or increase our levels of employee compensation to remain competitive, our business, financial results, results of operations and cash flows may be materially and adversely affected.

28 ***Our insurance coverage may not adequately protect us and this may have an adverse effect on our business and revenues.***

Our existing insurance may not be sufficient to cover all damages, whether foreseeable or not. Further, while we maintain insurance against professional errors and negligence for medical services provided at our hospitals as well as public liability insurance, there is no certainty that such insurance will be adequate to cover all claims arising from medical negligence or malpractice. In fiscal years 2019, 2020 and 2021, no negligence or malpractice claim against us has resulted in any liability that is in excess of our insured value. However, any successful claims against us in excess of the insurance coverage may adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects. Insurance against losses of this type can be expensive and insurance premiums may increase in the near future. Insurance rates may also vary by specialty and other factors. The rising costs of insurance premiums could have a material adverse effect on our financial position, results of operations and cash flows. Further, we cannot assure you that we will be able to renew our insurance covering all risks at commercially viable terms or at all.

There can be no assurance that any claim under the business interruption insurance policy maintained by us will be honored fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. We may not be insured for certain types of risks and losses that we may also be subject to, as such risks are either uninsurable or that relevant insurances are not available on commercially acceptable terms. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our business, financial condition, results of operations and cash flows could be adversely affected.

Based on a certificate dated May 26, 2021, issued by SV Rao Associates, Chartered Accountants, as of March 31, 2021, all of our assets were covered by insurance, and the amount of our insurance coverage was ₹ 7,953.69 million, representing 112.81% of our total fixed assets.

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

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

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

(₹ in million)

Name of Entity*	Criminal proceedings	Tax proceedings (including property tax)	Statutory or regulatory proceedings	Disciplinary actions including penalty imposed by the SEBI or Stock Exchanges against our Promoter in the last five financial years	Material civil litigation	Aggregate amount involved (₹ in million)**
Company						

(₹ in million)

Name of Entity*	Criminal proceedings	Tax proceedings (including property tax)	Statutory or regulatory proceedings	Disciplinary actions including penalty imposed by the SEBI or Stock Exchanges against our Promoter in the last five financial years	Material civil litigation	Aggregate amount involved (₹ in million)**
By the Company	1	-	-	NA	1	-
Against the Company	4	10	-	NA	3	361.81
Directors						
By the Directors	-	-	-	NA	-	-
Against the Directors	2***	-	-	NA	-	-
Promoters						
By the Promoters	-	-	-	-	-	-
Against the Promoter	1(1)***	-	-	2	-	-
Subsidiaries						
By the Subsidiaries	-	-	-	NA	-	-
Against the Subsidiaries	-	1	-	NA	1	0.09
Total	8	11	-	2	5	361.90

* *There is no pending litigation involving our Group Companies which will have a material impact on our Company.*

** *To the extent quantifiable.*

*** *Additionally, certain criminal proceedings initiated against our Company, also involve Dr. Bhaskara Rao Bollineni in his capacity as the Managing Director of our Company. For details, see "**Outstanding Litigation and Material Developments - Criminal proceedings against our Directors**" on page 355.*

*(1) A complaint has been received by Central Bureau of Investigation, Hyderabad ("**CBI Hyd**"), from M/S United India Assurance Company Limited in 2007 against BRMH alleging that BRMH is involved in the fraudulent activities of raising medical claims amounting to ₹ 1.40 million. Accordingly, CBI Hyd has filed a criminal proceeding against our Promoter, Dr. Bhaskara Rao Bollineni and BRMH. For further details, see "**Outstanding Litigation and Material Developments – Outstanding criminal litigation involving our Promoters**" on page 353.*

For further details, see "***Outstanding Litigation and Material Developments – Litigation involving our Company***" on page 351. We cannot assure you that any of these matters will be decided in favor of our Company, our Subsidiaries, Promoters, Directors, and Group Companies, or that no additional liability will arise out of these proceedings. Such proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. Further, an adverse judgment in any of these proceedings, individually or in the aggregate could adversely affect our business, reputation and cash flows.

30 ***If we fail to achieve favorable pricing on medical consumables, pharmacy items, drugs, and surgical instruments from our suppliers or are unable to pass on any cost increases to our payers, our profitability could be materially and adversely affected.***

Our profitability is susceptible to the cost of medical consumables, pharmacy items, drugs and surgical instruments medical. The complex nature of the treatments and procedures we perform at our hospitals requires us to invest in new technology and equipment from time to time, which is generally expensive. For Fiscal Years 2021, 2020 and 2019, purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments) represented 21.56%, 22.52% and 22.75% of our total income, respectively.

Our profitability is affected by our ability to achieve favorable pricing on our medical consumables, pharmacy items and medical equipment from our suppliers, including through negotiations for supplier rebates. Because these supplier negotiations are continuous and reflect the ongoing competitive environment, the variability in timing and amount of incremental supplier discounts and rebates can affect our profitability. These supplier programs may change periodically, potentially resulting in higher cost of surgical instruments, drugs and consumables and adverse profitability trends, if we cannot adjust our prices to accommodate such increase in costs. Further, such increased costs may negatively impact our ability to deliver quality care to our patients at competitive prices. If we are unable to adopt alternative means to deliver value to our patients, our revenue and profitability may be materially and adversely affected.

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

31 ***Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing and other matters could adversely affect our business, results of operations and cash flows.***

In India, pharmaceutical prices are subject to regulation and the Government has been actively reviewing prices for pharmaceuticals and their trade margins. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines, 2015 and these drugs are subjected to price controls in India. On May 15, 2013, the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers released the DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The DPCO 2013 governs the price control mechanism for formulations listed in the National List of Essential Medicines. Our ability to achieve favorable pricing may be affected by such government policies which regulate the pricing of medical items. For example, the National Pharmaceutical Pricing Authority has in the past set ceilings ceiling on prices of cancer drugs, cardiac stents, drug eluting stents, condoms and intra-uterine devices.

The DPCO 2013 is amended from time to time, to fix or revise the ceiling prices of certain drug formulations sold in India. The National Pharmaceutical Pricing Authority ("**NPPA**") also from time to time notifies ceiling price for additional formulations either under the DPCO or in the National List of Essential Medicines. Under the terms of the DPCO 2013, non-compliance with the notified ceiling price or breaching the ceiling price would be tantamount to overcharging the consumer under the order, and the amount charged over and above the ceiling price shall be recovered along with interest thereon from the date of overcharging. See also, "- ***The COVID-19 pandemic has affected our regular business operations and may continue to do so, depending on the severity and duration of the COVID-19 pandemic."*** Any action for violation of pricing regulations may divert management attention and could adversely affect our business, financial condition, results of operations and prospects. While we cannot predict the nature of the measures that may be adopted by governmental organizations in the future or their effect on our business and revenues, the announcement or adoption of such proposals may affect our profit margins, results of operations and cash flows.

32 ***Adverse regulatory changes in the healthcare industry, including related to pharmaceutical pricing, could adversely affect our business, results of operations and cash flows.***

Changes in the regulatory landscape in the Indian health care industry may affect us. For example, in India, the Government regulates pharmaceutical prices and has been actively reviewing prices for pharmaceuticals and trade margins. India enacted the National Pharmaceuticals Pricing Policy in 2012, which lays down the principles for pricing essential drugs. As a result, a number of drug formulations were identified as essential drugs and were added to India's National List of Essential Medicines, 2015. Drugs on that list are subject to price controls in India. On May 15, 2013, the Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers released the DPCO 2013 (which replaced the earlier Drugs (Prices Control) Order, 1995). The DPCO 2013 governs the price control mechanism for formulations listed in the National List of Essential Medicines. In addition, the National Pharmaceutical Pricing Authority has in the past set ceilings on prices of cancer drugs, cardiac stents, drug eluting stents, condoms and intra-uterine devices. The DPCO 2013 is amended from time to time, to fix or revise the ceiling prices of certain drug formulations sold in India. The National Pharmaceutical Pricing Authority ("NPPA") also from time to time notifies ceiling price for additional formulations either under the DPCO or in the National List of Essential Medicines. Under the terms of the DPCO 2013, non-compliance with the notified ceiling price or breaching the ceiling price would tantamount to overcharging the consumer under the order, and the amount charged over and above the ceiling price shall be recovered along with interest thereon from the date of overcharging.

Regulations such as the foregoing pricing restrictions, restrict our ability to achieve favorable pricing and the amount of revenue that we generate on sales of these medical items. Any action for violation of pricing regulations may divert management attention and could adversely affect our business, financial condition, results of operations and prospects.

We cannot predict the nature of future regulatory measures that may be adopted by the Government in the future or their effect on our business and revenues. If changes in laws or regulations are announced or adopted in the future, and if those changes adversely affect the manner in which we operate our business, our business, financial condition, results of operations, profit margins and cash flows may be adversely affected.

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

Our information technology system is critical to our business. We rely on our technology system to, among other things, manage accounting and financial reporting, facilitate consultations among healthcare professionals, prepare and manage medical records, financial records, training programs and inventory. If we experience an interruption or a reduction in the performance, reliability or availability of our technology architecture from natural or man-made causes, or from disruptions from our local service providers, our operations and ability to manage our administrative systems could be adversely impacted. Any technical failures associated with our information technology system, including those caused by power failures, computer viruses and other unauthorized tampering, may impair our ability to provide services to our patients. Corruption of certain information could also lead to delayed or inaccurate judgments or diagnoses in our treatment of

patients, and could result in damage to the welfare of our patients. Any failure of our IT systems could materially and adversely affect the operation of all of our hospitals.

In addition, since we rely on our technology systems to manage our accounting and financial functions, including processing payments to network healthcare providers and invoicing our clients, any technical failures or errors, including errors in manual data entry or programming, could materially and adversely impact our financial reporting, results of operations and cash flows, as well as our reputation and relationships with our network healthcare providers and clients.

We may be subject to cyberattacks and other cybersecurity risks and threats, including computer break-ins, phishing, and social engineering. Cybersecurity vulnerabilities may put us at risk for possible losses due to fraud, operational disruptions, or the unintended dissemination of sensitive personal information, proprietary information or confidential information. We may also be subject to liability as a result of any theft, loss, unauthorized disclosure or misuse of confidential, sensitive and/ or personal information stored on our systems. The development of our information technology system is generally outsourced to third party suppliers, over which we have limited control. Failure by such third party suppliers to adequately secure or manage our information and systems, as well as their discontinuation of existing products and services that we rely on, may adversely affect our operations.

In addition, we are currently in the process of implementing a SAP system, which involves migration of extensive data from our existing systems. There can be no assurance that we will not encounter data migration or other errors, which could result in the loss of important data, interruptions, delays or cessations in the availability of our systems, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

We operate in a heavily regulated industry and are required to obtain a number of approvals and licenses from governmental and regulatory authorities, for example in relation to the operation of our hospitals and other medical facilities, procurement and operation of medical equipment, storage and sale of drugs and in relation to educational courses. Certain of our services, including blood banks at certain hospitals, are operated through third parties, and such parties are responsible for obtaining the requisite licenses and approvals. For an overview of the applicable regulations and the nature of key approvals and licenses to be obtained, see "***Key Industry Regulations and Policies***" on page 190.

There is no assurance that the approvals and licenses that we require will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. For instance, an application for renewal of the fire NoC filed by the building owner of KIMS Kondapur hospital building (Block I), from whom we have leased the premises, has been recently rejected by the Telangana State Disaster Response and Fire Services Department. For details see, "***- One of our hospital buildings taken on lease, KIMS Kondapur, does not possess the requisite occupancy certificate from the relevant municipal authority and fire NoC from Telangana State Disaster Response and Fire Services Department. We may be subject to adverse regulatory action and may be required to vacate this facility, which may materially and adversely affect our business, reputation and financial condition.***" and "***Government and Other Approvals - Material Approvals in relation to our business and operations***" on page 30 and 358, respectively. Failure to obtain or renew such approvals and licenses in a timely manner would render our operations non-compliant with applicable laws, and may subject us to penalties by relevant authorities. We may also be prevented from operating the relevant hospitals or performing certain procedures or treatments with equipment that requires special approvals or licenses, which could adversely impact our business, financial condition, results of operations and cash flows.

While we have obtained the required approvals for our operations, certain approvals for which we have submitted applications are currently pending. In addition, we have in the past and may in the future apply for certain additional approvals, including the renewal of approvals which may expire from time to time and approvals required for the expansion or setting up of new medical facilities or the introduction of a medical service or procedure, in the ordinary course of business. For details of Government and other approvals, see "***Government and Other Approvals - Material Approvals in relation to our business and operations***" on page 358.

We also maintain certain accreditations, including accreditations from the National Accreditation Board for Hospitals and Healthcare Providers ("**NABH**") for certain of our hospitals, accreditations from National Accreditation Board for Testing and Calibration Laboratories ("**NABTCL**") for certain of our laboratories, and Green OT certification for certain of our operation theatres. For details, see "***History and Certain Corporate Matters – Awards and Accreditations"*** on page 200. If we lose current accreditations or fail to renew such re-accreditations of our hospitals by NABH, NABTCL and other agencies, or if we fail to obtain additional accreditations for our hospitals, our reputation, business operations could be adversely affected. Furthermore, in the event certain accreditations are made compulsory, either by law or as a condition for empanelment, our business, financial condition, results of operations and cash flows as we may not be able to obtain such accreditation in a timely manner, or at all.

Our licenses, approvals and accreditations are subject to periodic renewals, various maintenance and compliance requirements and governmental investigations and reviews, which could be time-consuming and may incur substantial

expenditure. If our compliance systems and process are deemed inadequate or fail and such investigations or reviews find any non-compliance or violations, we may suffer brand and reputational harm and become subject to regulatory actions or litigation, which could adversely affect our business, cash flows, operating results or financial position. We may be required to change our business practices, and we may have to pay fines or be subject to other penalties, including the revocation of permits and licenses, and the modification, suspension or discontinuation of our operations. This would impose additional operating costs and capital expenditures on us, and adversely affect our reputation. We, our directors, executive officers, doctors and employees may also face criminal charges. Furthermore, any investigation or legal and regulatory proceedings in connection with alleged violations could result in the imposition of further financial or other obligations or restrictions on us and generate negative publicity for our business. Changes to existing public policies, laws, regulations, guidelines and licensing requirements could also impose additional compliance costs that may materially and adversely affect our profitability and business. We cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses.

As we expand our business under the evolving regulatory landscape, there may be additional approvals or licenses that are or become required for our operations. If we fail to obtain or renew any applicable approvals, accreditations, licenses, registrations or consents in a timely manner, or at all, we may not be able to perform certain treatments or services or treat patients from certain corporate contracts/empanelment, which may affect our ability to maintain such empanelment and consequently may affect our business, cash flows or results of operations.

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

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

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

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

36 ***Our Promoters, Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni, have provided personal guarantees in relation to certain loan facilities availed by us, which if revoked may require alternative guarantees, repayment of amounts due or termination of the facilities and may adversely impact our cash flow, business and result of operations.***

As of March 31, 2021, our Promoters Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni have provided personal guarantees as security to secure some of our existing borrowings and may continue to provide similar guarantees in the future. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company. Lenders for such facilities may require alternate guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

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

Health insurance penetration in India stood at 37% as of March 31, 2018, according to the CRISIL Report commissioned by us. Under most indemnity plans under health insurance policies in India, insurance companies negotiate special package rates with a number of hospitals for various common procedures, for which the insured can receive without incurring any out-of-pocket payment. The insured is responsible for paying out-of-pocket expenses to the healthcare providers first and then filing a claim to get reimbursed for any treatments received outside the network. Most health insurance policies in India cover only inpatient care costs. Consequently, higher out-of-pocket expenses related to healthcare in India may make

healthcare unaffordable for lower income households. Due to the lack of viable health insurance policies in India, demand for our medical services may not increase as expected. Additionally, lack of penetration of health insurance in India, may adversely affect our trade receivables if more patients pay out-of-pocket or require us to extend them credit terms. As a result, our business, cash flows and results of operations could be materially and adversely affected.

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

The following table sets forth our commitments as per Ind AS 16 for the years indicated.

Particulars	As of March 31,		
	2021	2020	2019
	(*₹ in millions*)		
Capital commitment	184.45	66.36	201.70

The following table sets forth our contingent liabilities as per Ind AS 37 for the years indicated.

Particulars	As of March 31,		
	2021	2020	2019
	(*₹ in millions*)		
Luxury tax matters in dispute	82.27	82.27	82.27
Service tax matters in dispute	0.09	0.09	31.72
Good and Service tax matters in dispute	6.59	-	-
VAT matters in dispute	1.76	1.76	1.76
Medical claims (gross, excluding interests/costs)	124.78	100.68	88.38
Other claims	23.76	23.76	23.76

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

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

The main objects clause of the constitutional documents of Sri Viswa Medicare Limited, one of our Group Companies, permits it to undertake business which is similar to our business. Currently, Sri Viswa Medicare Limited operates two single specialty hospitals at Secunderabad. We cannot assure you that in the absence of any specific non-compete arrangements with Sri Viswa Medicare Limited, we will be able to suitably resolve any such conflict in the future without an adverse effect on our business or operations.

In addition, the main objects clause of the constitutional documents of our Promoter, BRMH, permits it to provide human health care services and operate hospitals. Pursuant to a demerger scheme in 2012, BRMH transferred its hospital business to us, and BRMH currently does not carry on any relevant business. However, there is no assurance that BRMH would refrain from engaging in such business in the future and that conflicts of interests will not arise between BRMH and our other Shareholders. We cannot assure you that BRMH, as our Promoter, will not try causing our Company to take actions, or refrain from taking actions, for BRMH's own benefits, which may adversely affect our business, financial condition, results of operations and cash flows. Additionally, our Promoters, Rajyasri Bollineni and Adwik Bollineni are on the governing board of Aditya Educational Society, which runs a medical college and an attached hospital. There is no assurance that Rajyasri Bollineni and Adwik Bollineni will not provide competitive services or otherwise compete in business lines in which are already present or will enter into in the future. Such factors may have an adverse effect on the results of our operations and financial condition.

40 ***We outsource some of our service functions to third-party contractors. Any lapse by such third party service providers may have adverse consequences on our business and reputation.***

We currently rely on certain third party contractors to provide services. We do not have direct control over these third-party contractor providers, and there is no guarantee that our third-party service providers will provide satisfactory services to us and our patients. Our service providers may experience disruptions in their operations or service, include due to factors beyond our control. If any of our service providers' operations or services are disrupted or terminated, we may not be able to find alternative service providers with quality and on commercial terms to our satisfaction in a timely and reliable manner, or at all. Poor quality service or lapses in service from our third party service providers may expose us to liabilities that we may not be able to recover from the service providers and may adversely affect our brand and reputation. We do not enter into any employment agreements with such service personnel dispatched by our third-party service providers. However, in the event that any of our third-party service providers default on their employer obligations, we may be held responsible for providing statutory benefits, including the salaries/wages of these employees, which may increase our operating expense and adversely impact our results of operations and financial condition could be adversely affected. In

addition, we may be subject to additional requirements or restrictions under the evolving labor law regime in India. For example, under our house-keeping agreement, the service provider is entitled to increase the fees payable in case of an increase in the cost relating to statutory compliances. Further, our house-keeping agreements also enable the service provider to sub-delegate its responsibilities and terminate the agreement for whatsoever reason with prior notice. If we fail to comply with the new regime, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business.

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

India has stringent labor legislations that protect the interests of workers, which includes legislation that sets forth detailed procedures for the establishment of labor unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment of employees. Even though our employees are not unionized, in the event that employees at our hospitals seek to unionize, our costs may increase and our business could be adversely affected. For instance, in the past, doctors and nurses of certain government hospitals in AP and Telangana had gone on strike to demand an increase in salary. While we have not experienced any strikes or labour unrest at any of our hospitals in the past, occurrence of strikes and work-stoppage in the future could adversely affect our reputation, business, financial condition, results of operations and cash flows.

We are also subject to laws and regulations governing relationships with our employees, in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. If we fail to comply with such regulations, it could lead to enforced shutdowns and/or other sanctions imposed by the relevant authorities. If labor laws become more stringent, it may become difficult for us to maintain and continue to optimize our flexible human resource policies, which could have an adverse effect on our business, financial condition, results of operations and cash flows. Our financial condition may also be adversely affected by other changes in labour laws. For instance, while the Code on Social Security, 2020, has not come into effect yet, in the future, we may be required to pay gratuity on a pro rata basis to our consultant doctors, upon expiration of their fixed term of employment, irrespective of their term of service.

42 ***Our Company and Subsidiaries have availed and may in the future avail certain unsecured borrowings which may be recalled by our lenders at any time.***

Our Company and Subsidiaries have availed and may in the future continue to avail certain unsecured borrowings (such as loans from our directors and financial institutions), which may be recalled at any time, with or without the existence of an event of default. Any such recall may adversely affect our financial condition.

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

We have never declared or paid any cash dividends. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and in accordance with the dividend distribution policy adopted by our Board on May 25, 2021 and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. See "***Dividend Policy***" on page 232.

44 ***Certain of our individual Promoters, Directors and Key Managerial Personnel hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors (including our individual Promoters) hold equity interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "***Our Management – Interest of Directors***", "***Our Management – Interest of KMPs***" and "***Our Promoters and Promoter Group– Interest of Promoters***" on pages 213, 221 and 224, respectively.

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

Following the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold approximately 38.84% of our post-Offer Equity Share capital. As a result, they will have the ability to significantly

influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board of Directors and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our MOA and AOA, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

46 ***One of our Promoters, Dr. Bhaskara Rao Bollineni and our Whole-time Director, Anitha Dandamudi are interested in property acquired by our Company in the last five years.***

Pursuant to the resolution passed by our Board on January 18, 2019 and the sale deed dated July 6, 2019, our Company purchased a land parcel admeasuring 594 square yards owned by Dr. Bhaskara Rao Bollineni situated at GNT Road, Nellore, SPSR Nellore district, Andhra Pradesh for the expansion of the existing KIMS Nellore hospital, for an amount of ₹ 74.25 million excluding registration and other applicable charges. Further, pursuant to the resolution passed by our Board on December 23, 2015, and the lease deed dated March 24, 2016, our Company has taken on lease a land parcel admeasuring 3403.78 square yards from Dr. Bhaskara Rao Bollineni situated at Nellore City, Dargmitta, Western side of GNT Road, Venkataramana Theatre area, Nellore district, Andhra Pradesh from March 24, 2016 till March 23, 2046 at an annual rent of ₹ 0.10 million exclusive of service tax and all other taxes except property tax, subject to TDS as may be applicable from time to time. Additionally, pursuant to the resolution passed by our Board on January 8, 2021 and the sale deed dated January 29, 2021, our Company purchased a land parcel admeasuring 3 acres 90 cents owned by BSCPL Infrastructure Limited situated at Tambaram Taluk, Chennai, Tamil Nadu, for an amount of ₹ 292.50 million. Krishnaiah Bollineni and Seenaiah Bollineni, brothers of Dr. Bhaskara Rao Bollineni, are the promoters and directors of BSCPL Infrastructure Limited. Additionally, our Whole-time Director, Anitha Dandamudi is also a director on the board of BSCPL Infrastructure Limited. For further details, see "***Our Management – Interest of Directors***" on page 213, "***Other Financial Information – Related Party Transactions***" on page 314 and "***Risk Factors – We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders****"*on page 42.

47 ***This Prospectus contains industry information that has been extracted or derived from an industry report prepared by CRISIL Research, which was commissioned by our Company.***

This Prospectus includes information that is derived from the industry report titled "Assessment of the healthcare delivery market in India, February 2021" prepared by CRISIL Research (the "**CRISIL Report**"), pursuant to an engagement with our Company. CRISIL Research is not related to our Company, its Directors or Promoters, in any manner. We commissioned the CRISIL Report from research firms independent from us, and the CRISIL Report was prepared for the purpose of confirming our understanding of the healthcare industry in India. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the CRISIL Report. The CRISIL Report highlights certain industry and market data. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industries in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Such assumptions may change based on various factors. We cannot assure you that CRISIL Research's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. The CRISIL Report is prepared based on information as of specific dates, which may no longer be current or reflect current trends as of the date of this Prospectus. The estimates, projections, forecasts and assumptions that are used in the CRISIL Report may also be challenged or proved to be incorrect. Further, CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), has advised that, while it has taken due care and caution in preparing the CRISIL Report based on the information that it considers reliable, CRISIL does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. The CRISIL Report or any other industry data or sources are not recommendations to invest in our Company. CRISIL especially states that it has no liability to the subscribers / users / transmitters / distributors of the CRISIL Report. Prospective investors are advised not to place undue reliance on the CRISIL Report or extracts thereof as included in this Prospectus, when making their investment decisions. See "***Certain Conventions Presentation of Financial, Industry and Market Data***" and "***Industry Overview***" on pages 12 and 116, respectively.

48 ***This Prospectus contains certain Non-GAAP measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.***

This Prospectus includes certain non-GAAP measures, including hospital revenue, group revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, adjusted profit before tax, adjusted profit after tax, net worth, return on net worth, net asset value per equity share, non-current borrowings (including current maturity of long term debt) / total equity ratio, total borrowings/ total equity ratio, which are in a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We consider these non-GAAP measures useful in evaluating our business and financial performances. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They

should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. There are no standard methodologies in the industries for computing such measures, and those non-GAAP measures we included in this Prospectus may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For details, see "***Other Financial Information - Non-GAAP Financial Measures***" on pages 311.

49 ***The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates and current market conditions, and have not been appraised by any bank or financial institution or other independent agency. It is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. Furthermore, the deployment of the Net Proceeds is at our discretion. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or canceling planned expenditure and funding requirements at our discretion. We intend to utilize ₹ 416.60 million from the Net Proceeds for general corporate purposes. The Net Proceeds of the Offer earmarked for general corporate purposes based on the Offer constitutes 21.74% of the Net Proceeds of the Offer. For details, see "***Objects of the Offer***" on page 100.

While we have obtained consents from our lenders in terms of our respective financing facilities for the purposes of the Offer; however, one such lender consent is subject to: (a) our Promoters retaining management control during the tenure of such financing facility; and (b) our Promoters and Promoter Group continuing to hold approximately 30% of the equity share capital of our Company during the tenure of such facility. We cannot assure you that our Promoters and Promoter Group will continue to comply with such conditions during the tenure of such facility which may adversely affect us in the future.

In accordance with Section 13 (8) and Section 27 of the Companies Act, 2013, we cannot change the utilization of the Proceeds or the terms of any contract as disclosed in this Prospectus without obtaining the Shareholders' approval through a special resolution. We may not be able to obtain the Shareholders' approval in a timely manner, or at all, in the event we need to make such changes. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the object of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. The requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter our Promoters from agreeing to any changes made to the proposed utilization of the Net Proceeds, even if such change is in our interest. Further, we cannot assure you that our Promoters will have adequate resources to provide an exit opportunity at the price prescribed by SEBI. For further details on exit opportunity to dissenting shareholders, see "***Objects of the Offer - Variation in Objects of the Fresh Issue***" on page 107. In light of these factors, we may not be able to undertake variation of object of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this 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 un-utilized portion of the Net Proceeds, if any, or varying the terms of any contract, which may adversely affect our business, results of operations and cash flows.

50 ***Our hospitals are susceptible to risks arising on account of fire and other incidents.***

We store, handle and use certain chemicals, such as alcohol, sanitizers, gases, fuel and other inflammable materials at some of our hospitals. Healthcare facilities are subject to risks associated with fires, power failures, telecommunications failure and other events. Such events could materially impact our business in the future. Furthermore, any short circuit of power supply for our equipment and machines including air conditioning plants, power supplies, could result in accidents and fires that could result in injury or death to our employees, our patients, and other persons present at our hospitals. While we have not encountered any significant accidents in the past 3 years, there is no assurance such accident will not happen in the future. In the event of such an incident, we cannot assure you that our insurance coverage will be sufficient to cover all damages and losses we become liable for.

51 ***If we are unable to establish and maintain an effective internal control, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis to ensure our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the healthcare sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

52 ***Our Company will not receive the entire proceeds from the Offer. Some of our Shareholders are selling shares in the Offer and will receive proceeds as part of the Offer for Sale.***

The Offer comprises a Fresh Issue of 2,436,595[*#] Equity Shares aggregating to ₹ 2,000.00 million by our Company and an offer for sale of 23,560,538[*] Equity Shares aggregating to ₹ 19,437.44 million by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders in proportion to their respective portion of their Offered Shares and our Company will not receive any such proceeds. For further details, see the section entitled "***Objects of the Offer***" and "***Capital Structure***" on pages 100 and 85 respectively.

[*] *Subject to finalisation of the Basis of Allotment*
[#]*Including 254,777 Equity Shares to be issued under Employee Reservation Portion at a price of ₹ 785 aggregating to ₹ 200.00 million*

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

In respect of the preferential allotments made during the year 2004 to 2007, the details of which are provided in "***Capital Structure - Share Capital History***" on page 85, copies of respective shareholders' resolutions authorizing the allotment of Equity Shares, were not filed with the RoC as required under section 192(4) of the Companies Act, 1956. In respect of the delay, we have filed applications for condonation of delay dated April 11, 2017 with the Secretary, Ministry of Corporate Affairs. By orders dated June 28, 2017, the Assistant Director, Ministry of Corporate Affairs condoned the delay without imposing any penalty and permitted our Company to file the requisite forms. We have subsequently filed copies of the aforementioned orders and shareholders' resolutions with the RoC on July 27, 2017. Further, there have been certain discrepancies in relation to statutory filings and records required to be made with the RoC with respect to preferential allotments dated September 14, 2005 and March 29, 2004. We have made filings with the RoC rectifying the aforesaid discrepancies. For further details, see "***Capital Structure***" on page 85. Further, as per the provisions of the Companies Act, every company having a net worth above the prescribed threshold is required to appoint a company secretary. Our Company had not appointed a company secretary as per the Companies Act, for certain past periods and had filed a petition before the National Company Law Tribunal, Hyderabad seeking condonation of delay and compounding of this matter. National Company Law Tribunal, Hyderabad has compounded the violation and we have paid the applicable compounding fee.

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

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and his family members. Subsequently, in February 2003, certain of our Promoters, namely Dr. Bhaskara Rao Bollineni, Krishnaiah Bollineni and BRMH, along with certain other persons and entities acquired 245,000 Equity Shares, being the entire equity share capital of the Company (then 'Jagjit Singh and Sons Private Limited') from the then existing shareholders pursuant to a memorandum of understanding and agreement of takeover dated August 22, 2002. We have been unable to trace the complete set of documents pertaining to corporate, accounting, financial, legal and other statutory records, including any supporting documents and/or RoC filings for the period prior to the acquisition, other than minutes of the meeting of board of directors of the Company from incorporation till January 1987 and from July 26, 2002 to November 15, 2002. Therefore, we are unable to conclusively ascertain *inter alia* all amendments to the Memorandum of Association of our Company till February 2003. Further, we do not have any supporting documents to ascertain whether our Company had at any point of time prior to February 2003 entered into any arrangement or scheme of amalgamation, acquired any business or undertaking, undertaken revaluation of its assets, carried out a public offering of debt securities, experienced strikes, lock-outs or time/cost overruns, defaulted on or rescheduled its borrowings from financial institutions or banks or changed its registered office. The relevant documents are also not available at the office of the Registrar of Companies, AP and Telangana, Hyderabad (which included inspection of filings of the Company available with the Registrar of Companies, Maharashtra, at Mumbai), as certified by IKR & Associates, Company Secretaries, pursuant to their certificate dated June 26, 2017, based on the search performed by them. Consequently, disclosures in relation to changes in our issued, subscribed and paid up share capital from incorporation until January 1987 and from July 26, 2002 to November 15, 2002 have been made in reliance of the minutes of the meetings of board of directors dated July 26, 1973, July 15, 1974, March 25, 1975, January 30, 1976, July 31, 1976, December 27, 1976, March 30, 1977, July 6, 1978, March 3, 1979, January 5, 1994 and February 15, 2003. We cannot assure you that these form filings and corporate records will be available in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect or that we will not incur additional expenses arising from our inability to furnish correct particulars in respect of the RoC filings or other corporate records, or for misrepresentation of facts which may occur due to non-availability of documents.

EXTERNAL RISK FACTORS

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

Our business is subject to challenges as faced with by the entire Indian healthcare industry, including, among others, providing quality patient care in a competitive environment while managing costs. We face competition from government-owned hospitals, other private hospitals, clinics, hospitals operated by non-profit organizations. Furthermore, healthcare costs in India have increased significantly over the past decade. There have been and may continue to be proposals by legislators and regulators to lower healthcare costs in India and limit the rate of increase, cap the margins and fix the price of healthcare procedures and diagnostics. Certain proposals by the Government of India, if passed, could impose, among other things, limitations on prices for our services.

In addition, our business, our business, financial condition, results of operations and prospects may be adversely affected by other factors that may impact the broader Indian healthcare industry, including but not limited to:

- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services;
- temporary requisitioning of healthcare facilities due to health pandemics such as COVID-19;
- demographic changes, such as an increase in the percentage of elderly patients, which could result in increased government expenditures for healthcare services and lead to various price control measures in relation to healthcare costs in India;
- the expansion rate of health insurance coverage in India;
- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks; and
- shortage of qualified healthcare professionals.

Any failure by us to effectively address these and other factors could have an adverse effect on our business, results of operations and financial condition.

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

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

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

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see *"**Outstanding Litigation and Material Developments**"* on page 351. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. We have opted for the concessional tax regime and continue to be subject to other benefits and exemptions. Any such future amendments may affect our other benefits such as an 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.

The Finance Act, 2020 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely to be subject to tax deduction at source. 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 from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2021, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate.

Further, a draft of the Personal Data Protection Bill, 2019 has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

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

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

The Offer Price of the Equity Shares has been determined by our Company (through the IPO Committee) in consultation with the BRLMs and in accordance with the Book Building Process and is based on numerous factors. For further information, see *"**Basis for Offer Price**"* on page 108. The Offer Price is not indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer,

and may decline below the Offer Price. There can be no assurances that Bidders who are Allotted Equity Shares through the Offer will be able to resell their Equity Shares at or above the Offer Price.

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

We may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of equity or equity-linked securities by us may dilute the positions of investors in our Equity Shares and could adversely affect the market price of our Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Although our Promoters will be subject to a lock-in after the Offer, sales of a large number of our Equity Shares by our Promoters and significant shareholders after the expiry of the lock-in periods could adversely affect the market price of our Equity Shares. For further details on the lock-in of Equity Shares, see "***Capital Structure***" on page 85.

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

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

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

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

61 ***Significant differences exist between the Indian Accounting Standards ("Ind AS") and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.***

Our Restated Financial Statements as of and for the years March 31, 2021, March 31, 2020 and March 31, 2019, have been derived from our audited financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our Restated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly.

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

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

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

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in the emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world have affected the Indian economy in the past. Although economic conditions are different in each country, investors'

reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

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

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 GoI. Further, in the event of a 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 GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a 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 GoI may be obtained, if at all.

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

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

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

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

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

Under the current Indian tax laws and regulations, 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 both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax-exempted in such cases. Further, STT will be levied and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹ 100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020. It 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. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less 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. Additionally, the Finance Act, 2020 does not require dividend distribution tax 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. 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.

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

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

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

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

brought in India within 3 years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

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

68 ***Any catastrophe, including natural calamities, man-made disasters, health epidemics and other outbreaks, could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as cyclones, earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities and outbreak of pandemics like COVID-19 in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

RISK RELATING TO THE OFFER AND THE EQUITY SHARES

69 ***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, 2013 a company incorporated in India must 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 resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the law 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.

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

The Articles of Association, the composition of our Board and other aspects of our corporate affairs, including the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights, are governed by Indian laws and may differ from companies in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and wide-spread 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.

71 ***Any future issuance of Equity Shares may dilute your shareholding and sale of Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares.***

We may in the future issue equity shares, debt securities and other kind of financing instrument to finance our future growth or fund our business activities. Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. The trading price of the Equity Shares may be adversely affected by our future equity issuances (including under an employee benefits scheme), disposal of our Equity Shares by the Promoters or any of our other principal shareholders, changes in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India, or any public perception regarding such issuance or sales, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue additional Equity Shares at a price which is lower than the Offer Price or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholders' 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 Offer Price.

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares has been determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to factors including variations in the operating results of our Company, 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.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, or such other period as may be prescribed by the SEBI events affecting the Bidders′ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition, results of operations and cash flows 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 Offer or cause the trading price of the Equity Shares to decline on listing.

74 ***Requirements of being a listed company may strain our resources.***

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is 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 as promptly as other listed companies.

Further, as a listed company, we will need 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.

SECTION III: INTRODUCTION

THE OFFER

The following table summarises details of the Offer:

Offer[(1) (2)]	25,997,133[*#] Equity Shares aggregating to ₹ 21,437.44[^] million
The Offer consists of:	
Fresh Issue[(1)]	2,436,595[*#] Equity Shares aggregating to ₹ 2,000.00 million
Offer for Sale[(2)]	23,560,538[*] Equity Shares aggregating to ₹ 19,437.44 million
Employees Reservation Portion[(3)]	254,777[*] Equity Shares aggregating to ₹ 200.00[^] million
Net Offer	25,742,356[*] Equity Shares aggregating to ₹ 21,237.44[^] million
Of which:	
A. QIB Category[(4) (5)]	Not less than 19,306,768[*] Equity Shares
Of which:	
Anchor Investor Portion	11,584,060[*] Equity Shares
Balance available for allocation to QIBs other than Anchor Investor (assuming Anchor Investor Portion is fully subscribed)	7,722,708[*] Equity Shares
Of which:	
Available for allocation to mutual funds only (5% of the QIB Category (excluding Anchor Investor Portion))	386,136[*] Equity Shares
Balance for all QIBs including Mutual Funds	7,336,572[*] Equity Shares
B. Non-Institutional Category[(4)]	Not more than 3,861,353[*] Equity Shares
C. Retail Category[(4)]	Not more than 2,574,235[*] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Prospectus)	77,593,283 Equity Shares
Equity Shares outstanding after the Offer	80,029,878[*] Equity Shares
Use of proceeds of the Offer	For details, see "***Objects of the Offer***" on page 100 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

[*] *Subject to finalisation of Basis of Allotment*

^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion

[#] *Including 254,777 Equity Shares to be issued under Employee Reservation Portion at a price of ₹ 785 aggregating to ₹ 200.00 million*

(1) *The Fresh Issue has been authorised by a resolution by our Board dated February 8, 2021 and a resolution of our Shareholders dated February 10, 2021.*

(2) *The Selling Shareholders have, severally and not jointly, confirmed and approved their portion in the Offer for Sale as set out below:*

S. No.	Name of the Selling Shareholder	Maximum number of Offered Shares*	Date of Selling Shareholder's Consent Letter	Date of corporate authorisation/board resolution
Investor Selling Shareholder				
1.	General Atlantic	16,003,615	May 26, 2021	May 26, 2021
Promoter Selling Shareholders				
1.	Dr. Bhaskara Rao Bollineni	387,966	May 21, 2021	-
2.	Rajyasri Bollineni	775,933	May 21, 2021	-
3.	BRMH	387,966	February 12, 2021	February 12, 2021
Other Selling Shareholders				
1.	Persons listed in Annexure A	6,005,058	As listed in Annexure A	-

[*] *Subject to finalisation of Basis of Allotment*

(3) *In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion was made available for allocation, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.00. The unsubscribed portion in the Employee Reservation Portion (after allocation up to ₹ 500,000.00), will be added to the Net Offer.*

(4) *Subject to valid Bids having been received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, is allowed to be met with spill-over from other category or a combination of categories at the discretion of our Company (through the IPO Committee) in consultation with the BRLMs and the Designated Stock Exchange subject to applicable law. In the event of under-subscription in the Offer, the Equity Shares will be Allotted in the following order, (i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed; (ii) next, the Offered Shares will be Allotted, in the proportion to the number of Equity Shares offered by each Selling Shareholder in a pro-rata manner; and (iii) once Equity Shares have been Allotted as per (i) and (ii), such number of Equity Shares would be Allotted by our Company that the balance 10% of the Fresh Issue portion is also subscribed. For details, see "**Terms of the Offer**" on page 374.*

(5) *Our Company (through the IPO Committee) in consultation with the BRLMs, allocated 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations , of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the price at which allocation was made to Anchor Investors. Further, 5% of the Net QIB Portion (excluding Anchor Investor Portion) was made available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was made available for allocation on a proportionate basis to all QIB Bidders (excluding the Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. For further details, see "**Offer Procedure**" on page 382.*

Notes:
*Allocation to all categories, other than Anchor Investors and Retail Individual Bidders, shall be made on a proportionate basis, subject to valid Bids having been received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "**Offer Procedure**" on page 382.*

For details, including grounds for rejection of Bids, refer to "***Offer Structure***" and "***Offer Procedure*****"** on pages 379 and 382 respectively. For details of the terms of the Offer, see "***Terms of the Offer***" on page 374.

SUMMARY OF FINANCIAL STATEMENTS

The following tables provide the summary of financial information of our Company derived from the Restated Financial Statements. The Restated Financial Statements has been prepared, based on audited consolidated financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI.

The summary financial statements presented below should be read in conjunction with "***Restated Financial Statements***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 233 and 319, respectively.

(*The remainder of this page is intentionally left blank*)

Consolidated Summary Statement of Assets and Liabilities

(All amounts are in million of Indian Rupees)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	7,706.26	7,488.81	7,079.93
Capital work-in-progress	92.44	22.32	2.32
Goodwill	847.75	847.75	751.90
Other intangible assets	247.43	262.39	264.11
Right-of-use assets	509.34	560.81	556.07
Financial assets			
(i) Loans	163.72	47.18	39.81
(ii) Other financial assets	28.48	1.13	24.37
Deferred tax assets (net)	29.35	14.16	37.97
Non-current tax assets (net)	103.70	386.58	328.01
Other non-current assets	121.12	129.48	374.14
Total non-current assets	**9,849.59**	**9,760.61**	**9,458.63**
Current assets			
Inventories	240.85	303.77	268.61
Financial assets			
(i) Trade receivables	1,098.19	1,322.68	1,232.69
(ii) Cash and cash equivalents	521.29	405.14	80.63
(iii) Bank balances other than (ii) above	2,323.13	52.13	21.36
(iv) Loans	22.63	17.53	15.19
(v) Other financial assets	234.99	54.26	87.59
Other current assets	70.87	42.78	32.43
Total current assets	**4,511.95**	**2,198.29**	**1,738.50**
Total assets	**14,361.54**	**11,958.90**	**11,197.13**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	775.93	744.90	744.90
Other equity	7,861.41	5,236.35	4,661.70
Total equity attributable to owners of the Company	**8,637.34**	**5,981.25**	**5,406.60**
Non-controlling interests	124.61	133.05	262.51
Total equity	**8,761.95**	**6,114.30**	**5,669.11**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	1,846.03	2,687.17	2,427.27
(ii) Lease liabilities	433.40	455.53	455.19
(iii) Other financial liabilities	5.59	7.10	5.81
Provisions	160.64	137.08	101.89
Other non-current liabilities	12.37	12.86	13.48
Deferred tax liabilities (net)	358.31	356.73	515.65
Total non-current liabilities	**2,816.34**	**3,656.47**	**3,519.29**
Current liabilities			
Financial liabilities			
(i) Borrowings	552.67	101.11	175.53
(ii) Lease liabilities	25.62	24.00	28.25
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	17.90	25.08	1.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,300.80	1,209.26	1,039.23
(iv) Other financial liabilities	467.26	628.13	476.70
Provisions	104.86	73.47	60.51
Other current liabilities	227.13	127.08	131.88
Current tax liabilities (net)	87.01	-	95.27
Total current liabilities	**2,783.25**	**2,188.13**	**2,008.73**
Total equity and liabilities	**14,361.54**	**11,958.90**	**11,197.13**

Consolidated Summary Statement of Profits and Losses

(All amounts are in million of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	13,299.37	11,226.45	9,180.05
Other income	101.65	60.83	58.64
Total income	**13,401.02**	**11,287.28**	**9,238.69**
Expenses			
Purchase of medical consumables, drugs and surgical instrum	2,826.39	2,572.16	2,169.26
(Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments	62.92	(30.48)	(67.19)
Employee benefits expense	2,202.09	1,980.46	1,630.28
Finance costs	324.97	399.42	457.49
Depreciation and amortisation expense	695.36	706.11	564.56
Other expenses	4,499.14	4,254.35	4,638.10
Total expenses	**10,610.87**	**9,882.02**	**9,392.50**
Profit/(loss) before tax expense	**2,790.15**	**1,405.26**	**(153.81)**
Tax expense			
- Current tax	778.39	432.98	386.09
- Deferred tax credit	(33.03)	(154.79)	(53.98)
- Adjustments of tax relating to earlier years	(10.00)	(23.65)	2.15
Total tax expense	**735.36**	**254.54**	**334.26**
Profit/ (loss) for the year	**2,054.79**	**1,150.72**	**(488.07)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement losses on defined benefit plans	(6.28)	(13.43)	(18.84)
- Income tax effect	1.64	3.42	6.64
Other comprehensive loss, net of tax	**(4.64)**	**(10.01)**	**(12.20)**
Total comprehensive profit/ (loss) for the year	**2,050.15**	**1,140.71**	**(500.27)**
Profit/ (loss) attributable to:			
Owners of the Company	2,012.19	1,191.83	(477.69)
Non-controlling interests	42.60	(41.11)	(10.38)
Profit/ (loss) for the year	**2,054.79**	**1,150.72**	**(488.07)**
Other comprehensive loss attributable to:			
Owners of the Company	(4.98)	(9.59)	(12.51)
Non-controlling interests	0.34	(0.42)	0.31
Other comprehensive loss for the year	**(4.64)**	**(10.01)**	**(12.20)**
Total comprehensive income attributable to:			
Owners of the Company	2,007.21	1,182.24	(490.20)
Non-controlling interests	42.94	(41.53)	(10.07)
Total comprehensive profit/ (loss) for the year	**2,050.15**	**1,140.71**	**(500.27)**

Consolidated Summary Statement of Cash Flow

(All amounts are in million of Indian Rupees)

		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash flows from operating activities**			
	Profit/ (loss) before tax	2,790.15	1,405.26	(153.81)
	Adjustments for:			
	Depreciation and amortisation expense	695.36	706.10	564.56
	Finance costs	324.97	399.42	457.49
	Expected credit loss for trade receivables	38.77	46.62	180.96
	Trade receivables written off	8.26	5.68	47.83
	Interest income	(57.99)	(12.63)	(5.68)
	Rental income	(7.09)	(7.86)	(7.70)
	Loss on sale of property, plant and equipment (net)	10.79	12.52	1.52
	Loss on fair value changes in financial instrument	-	-	871.27
	Liabilities/ provisions no longer required written back	(7.52)	(4.54)	(21.59)
	Operating profit before working capital changes	**3,795.70**	**2,550.57**	**1,934.85**
	Movement in working capital			
	(Increase)/ decrease in inventories	62.92	(30.48)	(57.36)
	(Increase)/ decrease in trade receivables	177.46	(132.61)	(316.44)
	(Increase)/ decrease in other financial assets and other assets	(338.11)	29.90	67.73
	Increase in trade payables, other financial liabilities and provisions	239.20	134.34	24.84
	Cash generated by operations	**3,937.17**	**2,551.72**	**1,653.62**
	Income taxes paid, net of refunds	(377.44)	(536.72)	(314.58)
	Net cash flows from operating activities (A)	**3,559.73**	**2,015.00**	**1,339.04**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment, capital work in progress and intangible assets	(944.26)	(519.80)	(773.49)
	Proceeds from sale of property, plant and equipment and intangible assets	8.42	5.13	2.13
	Acquisition of subsidiaries, net of cash acquired	-	(17.10)	(66.72)
	Acquisition of a business, net of cash acquired	-	-	(197.27)
	Acquisition of non controlling interest	(352.73)	(710.34)	-
	Lease income received	7.09	7.86	7.70
	Advance for purchase of subsidiary	-	-	(60.00)
	Interest received	35.47	11.05	5.54
	Redemption of bank deposits (having original maturity of more than three months)	113.82	146.45	269.43
	Investment in bank deposits (having original maturity of more than three months)	(2,409.59)	(170.36)	(284.96)
	Net cash flows used in investing activities (B)	**(3,541.78)**	**(1,247.11)**	**(1,097.64)**
C	**Cash flows from financing activities**			
	Repayment of long-term borrowings	(1,413.97)	(715.38)	(1,863.78)
	Proceeds from long-term borrowings	455.05	808.76	1,302.70
	(Repayment of)/ proceeds from short-term borrowings (net)	451.56	(116.47)	(250.91)
	Payment of lease liabilities (including interest on lease liabilities)	(73.13)	(90.15)	(80.56)
	Proceeds from issue of shares	950.23	-	880.00
	Proceeds from issue of share warrants	-	-	3.10
	Finance costs paid	(271.55)	(330.14)	(260.94)
	Net cash flows generated from / (used in) financing activities (C)	**98.20**	**(443.38)**	**(270.39)**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**116.15**	**324.51**	**(28.99)**
	Cash and cash equivalents at the beginning of the year	405.14	80.63	109.62
	Cash and cash equivalents at the end of the year	**521.29**	**405.14**	**80.63**

The following tables provide the summary of audited standalone financial information of our subsidiaries as detailed below, certain of whose borrowings are proposed to be repaid from the proceeds of the Fresh Issue. For details, see "***Objects of the Offer***" on page 100.

These summary of audited standalone financial information for KIMS Hospital Kurnool Private Limited ("**KHKPL**"), KIMS Hospital Enterprises Private Limited ("**KHEPL**"), and Saveera Institute of Medical Science Private Limited ("**SIMSPL**") have been derived from their respective audited standalone financial statements for the financial years 2021, 2020 and 2019 respectively.

The audited standalone financial statements and the related reports of KHKPL, KHEPL and SIMSPL 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 Group or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the audited standalone financial statements of KHKPL, KHEPL and SIMSPL or the opinions expressed therein.

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Summary Statement of balance sheet of KIMS Hospital Kurnool Private Limited

(All amounts are in millions of Indian Rupees)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	436.21	462.83	345.60
Intangible assets	4.78	5.29	-
Financial assets			
(i) Loans	3.07	2.78	2.41
(ii) Other financial assets	0.11	0.10	-
Non-current tax assets (net)	12.64	6.66	3.08
Other non-current assets	9.20	10.93	0.45
Total non-current assets	**466.01**	**488.59**	**351.54**
Current assets			
Inventories	11.96	9.83	4.67
Financial assets			
(i) Trade receivables	48.75	21.25	9.68
(ii) Cash and cash equivalents	1.53	0.47	4.54
(iii) Loans	2.00	0.48	-
(v) Other financial assets	5.27	2.11	-
Other current assets	3.68	4.29	0.32
Total current assets	**73.19**	**38.43**	**19.21**
Total Assets	**539.20**	**527.02**	**370.75**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	60.00	60.00	60.00
Other equity	(226.90)	(175.07)	(94.53)
Total equity	**(166.90)**	**(115.07)**	**(34.53)**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	511.77	425.53	187.77
(ii) Other financial liabilities	2.30	-	-
Provisions	0.65	0.71	-
Total non-current liabilities	**514.72**	**426.24**	**187.77**
Current liabilities			
Financial liabilities			
(i) Borrowings	28.93	52.42	39.31
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	0.86	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	81.41	59.49	47.71
(iv) Other financial liabilities	71.32	95.02	128.16
Provisions	3.36	1.79	-
Other current liabilities	5.50	7.13	2.33
Total current liabilities	**191.38**	**215.85**	**217.51**
Total equity and liabilities	**539.20**	**527.02**	**370.75**

Summary Statement of Profit and Loss of KIMS Hospital Kurnool Private Limited

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	520.59	408.18	196.58
Other income	3.87	1.64	4.94
Total revenue	**524.46**	**409.82**	**201.52**
Expenses			
Purchase of medical consumables, drugs and surgical instruments	121.89	91.64	18.31
Increase in inventories of medical consumables, drugs and surgical instruments	(2.13)	(5.16)	(0.66)
Employee benefits expense	108.95	87.44	33.78
Depreciation and amortization expense	32.76	32.60	24.60
Finance costs	57.87	50.47	41.02
Other expenses	256.90	246.16	140.22
Total expenses	**576.24**	**503.15**	**257.27**
Loss before tax expense	**(51.78)**	**(93.33)**	**(55.75)**
Tax expense			
- Deferred tax (credit)/expense	0.01	(0.07)	-
- Tax pertaining to earlier years	-	-	(0.95)
Total tax expense	**0.01**	**(0.07)**	**(0.95)**
Loss for the year (A)	**(51.79)**	**(93.26)**	**(54.80)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement (loss)/ gain on defined benefit plans	(0.05)	0.26	-
- Income tax effect	0.01	(0.07)	-
Other comprehensive (loss)/ income, net of tax (B)	**(0.04)**	**0.19**	**-**
Total comprehensive loss for the year (A+B)	**(51.83)**	**(93.07)**	**(54.80)**

Summary statement of cash flows of KIMS Hospital Kurnool Private Limited

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Cash flows from operating activities:			
Loss before tax	(51.78)	(93.33)	(55.75)
Adjustments for operating activities:			
Depreciation and amortisation expenses	32.76	32.60	24.60
Trade receivables written off	2.30	-	-
Expected credit loss for trade receivable	5.04	3.23	0.55
Gain on sale of property, plant and equipment	(0.01)	-	-
Rental income	(0.79)	(0.81)	-
Guarantee commission expense	1.73	1.47	-
Interest income	(0.12)	-	-
Interest on income tax refund	(0.15)	(0.06)	(0.08)
Finance cost	56.14	49.00	41.02
Operating cash flows before working capital changes	**45.12**	**(7.90)**	**10.34**
Adjustments for:			
Increase in trade receivables	(34.84)	(14.80)	(6.13)
Increase in inventories	(2.13)	(5.16)	(0.65)
(Increase)/ decrease in loans and other assets	(4.34)	(6.75)	2.63
Increase in liabilities and provisions	16.47	24.14	4.75
Cash generated from/(used in) operations	**20.28**	**(10.47)**	**10.94**
Income-taxes paid, net of refund	(5.83)	(3.58)	(0.28)
Net cash flow generated from/(used in) operating activities (A)	**14.45**	**(14.05)**	**10.66**
II. Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	(47.86)	(123.51)	(0.83)
Proceeds from sale of property, plant and equipment	0.11	-	-
Investment in bank deposits (having original maturity of more than three months)	-	(0.10)	-
Rental income	0.79	0.81	-
Interest received	0.11	0.06	-
Net cash used in investing activities (B)	**(46.85)**	**(122.74)**	**(0.83)**
III. Cash flows from financing activities			
Repayment of long-term borrowings	(112.10)	(294.33)	(57.80)
Receipts from long-term borrowings	227.50	487.50	91.30
Repayment of short-term borrowings (net)	(23.49)	(18.79)	0.54
Finance cost	(58.45)	(41.66)	(41.02)
Net cash flows generated from financing activities (C)	**33.46**	**132.72**	**(6.98)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	1.06	(4.07)	2.85
Cash and cash equivalents at the beginning of the year	0.47	4.54	1.68
Cash and cash equivalents at the end of the year	**1.53**	**0.47**	**4.54**

Note:

a) The statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind 7)-Statement of cash flows:

b) Cash and cash equivalents comprises of:

Cash on hand	0.81	0.40	0.14
Balances with banks			
- On current accounts	0.72	0.07	4.40
Total	**1.53**	**0.47**	**4.54**

Summary statement of Balance sheet of KIMS Hospital Enterprises Private Limited

(All amounts are in millions of Indian Rupees)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	601.09	615.14	617.18
Capital work-in-progress	3.19	-	-
Intangible assets	4.38	4.18	4.45
Right-of-use assets	369.58	409.44	-
Financial assets			
(i) Loans	60.11	14.15	12.50
(ii) Other financial assets	1.42	-	1.17
Deferred tax assets	-	2.09	-
Non-current tax assets (net)	-	88.50	69.81
Other non-current assets	19.03	17.94	24.33
Total non-current assets	**1,058.79**	**1,151.44**	**729.44**
Current assets			
Inventories	25.05	36.76	30.57
Financial assets			
(i) Trade receivables	84.65	90.91	59.61
(ii) Cash and cash equivalents	126.13	11.46	5.73
(iii) Bank balances other than (ii) above	105.72	1.27	0.10
(iv) Loans	1.72	1.71	0.09
(v) Other financial assets	26.69	6.28	7.37
Other current assets	17.46	8.37	9.02
Total current assets	**387.42**	**156.76**	**112.49**
Total Assets	**1,446.21**	**1,308.20**	**841.93**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	245.45	245.45	245.45
Other equity	388.69	231.25	120.85
Total equity	**634.14**	**476.70**	**366.30**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	85.55	229.81	296.15
(ii) lease liabilities	413.80	427.25	-
Provisions	4.61	2.27	2.86
Deferred tax liabilities (net)	7.25	-	14.06
Total non-current liabilities	**511.21**	**659.33**	**313.07**
Current liabilities			
Financial liabilities			
(i) Borrowings	-	9.08	12.52
(ii) Lease liabilities	16.94	13.77	-
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises;	6.18	11.83	1.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	145.52	102.00	89.87
(iv) Other financial liabilities	83.41	17.12	43.23
Provisions	8.95	6.56	5.87
Other current liabilities	16.26	11.81	9.71
Current tax liabilities	23.60	-	-
Total current liabilities	**300.86**	**172.17**	**162.56**
Total liabilities	**1,446.21**	**1,308.20**	**841.93**

Summary statement of Profit & Loss of KIMS Hospital Enterprises Private Limited

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue			
Revenue from operations	1,619.75	1,412.58	1,177.32
Other income	19.13	9.85	7.39
Total revenue	**1,638.88**	**1,422.43**	**1,184.71**
Expenses			
Purchase of medical consumables, drugs and surgical instruments	300.13	289.72	239.73
(Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments	11.71	(6.19)	(4.40)
Employee benefits expense	249.02	204.52	160.43
Finance costs	69.28	80.06	42.19
Depreciation and amortization expense	121.19	151.09	63.74
Other expenses	658.81	582.64	559.16
Total expenses	**1,410.12**	**1,301.84**	**1,060.85**
Profit before tax	**228.76**	**120.59**	**123.86**
Tax expense			
- Current tax	82.70	30.55	29.17
- Deferred tax expense	(11.98)	(23.98)	38.90
- Tax pertaining to earlier years	(0.29)	(0.55)	-
Total tax expense	**70.43**	**6.02**	**68.07**
Profit for the year (A)	**158.33**	**114.57**	**55.79**
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement (loss)/ gain on defined benefit plans	(1.25)	(0.49)	0.19
- Income tax effect	0.36	0.14	(0.07)
Other comprehensive (loss)/ income, net of tax (B)	**(0.89)**	**(0.35)**	**0.12**
Total comprehensive Income for the year (A+B)	**157.44**	**114.22**	**55.91**

Summary statement of Cash flows of KIMS Hospital Enterprises Private Limited

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Cash flows from operating activities:			
Profit before tax	228.76	120.59	123.86
Adjustments for operating activities:			
Depreciation and amortisation expenses	121.19	151.09	63.74
(Gain) / loss on sale of property, plant and equipment	(0.83)	8.34	-
Expected credit loss for trade receivable	2.63	0.97	11.53
Trade receivable written off	5.96	2.82	6.28
Commission expenses on guarantee taken from related party	5.07	0.54	2.00
Sub lease income	(0.95)	(1.39)	(1.58)
Interest income	(13.53)	(3.19)	(0.08)
Liabilities no longer required or written back	-	(0.96)	-
Finance cost	69.28	80.06	42.19
Operating cash flows before working capital changes	**417.58**	**358.87**	**247.94**
Adjustments for:			
Increase in trade receivables	(2.33)	(35.09)	(3.57)
Increase / (Decrease) in inventories	11.71	(6.19)	(4.40)
Increase in loans and other assets	(76.56)	(0.48)	(3.58)
Increase / (Decrease) in liabilities and provisions	46.28	16.48	(17.18)
Cash generated from operations	**396.68**	**333.59**	**219.21**
Income-taxes paid, net of refund	59.03	(40.72)	(43.12)
Net cash flows generated from operating activities (A)	**455.71**	**292.87**	**176.09**
II. Cash flows from investing activities			
Aquisition of property, plant and equipment	(73.15)	(110.95)	(68.92)
Proceeds from sale of property, plant and equipment	4.90	1.74	-
Investment in bank deposits (having original maturity of more than three months)	(105.87)	-	(0.26)
Sub lease income	0.95	1.39	1.58
Interest income	0.81	1.83	0.01
Net cash used in investing activities (B)	**(172.35)**	**(105.99)**	**(67.59)**
III. Cash flows from financing activities			
Repayment of long-term borrowings	(305.15)	(85.42)	(43.05)
Receipts from long-term borrowings	227.55	-	-
Repayment of short-term borrowings (net)	(9.08)	(3.44)	(26.91)
Payment of lease obligations	(56.81)	(59.54)	(0.99)
Finance cost	(25.21)	(32.75)	(41.26)
Net cash flows used in financing activities (C)	**(168.69)**	**(181.15)**	**(112.21)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	114.67	5.73	(3.71)
Cash and cash equivalents at the beginning of the year	11.46	5.73	9.44
Cash and cash equivalents at the end of the year	**126.13**	**11.46**	**5.73**
Note:			
a) The statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind 7)-Statement of cash flows:			
b) Cash and cash equivalents comprises of:			
Cash on hand	0.90	0.11	0.34
Balances with banks			
- On current accounts	125.23	11.35	5.39
Total	**126.13**	**11.46**	**5.73**

Summary statement of Balance sheet of Saveera Institute of Medical Sciences Private Limited

(All amounts are in millions of Indian Rupees)

	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	531.94	537.29	539.50
Capital work-in-progress	2.71	-	-
Goodwill	258.20	258.20	258.20
Other intangible assets	25.38	34.32	38.99
Financial assets			
(i) Loans	3.81	3.44	3.56
(ii) Other financial assets	0.32	0.62	-
Non-current tax assets (net)	36.67	37.89	31.22
Other non-current assets	13.83	15.20	17.22
Total non-current assets	**872.86**	**886.96**	**888.69**
Current assets			
Inventories	12.37	12.83	16.34
Financial assets			
(i) Trade receivables	126.38	97.34	69.94
(ii) Cash and cash equivalents	8.98	0.81	4.52
(iii) Bank balances other than (ii) above	0.24	0.30	-
(iv) Loans	1.38	0.47	-
(v) Other financial assets	3.09	7.82	2.98
Other current assets	3.90	5.17	5.28
Total current assets	**156.34**	**124.74**	**99.06**
Total Assets	**1,029.20**	**1,011.70**	**987.75**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	0.10	0.10	0.10
Instruments entirely equity in nature	309.90	309.90	290.00
Other equity	(94.06)	(45.33)	(15.42)
Total equity	**215.94**	**264.67**	**274.68**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	582.66	553.44	495.14
(ii) Other financial liabilities	2.43	4.27	3.26
Provisions	1.26	1.15	0.67
Deferred tax liability (net)	-	-	27.80
Total non-current liabilities	**586.35**	**558.86**	**526.87**
Current liabilities			
Financial liabilities			
(i) Borrowings	23.73	11.35	84.32
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises; and	1.37	0.83	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	118.92	106.46	66.53
(iv) Other financial liabilities	73.04	61.46	30.65
Provisions	5.52	3.12	0.08
Other current liabilities	4.33	4.95	4.62
Total current liabilities	**226.91**	**188.17**	**186.20**
Total equity and liabilities	**1,029.20**	**1,011.70**	**987.75**
	-0.00	-	-

Summary statement of Profit and loss of Saveera Institute of Medical Sciences Private Limited

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	691.90	582.88	227.15
Other income	2.82	2.22	2.21
Total income	**694.72**	**585.10**	**229.36**
Expenses			
Purchase of medical consumables, drugs and surgical instruments	188.60	153.97	64.60
Decrease/(Increase) in inventories of medical consumables, drugs and surgical instruments	0.46	3.52	(10.28)
Employee benefits expense	153.18	122.11	44.36
Depreciation and amortization expense	47.06	45.69	20.42
Finance costs	61.58	63.23	30.00
Other expenses	292.37	255.57	126.49
Total expenses	**743.25**	**644.09**	**275.59**
Loss before tax expense	**(48.53)**	**(58.99)**	**(46.23)**
Tax expense			
- Current tax	-	-	-
- Deferred tax (credit)/expense	0.05	(27.95)	(12.86)
Total tax expense	**0.05**	**(27.95)**	**(12.86)**
Loss for the year (A)	**(48.59)**	**(31.04)**	**(33.37)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
- Re-measurement (loss)/ gain on defined benefit plans	(0.19)	0.53	-
- Income tax effect	0.05	(0.15)	-
Other comprehensive (loss)/ income, net of tax (B)	**(0.14)**	**0.38**	**-**
Total comprehensive loss for the year (A+B)	**(48.72)**	**(30.66)**	**(33.37)**

Summary statement of Cash flows of Saveera Institute of Medical Sciences Private Limited

(All amounts are in millions of Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Operating activities:			
Loss before tax	(48.53)	(58.99)	(46.23)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation and amortisation expenses	47.06	45.69	20.42
Expected credit loss for trade receivable	2.60	2.22	4.91
Sub lease income	(1.27)	(1.44)	-
Interest income on Fixed deposit	(0.04)	(0.05)	-
Interest income on IT refund	(0.93)	-	-
Finance costs	61.58	63.23	30.00
Operating cash flows before working capital changes	**60.47**	**50.66**	**9.10**
Working capital adjustments:			
Increase in trade receivables	(31.64)	(29.62)	(13.33)
Decrease/(increase) in inventories	0.46	3.51	(10.27)
Decrease/(increase) in financial assets and other assets	6.65	(5.34)	(3.15)
Increase/ (decrease) in financial liabilities,provisions and other liabilities	16.29	44.43	(19.30)
Cash generated from / (Used in) operations	**52.23**	**63.64**	**(36.95)**
Income taxes- (received)/paid(net)	2.14	(6.67)	(9.79)
Net cash flow generated from/(used in) operating activities (A)	**54.37**	**56.97**	**(46.74)**
II. Investing activities			
Aquisition of property, plant and equipment	(48.28)	(38.23)	(70.09)
Sub-lease income received	1.27	1.44	-
Interest received on Fixed deposit	0.04	0.05	-
Net cash flows used in investing activities (B)	**(46.97)**	**(36.74)**	**(70.09)**
III. Financing activities			
Proceeds from issue of shares	-	19.90	290.10
Payment of purchase consideration for slump sale	-	-	(197.27)
Receipts from long-term borrowings	210.00	107.00	500.00
Repayment of long-term borrowings	(166.71)	(57.00)	(532.14)
Proceeds/(repayment) from short-term borrowings (net)	12.38	(35.97)	84.32
Redemption of bank deposits (having original maturity of more than three months)	0.06	-	-
Finance cost	(54.96)	(57.87)	(23.66)
Net cash flows generated from/(used in) financing activities (C)	**0.77**	**(23.94)**	**121.35**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	8.17	(3.71)	4.52
Cash and cash equivalents at the beginning of the year	0.81	4.52	-
Cash and cash equivalents at the end of the year	**8.98**	**0.81**	**4.52**
Note:			
a) The statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian accounting Standard (Ind 7)-Statement of cash flows:			
b) Cash and cash equivalents comprises of:			
Cash on hand	0.75	0.59	0.74
Balances with banks			
- On current accounts	8.23	0.22	3.78
Total	**8.98**	**0.81**	**4.52**

GENERAL INFORMATION

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

For further details and details of changes in the registered office of our Company, see "***History and Certain Corporate Matters***" on page 198.

Company Registration Number: 040558

Corporate Identity Number: U55101TG1973PLC040558

Registered and Corporate Office of our Company

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

For details of change in the registered office of our Company, see "***History and Certain Corporate Matters – Changes in our registered office***" on page 198.

Address of the Registrar of Companies

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

Registrar of Companies
Andhra Pradesh and Telangana at Hyderabad
2nd Floor, Corporate Bhawan, GSI Post
Tattiannaram Nagole, Bandlaguda
Hyderabad 500 068, Telangana, India

Board of our Company

Details regarding our Board as on the date of this Prospectus are set forth below:

Name	Designation	DIN	Address
Dr. Bhaskara Rao Bollineni	Managing Director	00008985	300A, MLA Colony, Road No. 12, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India
Anitha Dandamudi	Whole-time Director	00025480	Plot No. 1240, Road No. 62, Jubilee Hills, Shaikpet, Hyderabad 500 033, Telangana, India
Dr. Abhinay Bollineni	Executive Director and CEO	01681273	300A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad 500 034, Telangana, India
Sandeep Naik	Non-executive Director*	02057989	1301, B, Lodha Bellissimo, NM Joshi Marg, Apollo Mills Compound, Lower Parel, Deslisle Road, Mumbai 400 011, Maharashtra, India
Shantanu Rastogi	Non-executive Director*	06732021	Flat No. 2101, 21st Floor, Beau Monde, B Wing, New Prabhadevi, Mumbai 400 025, Maharashtra, India
Pankaj Vaish	Independent Director	00367424	008 Embassy Eros, 7 Ulsoor Road, Ulsoor, Bengaluru 560 042, Karnataka, India
Rajeswara Rao Gandu	Independent Director	05339318	Villa No. 34, Lumbini SLN Springs, Survey No. 133, Near Botanical Gardens, Gachibowli, Serinlingampally, KV Rangareddy, Hyderabad 500 032, Telangana, India
Ratna Kishore Kaza	Independent Director	01152107	Flat no. 105, 1st Floor, Emerald Block, Lumbini Rockdale, Somajiguda, beside Eenadu office, Kairathabad, Hyderabad 500 082, Telangana, India
Saumen Chakraborty	Independent Director	06471520	Survey No. 1009/P, Block 2B, F900, Beverly Hills, Lodha Belleza, KPHB Colony, near Hitech City

Name	Designation	DIN	Address
			MMTS Railway Station, Kukatpally, Hyderabad 500 072, Telangana, India
Venkata Ramudu Jasthi	Independent Director	03055480	Villa no. 1018, Krinns Gandipet, Near Future Kids School, Puppalaguda, KV Rangareddy, Hyderabad 500 089, Telangana, India

[*] *Nominee of General Atlantic*

For further details of our Directors, see "***Our Management***" on page 207.

Filing

A copy of the Draft Red Herring Prospectus dated February 26, 2021, has been submitted to SEBI on cfddil@sebi.gov.in in accordance with SEBI circular dated March 27, 2020, in relation to "*Easing of Operational Procedure – Division of Issues and Listing –CFD*"; and has been filed with SEBI electronically on the platform provided by SEBI at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

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 was filed with the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act, 2013 shall be filed with the RoC at its office.

Registrar of Companies
Andhra Pradesh and Telangana at Hyderabad
2nd Floor, Corporate Bhawan, GSI Post
Tattiannaram Nagole, Bandlaguda
Hyderabad 500 068, Telangana, India

Chief Financial Officer

Vikas Maheshwari is the Chief Financial Officer of our Company. His contact details are set forth below:

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

Company Secretary and Compliance Officer

Umashankar Mantha is the Company Secretary and Compliance Officer of our Company. His contact details are set forth below:

D. No. 1-8-31/1, Minister's Road
Secunderabad – 3,
Telangana 500 003, India
Telephone: +91 40 4418 6433
E-mail: cs@kimshospitals.com

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including 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. For all Offer related queries and for redressal of complaints, Investors may also write to the BRLMs.

All offer-related grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application 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 Retail Individual Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries 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 Offer.

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

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
27 BKC, 1st Floor, Plot No. C – 27, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051, Maharashtra, India
Telephone: + 91 22 4336 0000
E-mail: kims.ipo@kotak.com
Investor grievance E-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact person: Ganesh Rane

Axis Capital Limited
1st Floor, Axis House, C-2
Wadia International Centre, P.B. Marg, Worli
Mumbai 400 025, Maharashtra, India
Telephone: + 91 22 4325 2183
E-mail: kims.ipo@axiscap.in
Investor grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact person: Ankit Bhatia

Credit Suisse Securities (India) Private Limited
Ceejay House, 10th Floor, Plot F, Shivsagar
Estate, Dr. Annie Besant Road, Worli
Mumbai – 400018, Maharashtra, India
Telephone: + 91 226777 3777
E-mail: list.kimsipo@credit-suisse.com
Investor grievance E-mail: list.igcellmerbnkg@credit-suisse.com
Website: https://www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html
Contact person: Chunky Shah

IIFL Securities Limited
10th Floor, IIFL Center, Kamala City
Senapati Bapat Marg, Lower Parel (West)
Mumbai 400 013, Maharashtra, India
Tel: +91 22 4646 4600
E-mail: kims.ipo@iiflcap.com
Website: www.iiflcap.com
Investor grievance E-mail: ig.ib@iiflcap.com
Contact person: Shirish Chikalge/Keyur Ladhawala

Statement of inter-se allocation of responsibilities amongst the BRLMs

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

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	Kotak, Axis, Credit Suisse, IIFL	Kotak
2.	Drafting and approval of statutory advertisements	Kotak, Axis, Credit Suisse, IIFL	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	Kotak, Axis, Credit Suisse, IIFL	Axis
4.	Appointment of intermediaries viz., Registrar's, Printers, Advertising Agency, Syndicate, Sponsor Bank, Bankers to the Issue and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Kotak, Axis, Credit Suisse, IIFL	IIFL
5.	Preparation of road show marketing presentation and frequently asked questions	Kotak, Axis, Credit Suisse, IIFL	Credit Suisse
6.	International Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalising the list and division of international investors for one-to-one meetings; and • Finalising international road show and investor meeting schedule	Kotak, Axis, Credit Suisse, IIFL	Credit Suisse
7.	Domestic Institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy; • Finalising the list and division of domestic investors for one-to-one meetings; and • Finalising domestic road show and investor meeting schedule	Kotak, Axis, Credit Suisse, IIFL	Kotak
8.	Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc.;	Kotak, Axis, Credit Suisse, IIFL	Axis

Sr. No.	Activity	Responsibility	Co-ordination
	• Finalising collection centres; • Arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and offer material including form, Prospectus and deciding on the quantum of the offer material		
9.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Finalising media, marketing and public relations strategy; and • Finalising centres for holding conferences for brokers, etc.	Kotak, Axis, Credit Suisse, IIFL	IIFL
10.	Managing the book and finalisation of pricing in consultation with the Company and the Selling Shareholders.	Kotak, Axis, Credit Suisse, IIFL	Credit Suisse
11.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor co-ordination and intimation of anchor allocation.	Kotak, Axis, Credit Suisse, IIFL	IIFL
12.	Post- Issue activities, which shall involve essential follow-up with bankers to the Issue and SCSBs to get quick estimates of collection and advising our Company about the closure of the Issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Issue activity such as Registrar to the Issue, Bankers to the Issue, SCSBs including responsibility for underwriting arrangements, as applicable and Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the final post Offer report to SEBI	Kotak, Axis, Credit Suisse, IIFL	Axis

Syndicate Member

Kotak Securities Limited
27 BKC, Plot No. C-12,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051, Maharashtra, India
Telephone: +91 22 6218 5470
E-mail: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration Number: INZ000200137

Legal Advisors to the Offer

Legal Counsel to the Company and Investor Selling Shareholder as to Indian Law

Shardul Amarchand Mangaldas & Co.
24th Floor, Express Towers
Nariman Point
Mumbai 400 021, Maharashtra, India
Tel.: +91 22 4933 5555

Shardul Amarchand Mangaldas & Co.
Prestige Sterling Square, Madras Bank Road
Off Lavelle Road, Bengaluru 560 001
Karnataka, India
Tel: +91 80 6674 9999

Legal Counsel to the BRLMs as to Indian Law

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

International Legal Advisers to the Book Running Lead Managers

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048619
Telephone: +65 6536 1161

Registrar to the Offer

Link Intime India Private Limited
C-101, 247 Park, 1st floor
L B S Marg, Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Telephone: +91 22 4918 6200
E-mail: kims.ipo@linkintime.co.in
Investor grievance E-mail: kims.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration number: INR000004058

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

HDFC Bank Limited
FIG - OPS Department - Lodha,
I Think Techno Campus O-3 Level, Next to Kanjurmarg, Railway Station, Kanjurmarg (East)
Mumbai 400 042
Maharashtra, India
Telephone: +91 22 30752927/28/2914
E-mail: Vincent.Dsouza@hdfcbank.com, Siddharth.Jadhav@hdfcbank.com, Prasanna.Uchil@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Vincent Dsouza, Siddharth Jadhav, Prasanna Uchil
SEBI Registration number: INBI00000063

Statutory Auditors to our Company

S. R. Batliboi & Associates LLP
The Skyview 10, 18th Floor, Zone B,
Survey No. 83/1, Raidurgam, Hyderabad – 500 032
Telangana, India
Telephone: +91 040 61416000
E-mail: srba@srb.in
ICAI Firm Registration Number: 101049W/E300004
Peer Review Number: 011169

Changes in Auditors

Except as disclosed below, there have been no changes in the statutory auditors of our Company during the three years immediately preceding the date of this Prospectus.

Name of the auditors	Date of change	Reason for change
S. R. Batliboi & Associates LLP The Skyview 10, 18th Floor, Zone B, Survey No. 83/1, Raidurgam, Hyderabad – 500 032, Telangana, India **E-mail:** srba@srb.in **ICAI Firm Registration Number:** 101049W/E300004 **Peer Review Number**: 011169	August 8, 2019	Appointment as the Statutory Auditors
B S R & Associates LLP Salarpuria Knowledge City, Orwell, 6th Floor, Unit 3, Survey No. 83/1, Plot No. 2, Raidurg, Hyderabad – 500 081, Telangana, India **E-mail:** vsomani@bsraffiliates.com **ICAI Firm Registration Number:** 116231W/W-100024 **Peer Review Number**: 011719	August 8, 2019	Completion of term of appointment

Bankers to our Company

Federal Bank
Operations Department
Parackal Towers, Parur Junction
Thottakkatukara, Aluva
Kerala 683 102, India
Telephone: +91 424 2752251
E-mail: dhanyad@federalbank.co.in
Website: https://www.federalbank.co.in
Contact Person: Dhanya Dominic

HDFC Bank Limited
1/10/60/3, Suryodaya, Begumpet,
Hyderabad 500 016
Telangana, India
Telephone: +91 40 27766615
E-mail: raghunath.vajrapu@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Raghunath Vajrapu

Standard Chartered Bank
6-3-1090, TSR Towers
Rajbhavan Road, Somajiguda
Hyderabad 600 082
Telangana, India
Telephone: + 91 40 33103368
E-mail: Prem-Narayan.Mohanty@sc.com
Website: https://www.standardchartered.com
Contact Person: Prem Narayan Mohanty

NIIF Infrastructure Finance Limited
(*formerly known as IDFC Infrastructure Limited*)
3rd Floor, UTI Tower, North Wing, GN Block
Bandra Kurla Complex
Bandra East, Mumbai 400 051
Maharashtra, India
Telephone: +91 22 68591300
E-mail: kislaya.sharma@niififl.in
Website: https://www.niififl.in
Contact Person: Kislaya Sharma

Self Certified Syndicate Banks

The list of SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), 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?doRecognisedFpi=yes&intmId=34 on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

SCSBs enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https:// www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as '**Annexure A**' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

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

Broker Centres/Designated CDP Locations/Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time.

Grading of the Offer

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

Monitoring Agency

Our Company has appointed The Federal Bank Limited as the Monitoring Agency for monitoring the utilisation of the Net Proceeds from the Fresh Issue in accordance with Regulation 41 of the SEBI ICDR Regulations.

The Federal Bank Limited
Operations Department
Parackal Towers, Parur Junction
Thottakkatukara, Aluva
Kerala 683 102, India
Telephone: +91 424 2752251
E-mail: dhanyad@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Dhanya Dominic
SEBI Registration number: INBI00000083

Expert

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

Our Company has received written consent dated June 22, 2021 from M/s S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated May 25, 2021, on our Restated Financial Statements ; and (ii) their report dated May 25, 2021, on the 'Statement of special tax benefits' in this Prospectus, and such consent has not been withdrawn as on the date of this Prospectus. However, the term 'expert' shall not be construed to mean an 'expert' as defined under the U.S. Securities Act.

Appraising Entity

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

Credit Rating

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

Trustees

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

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidder on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band and minimum Bid lot were decided by our Company (through the IPO Committee) in consultation with the BRLMs and were advertised in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and Hyderabad edition of Suryaa, a Telugu daily newspaper (Telugu being the regional language of Telangana where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and were made available to the Stock Exchanges for the purposes of uploading on their respective website. The Offer Price was determined by our Company (through the IPO Committee) in consultation with the BRLMs after the Bid/Offer Closing Date.

All Investors (other than Anchor Investors) were mandatorily required to participate in this Offer only through the ASBA process. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors were 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 and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors were not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Except Allocation to Retail Individual Bidders and the Anchor Investors,

Allocation in the Offer has been made on a proportionate basis. For further details on method and process of Bidding, see *"**Offer Procedure**"* "***Offer Structure***" on pages 382 and 379, respectively.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment within six Working Days of the Bid/Offer Closing Date or such other time period as prescribed under applicable law.

Details of price discovery and allocation

For details on price discovery and allocation, see "***Offer Procedure***" on page 382.

Underwriting Agreement

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten by each BRLM shall be as per the Underwriting Agreement. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated June 22, 2021. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be Underwritten*	Amount Underwritten (₹ million)
Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor, Plot No. C – 27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Telephone**: + 91 22 4336 0000; **E-mail:** kims.ipo@kotak.com	1,672,492	1,377.26
Axis Capital Limited 1st Floor, Axis House, C-2, Wadia International Centre, P.B. Marg, Worli Mumbai 400 025, Maharashtra, India **Telephone:** + 91 22 4325 2183; **E-mail:** kims.ipo@axiscap.in	1,672,591	1,377.34
Credit Suisse Securities (India) Private Limited Ceejay House, 10th Floor, Plot F, Shivsagar, Estate, Dr. Annie Besant Road, Worli, Mumbai – 400018, Maharashtra, India **Telephone:** + 91 226777 3777; **E-mail:** list.kimsipo@credit-suisse.com	1,672,591	1,377.34
IIFL Securities Limited 10th Floor, IIFL Center, Kamala City Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013, Maharashtra, India **Tel:** +91 22 4646 4600; **E-mail:** kims.ipo@iiflcap.com	1,672,591	1,377.34
Kotak Securities Limited 27 BKC, Plot No. C-12, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Telephone:** +91 22 6218 5470; **E-mail:** umesh.gupta@kotak.com	100	0.08
Total	**6,690,365**	**5,509.36**

**The indicative number of Equity Shares to be underwritten is calculated excluding the QIB Portion of 19,306,768 Equity Shares*

The abovementioned amounts are provided for indicative purposes only and would be finalised after finalisation of the Basis of Allotment and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s).

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

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Prospectus, is set forth below.

(In ₹, except share data)

		Aggregate nominal value	Aggregate value at Offer Price
A)	**AUTHORISED SHARE CAPITAL**		
	95,000,000 Equity Shares of face value of ₹ 10 each	950,000,000	-
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER**		
	77,593,283 Equity Shares of face value of ₹ 10 each	775,932,830	-
C)	**PRESENT OFFER IN TERMS OF THIS PROSPECTUS**		
	Offer of 25,997,133* Equity Shares of face value of ₹ 10 each	259,971,330	21,437,443,645^
	Of which:		
	Fresh Issue of 2,436,595*# Equity Shares of face value of ₹ 10 each (2)	24,365,950	1,999,999,795
	Offer for Sale of 23,560,538* Equity Shares of face value of ₹ 10 each (3)	235,605,380	19,437,443,850
	Which includes:		
	Employee Reservation Portion of 254,777* Equity Shares of face value of ₹ 10 each^	2,547,770	199,999,945
	Net Offer of 25,742,356* Equity Shares of face value of ₹ 10 each	257,423,560	21,237,443,700
E)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE OFFER**		
	80,029,878* Equity Shares of face value of ₹ 10 each	800,298,780	-
F)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		8,448,103,214
	After the Offer		10,423,737,059

**Subject to finalisation of the Basis of Allotment*

^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion

 # Including 254,777 Equity Shares to be issued under Employee Reservation Portion at a price of ₹ 785 aggregating to ₹ 200.00 million

*(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "**History and Certain Corporate Matters - Amendments to our Memorandum of Association**" on page 198.*

(2) The Fresh Issue has been authorised by our Board pursuant to a resolution passed at its meeting held on February 8, 2021 and authorised by our Shareholders pursuant to their special resolution dated February 10, 2021.

*(3) For details on authorisation of the Selling Shareholders in relation to their respective portion of their Offered Shares, see "**The Offer**" and "**Other Regulatory and Statutory Disclosures**" on pages 61 and 361.*

Notes to Capital Structure

1. **Share Capital History**

(a) History of Equity Share capital of our Company

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and his family members. Subsequently, in February 2003, the entire equity share capital of our Company (then 'Jagjit Singh and Sons Private Limited') was acquired by certain of our Promoters, namely Dr. Bhaskara Rao, and BRMH, along with certain other persons and entities. We have been unable to trace the complete set of corporate resolutions and filings in relation to changes in our issued, subscribed and paid up share capital from incorporation till February 2003. The relevant documents are also not available at the office of the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad (which included inspection of filings of our Company available with the Registrar of Companies, Maharashtra, at Mumbai), as certified by IKR & Associates, Company Secretaries pursuant to their certificate dated June 26, 2017 (the **"RoC Search Report"**), based on the search performed by them. For further details, see ***"History and Certain other Corporate Matters"*** on page 198 and **"*Risk Factors – We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to February 2003*." on page 53.

Consequently, disclosures in relation to changes in our issued, subscribed and paid up share capital from incorporation till January 1987 and from July 26, 2002 to November 15, 2002 have been made in reliance of the minutes of the meetings of our board of directors including July 26, 1973, July 15, 1974, March 25, 1975, January 30, 1976, July 31, 1976, December 27, 1976, March 30, 1977, July 6, 1978, March 3, 1979, January 5, 1994 and February 15, 2003.

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

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/Nature of allotment
July 26, 1973	100	100	100	Cash	Subscription to the MoA(1)

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/Nature of allotment
July 15, 1974	6,500	100	100	Cash	Preferential allotment[2]
March 25, 1975	7,640	100	100	Cash	Preferential allotment[3]
January 30, 1976	500	100	100	Cash	Preferential allotment[4]
July 31, 1976	850	100	100	Cash	Preferential allotment[5]
December 27, 1976	1,950	100	100	Cash	Preferential allotment[6]
March 30, 1977	450	100	100	Cash	Preferential allotment[7]
July 6, 1978	2,010	100	100	Cash	Preferential allotment[8]
March 3, 1979	4,500	100	100	Cash	Preferential allotment[9]
Pursuant to a resolution of our shareholders dated January 5, 1994, the face value per equity share was sub-divided from ₹ 100 to ₹ 10 and accordingly, 24,500 issued equity shares of our Company of ₹ 100 each were split into 245,000 Equity Shares of our Company of ₹ 10 each.					
As at February 15, 2003, the paid up share capital of our Company was ₹ 2,450,000 divided into 245,000 Equity Shares. The issued, subscribed and paid-up share capital as per the balance sheet of our Company as at March 31, 2003 was ₹ 2,450,000 divided into 245,000 Equity Shares. Further, the cumulative issued equity share capital as per the memorandum of understanding and agreement of takeover dated August 22, 2002 and the share transfer deeds issued in February 2003 was ₹ 2,450,000 divided into 245,000 Equity Shares, as well.					
March 29, 2004	696,000	10	95	Cash	Preferential allotment[10]
March 31, 2005	218,500	10	95	Cash	Preferential allotment[11]
September 14, 2005	733,535*	10	95	Cash	Preferential allotment[12]*
December 30, 2006	5,260	10	95	Cash	Preferential allotment[13]
March 29, 2007	375,200	10	121	Cash	Preferential allotment[14]
April 12, 2008	49,685	10	95	Cash	Preferential allotment[15]
February 2, 2009	580,795	10	-	Bonus	Bonus issue in the ratio of 1:4 for Equity Shares held as on January 31, 2009[16] ^
August 14, 2009	97,560	10	205	Cash	Preferential allotment[17]
November 26, 2009	534,194	10	728.20	Cash	Preferential allotment[18]
November 27, 2009	15,106	10	728.20	Cash	Preferential allotment[19]
March 26, 2010	274,649	10	728.20	Cash	Preferential allotment[20]
June 27, 2013	1,275,300	10	-	Other than cash	Allotment pursuant to the 2012 Scheme[21]
October 9, 2013	510,078	10	-	Bonus	Bonus issue in the ratio of 1:10 for Equity Shares held as on September 30, 2013[22] ^
June 26, 2014	228,247	10	1,425.81	Cash	Preferential allotment[23]
October 17, 2014	27,879	10	1,434.72	Cash	Preferential allotment[24]
January 21, 2015	2,933,494	10	-	Bonus	Bonus issue in the ratio of 1:2 for Equity Shares

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/Nature of allotment
					held as on November 29, 2014[25] ^
August 19, 2015	8,800,482	10	-	Bonus	Bonus issue in the ratio of 1:1 for Equity Shares held as on June 24, 2015[26] ^
January 20, 2016	52,802,892	10	-	Bonus	Bonus issue in the ratio of 3:1 for Equity Shares held as on December 23, 2015[27]^
December 14, 2016	328,000	10	250	Cash	Preferential allotment[28]
January 24, 2017	892,740	10	250	Cash	Preferential allotment[29]
June 20, 2018	2,864,956	10	307.16	Cash	Preferential allotment[30]
February 16, 2021	3,103,731	10	307.16	Cash	Conversion of convertible share warrants[31]
Total					**77,593,283**

* *The allotment was made to more than 49 persons, in violation of provisions relating to a public offering of securities under the Companies Act, 1956. We had filed an application with the Regional Director, South East Region, Hyderabad / NCLT seeking to compound the aforesaid violation and have paid the applicable compounding fee. For details, see "**Risk Factors – Our Company had made an allotment of equity shares that was not in compliance with Section 67(3) of the Companies Act, 1956**" on page 40 and "**Outstanding Litigation and Material Developments – Outstanding disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years**" on page 354.*

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

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

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

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

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

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

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

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

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

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

(10) *403,000 Equity Shares were allotted to B. Seenaiah & Co. (Projects) Limited, 73,500 Equity Shares were allotted to Dr. Padma Srikrishna, 8,400 Equity Shares were allotted to Dr. Radhika Chowdary, 24,300 Equity Shares were allotted to Dr. S. Sahariah, 2,600 Equity Shares were allotted to Dr. P.A. Jiwani, 2,600 Equity Shares were allotted to Dr. Shahida P. Jiwani, 3,100 Equity Shares were allotted to Dr. G. Ravikanth, 8,400 Equity Shares were allotted to Dr. M.B.V. Prasad, 800 Equity Shares were allotted to Dr. M.G. Jayan, 8,400 Equity Shares were allotted to Dr. P. Shiva Shankar, 28,900 Equity Shares were allotted to Dr. K.V. Krishna Kumar, 6,300 Equity Shares were allotted to Dr. K.V. Lakshmi, 4,200 Equity Shares were allotted to Dr. Srinath, 5,200 Equity Shares were allotted to K. Haribabu, 63,000 Equity Shares were allotted to Dr. Rajendra Kumar Premchand, 4,200 Equity Shares were allotted to P. Ravinder Reddy, 10,500 Equity Shares were allotted to ISP Sales (Eastern) Private Limited, 500 Equity Shares were allotted to Phanindra Sahariah, 200 Equity Shares were allotted to Jagat Sahariah, 200 Equity Shares were allotted to Sunandra Sahariah, 300 Equity Shares were allotted to Bipul Sahariah, 300 Equity Shares were allotted to Uday Chandra Barua, 300 Equity Shares were allotted to Shamsauddin Ahmed, 300 Equity Shares were allotted to Hem Ch. Kalita, 300 Equity Shares were allotted to Bhanu Sahariah, 300 Equity Shares were allotted to Bhuddin Ram Sahariah, 300 Equity Shares were allotted to Jitin Sahariah, 300 Equity Shares were allotted to Topeshwar Sahariah, 300 Equity Shares were allotted to Munundra Sahariah, 400 Equity Shares were allotted to Kulen Sahariah, 300 Equity Shares were allotted to Bipin Sahariah, 300 Equity Shares were allotted to Abhiram Rajbansi, 300 Equity Shares were allotted to Gunendra Sahariah, 1,000 Equity Shares were allotted to Rajiv Kumar Srivastava, 1,000 Equity Shares were allotted to Alok Sarkar, 1,000 Equity Shares were allotted to Shankar Sharma, 1,000 Equity Shares were allotted to Ajay Kumar Sharma, 1,000 Equity Shares were allotted to Radhey Shyam Sharma, 5,200 Equity Shares were allotted to Protocol Securities Private Limited, 5,200 Equity Shares were allotted to Sonia Sales Private Limited and 18,300 Equity Shares were allotted to G.V. Lakshmi. The original return of allotment for this allotment filed with the RoC incorrectly recorded the amount of premium payable as ₹ 59,116,000 instead of ₹ 59,160,000. We have subsequently filed a rectified return of allotment with the RoC. See "**Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. Further, we have sought for a condonation of delay and compounding from the National Company Law Tribunal, Hyderabad for failure to appoint a company secretary for certain past periods**" on page 52.*

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

(12) *57,405 Equity Shares were allotted to Dr. Bhaskara Rao Bollineni, 398,945 Equity Shares were allotted to B. Seenaiah & Co. (Projects) Limited, 26,050 Equity Shares were allotted to Dr. M. Sambasiva Rao, 2,350 Equity Shares were allotted to Dr. S. Sahariah, 187,365 Equity Shares were allotted to BRMH, 10 Equity Shares were allotted to Dr. A. Bhavani, 15 Equity Shares were allotted to Dr. Padma Srikrishna, 20 Equity Shares were allotted to Dr. Radhika Chowdary, 20 Equity Shares were allotted to Dr. Shahida P. Jiwani, 20 Equity Shares were allotted to Dr. G. Ravikanth, 20 Equity Shares were allotted to Dr. M.B.V Prasad, 40 Equity Shares were allotted to Dr. M.G. Jayan, 20 Equity Shares were allotted to Dr. P. Shiva Shankar, 10 Equity Shares were allotted to Dr. K.V. Lakshmi, 10 Equity Shares were allotted to Dr. Srinath, 60 Equity Shares were allotted to K. Hari Babu, 17,640 Equity Shares were allotted to Rajendra Kumar Premchand, 10 Equity Shares were allotted to P. Ravinder Reddy, 25 Equity Shares were allotted to ISP Sales (Eastern) Private Limited, 25 Equity Shares were allotted to Phanindra Sahariah, 60 Equity Shares were allotted to Jagat Sahariah, 60 Equity Shares were allotted to Sunandra Sahariah, 15 Equity Shares were allotted to Bipul Sahariah, 15 Equity Shares were allotted to Uday Chandra Barua, 15 Equity Shares were allotted to Shamsauddin Ahmed, 15 Equity Shares were allotted to Hem Ch. Kalita, 15 Equity Shares were allotted to Bhanu Sahariah, 15 Equity Shares were allotted to Bhuddin Ram Sahariah, 15 Equity Shares were allotted to Jiten Sahariah, 15 Equity Shares were allotted to Topeshwar Sahariah, 15 Equity Shares were allotted to Munundra Sahariah, 20 Equity Shares were allotted to Kulen Sahariah, 15 Equity Shares were allotted to Bipin Sahariah, 15 Equity Shares were allotted to Abhiram Raj Bansi, 15 Equity Shares were allotted to Gunendra Sahariah, 50 Equity Shares were allotted to Rajiv Kumar Srivastava, 50 Equity Shares were allotted to Alok Sarkar, 50 Equity Shares were allotted to Shankar Sharma, 50 Equity Shares were allotted to Ajay Kumar Sharma, 50 Equity Shares were allotted to Radhey Shyam Sharma, 60 Equity Shares were allotted to Protocol Securities Private Limited, 60 Equity Shares were allotted to Sonia Sales Private Limited, 10 Equity Shares were allotted to V. Suresh, 35 Equity Shares were allotted to Dr. Vijay Kumar, 20 Equity Shares were allotted to A. Subramanyeswara Rao, 50 Equity Shares were allotted to Dr. Sudhakar Kanthamaneni, 40 Equity Shares were allotted to Dr. A. Shekar Reddy, 20 Equity Shares were allotted to Dr. T.N.C. Padmanabhan, 50 Equity Shares were allotted to Bhadreswari Heamo Dyalysis Centre, 60 Equity Shares were allotted to Transimmum, 40 Equity Shares were allotted to Ch. Loka Pavani, 10 Equity Shares were allotted to K. Vijay Kumar, 10 Equity Shares were allotted to M. Mrudula, 20 Equity Shares were allotted to M. Annapurna, 25 Equity Shares were allotted to C. Padmasree, 75 Equity Shares were allotted to C. Poshya, 50 Equity Shares were allotted to C. Ranga Prakash, 15 Equity Shares were allotted to Posh Chemicals Private Limited, 5 Equity Shares were allotted to C.S. Ratna Prasad, 1,680 Equity Shares were allotted to Dr. Husamuddin, 8,420 Equity Shares were allotted to Dr. Narayana, 10,840 Equity Shares were allotted to Dr. V.S.V. Prasad, 10,840 Equity Shares were allotted to Dr. P.V. Chalapati Rao and 10,470 Equity Shares were allotted to Dr. K. Usha Lakshmi Kumari. The original return of allotment filed with the RoC erroneously recorded the number of Equity Shares were allotted as 731,935, instead of 733,535; the nominal amount paid as ₹ 7,319,350 instead of ₹ 7,335,350; the amount of premium as ₹ 62,214,475 instead of ₹ 62,350,475 and erroneously mentioned in the list of allottees annexed to the form that a shareholder 'Dr. Jiwani' had been allotted 20 Equity Shares while no allotment had been made to him. We have subsequently filed a rectified return of allotment with the RoC. See "**Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. Further, we have sought for a condonation of delay and compounding from the National Company Law Tribunal, Hyderabad for failure to appoint a company secretary for certain past periods**" on page 52.*

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

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

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

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

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

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

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

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

(21) *Allotment made to 52 persons in accordance with the order of the High Court of Andhra Pradesh (at Hyderabad) (C.P. 99 of 2012) dated December 27, 2012, in respect of the 2012 Scheme, i.e. scheme of arrangement between BRMH (demerged company), Bollineni Heart Center Limited (transferor company), Krishna Institute of Medical Sciences Limited (transferee company) and their respective shareholders. For further details, see "***History and Certain Corporate Matters - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamation, any revaluation of assets etc. in the last 10 years***" on page 201.*

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

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

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

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

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

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

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

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

Shares were allotted to Pottipochala Laxminarayana, 400 Equity Shares were allotted to Pamulapati Swapna, 4,000 Equity Shares were allotted to Tharakarama Pulicharla, 2,400 Equity Shares were allotted to Parankusham Vidyasagar, 4,000 Equity Shares were allotted to Abdul Fayaz Shaik, 1,600 Equity Shares were allotted to Boggula Srinivas, 800 Equity Shares were allotted to Sama Ashok Reddy, 400 Equity Shares were allotted to S. Lingamaiah Goud, 400 Equity Shares were allotted to S N Goud, 1,600 Equity Shares were allotted to A. Sudarshana Reddy, 2,400 Equity Shares were allotted to K. Sudheer Kumar, 4,400 Equity Shares were allotted to Ranga Rao Javvaji, 2,000 Equity Shares were allotted to Maddinani Saritha, 3,600 Equity Shares were allotted to Vadlamudi Prasad, 20,000 Equity Shares were allotted to Koyagura Balakondaiah, 40,000 Equity Shares were allotted to Vijaya Lakshmi Annadata, 24,000 Equity Shares were allotted to Annadata Kumar Chakravarthy, 70,000 Equity Shares were allotted to S. Vyjayanthi, 40,000 Equity Shares were allotted to Naresh Kumar Reddy Chinnareddyvari, 4,000 Equity Shares were allotted to Narendranath Medha, 2,000 Equity Shares were allotted to Shravan Kumar Reddy Nimma and 6,000 Equity Shares were allotted to Krishna Rao Inturi.

(30) 2,864,956 Equity Shares were allotted to General Atlantic

(31) 3,103,731 Equity Shares were allotted to Dr. Bhaskara Rao Bollineni upon conversion of 3,103,731 convertible share warrants

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

2. ***Equity Shares issued for consideration other than cash***

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

Date of allotment	Number of Equity Shares	Face value (₹)	Issue price (₹)	Reasons for allotment	Allottees	Benefits accrued to our Company
February 2, 2009	580,795	10	-	Bonus issue in the ratio of 1:4	Existing shareholders of our Company as on January 31, 2009	-
June 27, 2013	1,275,300	10	Other than cash	Allotment pursuant to the 2012 Scheme	Allotment made to 52 persons in respect of the 2012 Scheme[#]	Refer to "***History and Certain Corporate Matters - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamation, any revaluation of assets etc. in the last 10 years***" on page 201.
October 9, 2013	510,078	10	-	Bonus issue in the ratio of 1:10	Existing shareholders of our Company as on September 30, 2013	-
January 21, 2015	2,933,494	10	-	Bonus issue in the ratio of 1:2	Existing shareholders of our Company as on November 29, 2014	-
August 19, 2015	8,800,482	10	-	Bonus issue in the ratio of 1:1	Existing shareholders of our Company as on June 24, 2015	-
January 20, 2016	52,802,892	10	-	Bonus issue in the ratio of 3:1	Existing shareholders of our Company as on December 23, 2015	-

*[#]For further details, see "**History and Certain Corporate Matters - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamation, any revaluation of assets etc. in the last 10 years**" on page 201.*

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

3. ***Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013***

Pursuant to the 2012 Scheme, our Company was required to allot (i) six Equity Shares to the shareholders of BRMH, for every 13 equity shares in BRMH held by them; and (ii) nine Equity Shares to the shareholders of BHCL, for every 131 equity shares held by them in BHCL. Consequently, on June 27, 2013, our Company allotted an aggregate of 1,275,300 Equity Shares to the shareholders of BRMH and BHCL. Other than such allotment, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Section 232 of the Companies Act, 2013. For further details, see *"**History and Certain Corporate Matters - Details regarding material acquisition or divestment of business/undertakings, mergers, amalgamation, any revaluation of assets etc. in the last 10 years**"* on page 201.

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

For details on the issue of Equity Shares by our Company in the last two preceding years, see "***Notes to Capital Structure – Share Capital History***" on page 85.

5. ***Equity Shares issued at a price lower than the Offer Price in the last year***

Except for the allotment of 3,103,731 Equity Shares to Dr. Bhaksara Rao Bollineni on February 16, 2021, pursuant to conversion of share warrants at a price of ₹ 307.16, our Company has not issued Equity Shares at a price lower than the Offer Price, during a period of one year preceding the date of this Prospectus.

6. ***History of the Equity Share capital held by our Promoters***

As on the date of this Prospectus, our Promoters hold in aggregate 28,841,886 Equity Shares, constituting 37.17% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

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

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

Name of the Promoter	Date of allotment/transfer/acquisition of Equity Shares	Nature of acquisition/transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/(sale)/ purchase Price per Equity Share (₹)	Percentage (%) to Pre-Offer Paid-up Capital	Percentage (%) to Post-Offer Paid-up Capital
Dr. Bhaskara Rao Bollineni	February 15, 2003	Transfer from Sardar Ajit Singh, Sardar Jagjit Singh and Rajinder Swanni, joint holders	10,000	Cash	10	95	0.01	0.01
	September 14, 2005	Preferential allotment	57,405	Cash	10	95	0.07	0.07
	March 21, 2007	Transfer from B. Seenaiah & Company (Projects) Limited	342,105	Cash	10	95	0.44	0.43
	March 29, 2007	Preferential allotment	117,355	Cash	10	121	0.15	0.15
	April 22, 2007	Transfer from Dr. Rajendra Kumar Premchand	17,640	Cash	10	95	0.02	0.02
	February 2, 2009	Bonus issue in the ratio of 1:4	136,126[(1)]	Bonus	10	-	0.18	0.17
	May 29, 2009	Transfer from Dr. K. Subba Rao	12,936	Gift	10	-	0.02	0.02
	August 1, 2011	Transfer from Dr. M.G. Jayan	1,050	Cash	10	600	Negligible	Negligible
	June 11, 2012	Transfer to IL&FS Trust Company Limited (on account of Milestone Private Equity Fund)	(48,663)	Cash	10	1,150	0.06	0.06
	June 11, 2012	Transfer to Milestone Trusteeship Services Private Limited (on account of Milestone Army Trust)	(1,337)	Cash	10	1,149.96	Negligible	Negligible
	June 27, 2013	Allotment pursuant to the 2012 Scheme	852,100	Other than cash	10	-	1.10	1.06
	October 9, 2013	Bonus issue in the ratio of 1:10	149,672[(2)]	Bonus	10	-	0.19	0.19
	January 21, 2015	Bonus issue in the ratio of 1:2	823,194[(3)]	Bonus	10	-	1.06	1.03
	August 19, 2015	Bonus issue in the ratio of 1:1	2,469,583[(4)]	Bonus	10	-	3.18	3.09
	January 20, 2016	Bonus issue in the ratio of 3:1	14,817,498[(5)]	Bonus	10	-	19.10	18.51
	June 20, 2018	Transfer to General Atlantic	(1,456,500)	Cash	10	307.16	1.88	1.82
	October 12, 2018	Transfer from Naga Chaitanya Nagarkanti	4,000	Cash	10	307.16	0.01	Negligible
	February 16, 2021	Conversion of convertible share warrants	3,103,731	Cash	10	307.16	4.00	3.88
Sub-total			**21,407,895**				**27.59**	**26.75**
Dr. Abhinay Bollineni	June 27, 2013	Allotment pursuant to the 2012 Scheme	2,691	Other than cash	10	-	Negligible	Negligible
	October 9, 2013	Bonus issue in the ratio of 1:10	269	Bonus	10	-	Negligible	Negligible
	January 21, 2015	Bonus issue in the ratio of 1:2	1,480	Bonus	10	-	Negligible	Negligible
	August 19, 2015	Bonus issue in the ratio of 1:1	4,440	Bonus	10	-	0.01	0.01
	November 30, 2015	Transfer from Sunil Apsingi	1,500	Cash	10	333.33	Negligible	Negligible
	January 20, 2016	Bonus issue in the ratio of 3:1	31,140	Bonus	10	-	0.04	0.04
	April 13, 2018	Transfer from G. Ravikanth	4,029	Cash	10	335	0.01	0.01
	February 13, 2019	Transfer from Kuraparthy Sambasivaiah	1,000	Cash	10	307.16	Negligible	Negligible

Name of the Promoter	Date of allotment/transfer/acquisition of Equity Shares	Nature of acquisition/transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue/(sale)/ purchase Price per Equity Share (₹)	Percentage (%) to Pre-Offer Paid-up Capital	Percentage (%) to Post-Offer Paid-up Capital
	November 13, 2020	Transfer from Pamulapati Swapna	750	Cash	10	400	Negligible	Negligible
Sub-total			**47,299**				**0.06**	**0.06**
Rajyasri Bollineni	June 27, 2013	Allotment pursuant to the 2012 Scheme	239,995	Other than cash	10	-	0.31	0.30
	October 9, 2013	Bonus issue in the ratio of 1:10	24,000	Bonus	10	-	0.03	0.03
	January 21, 2015	Bonus issue in the ratio of 1:2	131,997	Bonus	10	-	0.17	0.16
	August 19, 2015	Bonus issue in the ratio of 1:1	395,992	Bonus	10	-	0.51	0.49
	January 20, 2016	Bonus issue in the ratio of 3:1	2,375,952	Bonus	10	-	3.61	2.97
	June 20, 2018	Transfer to General Atlantic	(1,050,000)	Cash	10	-	1.35	1.31
	August 9, 2018	Transfer from Garipali Ravinath	15,000	Cash	10	307.16	0.02	0.02
	August 10, 2018	Transfer from Neena Desai	10,000	Cash	10	307.16	0.01	0.01
	September 4, 2018	Transfer from Darshan Jayantilal Rathod	2,000	Cash	10	307.16	Negligible	Negligible
	October 12, 2018	Transfer from V Subhashini	5,000	Cash	10	307.16	0.01	0.01
Sub-total			**2,149,936**				**2.77**	**2.69**
Adwik Bollineni	September 9, 2015	Transfer from Mandava Anil	1,016	Cash	10	459.77	Negligible	Negligible
	October 15, 2015	Transfer from Mandava Anil	1,016	Cash	10	459.77	Negligible	Negligible
	January 20,2016	Bonus issue in the ratio of 3:1	6,096	Bonus	10	-	0.01	0.01
Sub-total			**8,128**				0.01	0.01
BRMH	February 15, 2003	Transfer from Sardar Ajit Singh, Sardar Jagjit Singh and Rajinder Swanni, joint holders	17,500	Cash	10	95	0.02	0.02
	February 15, 2003	Transfer from Vimla Swanni, Sardar Jagjit Singh and Sardar Ajit Singh, joint holders	32,500	Cash	10	95	0.04	0.04
	September 14, 2005	Preferential allotment	187,365	Cash	10	95	0.24	0.23
	February 2, 2009	Bonus issue in the ratio of 1:4	59,341	Bonus	10	-	0.08	0.07
	August 14, 2009	Preferential allotment	97,560	Cash	10	205	0.13	0.12
	October 9, 2013	Bonus issue in the ratio of 1:10	39,427	Bonus	10	-	0.05	0.05
	October 17, 2014	Transfer to EIF	(33,640)	Cash	10	1,434.72	0.04	0.04
	January 21, 2015	Bonus issue in the ratio of 1:2	200,026	Bonus	10	-	0.26	0.25
	August 19, 2015	Bonus issue in the ratio of 1:1	600,079	Bonus	10	-	0.77	0.75
	January 20, 2016	Bonus issue in the ratio of 3:1	3,600,474	Bonus	10	-	4.64	4.50
	April 26, 2019	Transfer from Talluru Giri	3,32,327	Cash	10	360	0.43	0.42
	May 3, 2019	Transfer from Gadde P Sri Samhitha	29,984	Cash	10	360	0.04	0.04
	September 6, 2019	Transfer from Srinivasa Satyakumar Gogineni	36,660	Cash	10	380	0.05	0.05
	October 18, 2019	Transfer from Nandakishore Dukkipati	29,025	Cash	10	380	0.04	0.04
Sub-total			**5,228,628**				**6.74**	**6.53**
Total			**28,841,886**				**37.17**	**36.04**

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

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

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

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

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

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

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

Dr. Bhaskara Rao Bollineni had pledged 6,628,528 Equity Shares held by him in our Company in favour of YES Bank Limited as security for the facility granted by YES Bank Limited pursuant to a term loan agreement dated October 5, 2018 entered into between Dr. Bhaskara Rao Bollineni, Aditya Educational Society and IDBI Trusteeship Services Limited. The pledge on 6,628,528 Equity Shares created in favour of YES Bank Limited has been released on May 24, 2021 and shall be repledged immediately upon creation of lock-in on the Equity Shares upon allotment and in no instance later than the date of listing of the Equity Shares on the Stock Exchanges pursuant to the Offer.

Dr. Bhaskara Rao Bollineni has pledged 3,732,237 Equity Shares held by him in our Company in favour of IIFL Wealth Prime Limited as security for the facility granted by IIFL Wealth Prime Limited pursuant to a loan against security facility dated February 10, 2021 entered into between Dr. Bhaskara Rao Bollineni and IIFL Wealth Prime Limited. The pledge on 3,732,237 Equity Shares created in favour of IIFL Wealth Primie Limited has been released on May 25, 2021.

Further, Dr. Bhaskara Rao Bollineni had pledged 7,44,896 Equity Shares held by him in our Company in favour of Kiran Vyapar Limited as security for the facility granted by Kiran Vyapar Limited pursuant to a facility agreement dated August 30, 2019 entered into between Dr. Bhaskara Rao Bollineni, Kiran Vyapar Limited and Catalyst Trusteeship Limited. The pledge on 7,44,896 Equity Shares created in favour of Kiran Vyapar Limited has been released on May 24, 2021.

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

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

S No.	Name of shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage of pre-Offer Equity Share capital (%)	No. of Equity Shares	Percentage of post-Offer Equity Share capital (%)
Promoters					
1.	Dr. Bhaskara Rao Bollineni*	21,407,895	27.59	21,019,929	26.27
2.	BRMH	5,228,628	6.74	4,840,662	6.05
3.	Rajyasri Bollineni*	2,149,936	2.77	1,374,003	1.72
4.	Dr. Abhinay Bollineni	47,299	0.06	47,229	0.06
5.	Adwik Bollineni	8,128	0.01	8,128	0.01
Subtotal (A)		**28,841,886**	**37.17**	**27,290,021**	**34.10**
Promoter Group					
1.	Seenaiah Bollineni	4,582,517	5.91	34,18,618	4.27
2.	Aishwarya Bollineni	2,683,272	3.46	16,14,90	0.20
3.	Krishnaiah Bollineni	173,944	0.22	173,944	0.22
4.	Sujatha Bollineni	34,386	0.04	34,386	0.04
5.	Sweata Raavi	7,845	0.01	7,845	0.01
Subtotal (B)		**7,481,964**	**9.64**	**3,796,283**	**4.74**
Total (A+B)		**36,323,850**	**46.81**	**31,086,303**	**38.84**

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

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

c) Details of Promoters' contribution and lock-in

In accordance with Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of three years as minimum Promoters' contribution from the date of Allotment and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of three years from the date of Allotment are set forth below.

Name of the Promoter	No. of Equity Shares locked-in*	Date of allotment of Equity Shares and when made fully paid-up #	Face Value per Equity Share (₹)	Offer/Acquisition price per Equity Share (₹)	Nature of transaction	Percentage of the pre- Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Dr. Bhaskara Rao Bollineni	11,200,000	January 20, 2016	10	Nil	Bonus issue in the ratio of 3:1	14.43%	13.99%	three years from the date of Allotment
BRMH	12,087	October 9, 2013	10	Nil	Bonus issue in the ratio of 1:10	0.02%	0.02%	three years from the date of Allotment
	200,026	January 21, 2015	10	Nil	Bonus issue in the ratio of 1:2	0.26%	0.25%	
	600,079	August 19, 2015	10	Nil	Bonus issue in the ratio of 1:1	0.77%	0.75%	
	3,600,474	January 20, 2016	10	Nil	Bonus issue in the ratio of 3:1	4.64%	4.50%	
	332,327	April 26, 2019	10	360	Transfer from Talluru Giri	0.43%	0.42%	
	29,984	May 3, 2019	10	360	Transfer from Gadde P Sri Samhitha	0.04%	0.04%	
	36,660	September 6, 2019	10	380	Transfer from Srinivasa Satyakumar Gogineni	0.05%	0.05%	
	29,025	October 18, 2019	10	380	Transfer from Nandakishore Dukkipati	0.04%	0.04%	
Total	**16,040,662**					**20.67%**	**20.04%**	

 # All Equity Shares allotted to our Promoters were fully paid-up at the time of allotment.
**Subject to finalisation of Basis of Allotment.*

Our Company undertakes that the Equity Shares that shall be locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- ***History of the Equity Share Capital held by our Promoters***" on page 91.

In this connection, we confirm the following:

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

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

(iii) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

(iv) None of the Equity Shares held by our Promoters to be considered for minimum Promoters' contribution are pledged.

(v) All the Equity Shares held by our Promoters are in dematerialised form.

7. ***Other lock-in requirements***

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, and pursuant to Regulation 17 of the SEBI ICDR Regulations the entire pre-Offer Equity Share capital of our Company, other than the Equity Shares which are successfully transferred as part of the Offer for Sale and any unsubscribed portion of the Offer for Sale by the Selling Shareholders, will be locked-in for a period of one year from the date of Allotment. Further, pursuant to Regulation 17(c) of the SEBI ICDR Regulations, the entire pre-Offer shareholding of IAF S4 I and Dynamic India Fund S4 US I shall be locked-in for a period of one year from the date of purchase of the Equity Shares by them, being June 21, 2021.

(ii) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' contribution from the date of filing of the Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

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

(iv) 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.

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

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

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

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

Lock-in of Equity Shares Allotted to Anchor Investors

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

9. ***Our shareholding pattern***

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

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding a % of total no of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class	Class	Total	Total as a % of (A+B+C)							
(A)	**Promoters and Promoter Group**	10	3,63,23,850	-	-	3,63,23,850	46.81	3,63,23,850	-	3,63,23,850	46.81	-	46.81	-	-	-	-	36,323,850
(B)	**Public**	259	4,12,69,433	-	-	4,12,69,433	53.19	4,12,69,433	-	4,12,69,433	53.19	-	53.19	-	-	-	-	41,072,911
(C)	**Non Promoter-Non Public**																	
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A) + (B) + (C)	**269**	**7,75,93,283**	**-**	**-**	**7,75,93,283**	**100.00**	**7,75,93,283**	**-**	**7,75,93,283**	**100.00**	**-**	**100.00**	**-**	**-**	**-**	**-**	**77,396,761**

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

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.

Name	No. of Equity Shares	% of pre-Offer Equity Share capital (%)
Dr. Bhaskara Rao Bollineni	21,407,895	27.59
Dr. Abhinay Bollineni	47,299	0.06
Vikas Maheshwari	10,000	0.01
Umashankar Mantha	2,000	Negligible
Total	**21,467,194**	**27.67**

11. As on the date of this Prospectus, our Company has 269 Shareholders.

12. ***Details of shareholding of the major Shareholders of our Company***

(a) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Prospectus:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	General Atlantic	29,800,513*	38.41
2.	Dr. Bhaskara Rao Bollineni	21,407,895	27.59
3.	BRMH	5,228,628	6.74
4.	Seenaiah Bollineni	4,582,517	5.91
5.	Aishwarya Bollineni	2,683,272	3.46
6.	Rajyasri Bollineni	2,149,936	2.77
7.	India Advantage Fund S4 I	1,784,242	2.30
8.	Rajendra Kumar Premchand	1,136,000	1.46
9.	Venkata Krishna Kumar Kodali	1,060,560	1.37
10.	Sahariah Sarbeswar	810,855	1.05
	Total	**70,644,418**	**91.06**

* *Pursuant to share purchase agreement dated June 11, 2021 General Atlantic transferred 1,784,242 and 155,151 Equity Shares held by it to IAF S4 I and Dynamic India Fund S4 US I, respectively.*

(b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of 10 days prior to the date of this Prospectus:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	General Atlantic	31,739,906	40.91
2.	Dr. Bhaskara Rao Bollineni	21,407,895	27.59
3.	BRMH	5,228,628	6.74
4.	Seenaiah Bollineni	4,582,517	5.91
5.	Aishwarya Bollineni	2,683,272	3.46
6.	Rajyasri Bollineni	2,149,936	2.77
7.	Rajendra Kumar Premchand	1,136,000	1.46
8.	Venkata Krishna Kumar Kodali	1,060,560	1.37
9.	Sahariah Sarbeswar	810,855	1.05
	Total	**70,799569**	**91.24**

(c) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Prospectus:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	General Atlantic	31,739,906	40.91
2.	Dr. Bhaskara Rao Bollineni	18,304,164	23.59
3.	BRMH	5,228,628	6.74
4.	Seenaiah Bollineni	4,582,517	5.91
5.	Aishwarya Bollineni	2,683,272	3.46
6.	Rajyasri Bollineni	2,149,936	2.77
7.	Rajendra Kumar Premchand	1,136,000	1.46
8.	Venkata Krishna Kumar Kodali	1,060,560	1.37
9.	Sahariah Sarbeswar	810,855	1.05
	Total	**67,695,838**	**87.24**

(d) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Prospectus:

S. No.	Shareholder	Number of Equity Shares held	Percentage of pre-Offer Equity Share capital (%)
1.	General Atlantic	31,739,906	40.91
2.	Dr. Bhaskara Rao Bollineni	18,304,164	23.59
3.	Seenaiah Bollineni	4,582,517	5.91
4.	BRMH	5,162,943	6.65
5.	Aishwarya Bollineni	2,683,272	3.46
6.	Rajyasri Bollineni	2,149,936	2.77
7.	Rajendra Kumar Premchand	1,136,000	1.46
8.	Venkata Krishna Kumar Kodali	1,060,560	1.37
9.	Sahariah Sarbeswar	810,855	1.05
	Total	**67,630,153**	**87.17**

13. Our Company does not have any employee stock option or purchase schemes.

14. Except for the allotment of 3,103,731 Equity Shares to Dr. Bhaksara Rao Bollineni on February 16, 2021, pursuant to conversion of share warrants, and purchase of 750 Equity Shares by Dr. Abhinay Bollineni in November 13, 2020, neither our Promoters, nor any of the members of our Promoter Group, Directors or any of their relatives have sold or purchased any Equity Shares of our Company during the six months preceding the date of the Red Herring Prospectus.

15. There have been no financing arrangements whereby members of the Promoter Group, our Directors or any of their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business during a period of six months immediately preceding the date of filing of the Draft Herring Prospectus the Red Herring Prospectus and this Prospectus.

16. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangement for purchase of Equity Shares being offered through this Offer.

17. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Prospectus. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

18. The BRLMs and their respective associates (as defined under the SEBI (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this Prospectus.

19. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Prospectus.

20. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholders, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

21. 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 the date of filing of this 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.

22. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares.

23. 254,777 Equity Shares aggregating to ₹ 200.00 million (which does not exceed 5% of the post-Offer equity share capital of our Company) were reserved for allocation to Eligible Employees under the Employee Reservation Portion, subject to valid Bids having been received at or above the Offer Price. Only Eligible Employees were eligible to apply in this Offer under the Employee Reservation Portion. Bids by Eligible Employees could also be made in the Net Offer and such Bids were not treated as multiple Bids. Unless the Employee Reservation Portion was undersubscribed, the value of allocation to an Eligible Employee could not exceed ₹ 200,000.00. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion could be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹ 200,000.00 up to ₹ 500,000.00.

24. The BRLMs and any person related to the BRLMs or Syndicate Member have not applied in the Offer under the Anchor Investor Portion, except for Mutual Funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or a FPI (other than individuals, corporate bodies and family

offices) sponsored by entities which are associate of the BRLMs.

25. There have been no transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Red Herring Prospectus and the date of closure of the Offer.

26. Our Company has not issued any Equity Shares out of its revaluation reserves or unrealised profits since February 2003. To the extent ascertainable from available corporate records and minutes, no equity shares were issued out of revaluation reserves or unrealised profits prior to February 2003. For further details on records of documents relating to corporate actions undertaken by our Company prior to February 2003, refer to "- ***History of Equity Share capital of our Company***" on page 85.

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

28. **Other Matters**

IAF S4 I, Dynamic India Fund S4 US I and General Atlantic entered into a share purchase agreement ("**General Atlantic SPA**") dated June 11, 2021 to transfer 1,784,242 and 155,151 Equity Shares held by General Atlantic to IAF S4 I and Dynamic India Fund S4 US I, respectively. The transfers contemplated under the General Atlantic SPA were undertaken at a transfer price of ₹ 825 per Equity Share on June 21, 2021 in accordance with the terms of the General Atlantic SPA.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue of 2,436,595[*#] Equity Shares, aggregating to ₹ 2,000.00 million by our Company and an Offer for Sale of 23,560,538[*] Equity Shares, aggregating to ₹ 19,437.44 million by the Selling Shareholders.

**Subject to finalisation of the Basis of Allotment*
[#]including 254,777 Equity Shares to be issued under Employee Reservation Portion at a price of ₹ 785 aggregating to ₹ 200.00 million

The Offer for Sale

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholders. Each of the Selling Shareholders will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses. Other than the listing fees for the Offer and expense on account of corporate advertisements of our Company which shall be solely borne by the Company, all cost, fees and expenses in respect of the Offer will be shared amongst our Company and the Selling Shareholders, respectively, in proportion to the proceeds received for the Fresh Issue and their respective portion of Offered Shares, as may be applicable, upon the successful completion of the Offer.

The Fresh Issue

Our Company proposes to utilise the funds which are being raised through the Fresh Issue, to ₹ 2,000.00 million, after deducting the Offer related expenses to the extent payable by our Company with respect to the Fresh Issue, towards funding the following objects (collectively, referred to herein as the "**Objects**"):

1. repayment/pre-payment, in full or part, of certain borrowings availed by our Company and by our Subsidiaries viz KHKPL, SIMSPL and KHEPL; and

2. general corporate purposes.

In addition to the aforementioned Objects, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges. The listing of our Equity Shares is intended to enhance our visibility and brand name amongst existing and potential customers.

The main objects clause as set out in the MoA enables our Company to (i) undertake our existing activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

Net Proceeds

The details of the Net Proceeds are summarised in the table below:

(in ₹ million)

Particulars	Estimated Amount
Gross proceeds of the Fresh Issue	2,000.00
(Less) Offer expenses to the extent applicable to the Fresh Issue (only those apportioned to our Company)*	83.40
Net Proceeds	**1,916.60**

See " - **Offer Related Expenses " below.*

Requirement of funds and Utilisation of Net Proceeds

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

(in ₹ million)

Particulars	Estimated Amount
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company and by our Subsidiaries *viz* KHKPL, SIMSPL and KHEPL	1,500.00
General corporate purposes[*]	416.60
Total	**1,916.60**

** The amount utilised for general corporate purposes does not exceed 25% of the Net Proceeds.*

Proposed Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are to be deployed in accordance with the schedule set forth below:

(in ₹ million)

Particulars	Amount proposed to be financed from Net Proceeds	Estimated Utilisation of Net Proceeds
		Fiscal 2022
Repayment/pre-payment, in full or part, of certain borrowings availed by our Company and our Subsidiaries viz KHKPL, SIMSPL and KHEPL	1,500.00	1,500.00
General corporate purposes*	416.60	416.60
Total	**1,916.60**	**1,916.60**

** The amount utilised for general corporate purposes does not exceed 25% of the Net Proceeds.*

Means of Finance

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals. We expect that such alternate arrangements to be available to fund any such shortfalls.

The above fund requirements are based on internal management estimates of amounts outstanding under certain borrowings availed by our Company, and our Subsidiaries *viz.* KHKPL, SIMSPL and KHEPL, interest rates and other charges, and the financing and other agreements entered into by our Company and our Subsidiaries *viz.* KHKPL, SIMSPL and KHEPL and have not been appraised by any bank or financial institution or independent agency or verified by the BRLMs. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further information on factors that may affect these estimates, see "***Risk Factors - The objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Prospectus would be subject to certain compliance requirements, including prior shareholders' approval***" on page 51.

As the entire requirement of funds for the Objects of the Fresh Issue are proposed to be met from the Net Proceeds, we confirm that there is no requirement to make firm arrangements of finance towards at least 75% of the stated means of finance through verifiable means, excluding the amount to be raised through the Fresh Issue. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations.

Details of the Objects of the Fresh Issue

1. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company and our Subsidiaries viz KHKPL, SIMSPL and KHEPL

We avail majority of our fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. For further information on the financial indebtedness availed by our Company and our Subsidiaries, see "***Financial Indebtedness***" on page 315.

As of March 31, 2021, our Company had total secured borrowings (current and non-current (including current maturities)) of ₹2,204.68 million and total unsecured borrowings (current and non-current (including current borrowings)) of ₹ 500.00 million. Our Company proposes to utilise an aggregate amount of ₹ 1,500.00 million from the Net Proceeds towards repayment/pre-payment, in full or in part, of certain secured borrowings as identified below, availed by our Company and our Subsidiaries viz KHKPL, SIMSPL and KHEPL. The selection and extent of loans proposed to be prepaid and/or repaid from our Company's or respective Subsidiaries loans mentioned below, as the case may be, will be based on various commercial considerations including, amongst others, the interest rate of the relevant loan, prepayment charges, the amount of the loan outstanding and the remaining tenor of the loan. Given the nature of these borrowings, the terms of prepayment and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company or our Subsidiaries, as the case may be, may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to receipt of proceeds from the Fresh Issue. The prepayment or scheduled repayment will help us reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, the improvement in the debt to equity ratio of our Company or the respective Subsidiary, as the case may be, is intended to enable it to raise further resources in the future to fund potential business development opportunities and plans to grow and expand the business in the future.

The following table provides details of certain outstanding secured loans availed by our Company as on March 31, 2021 which we propose to prepay or repay, in full or in part, from the Net Proceeds without any obligation to any banks/financial institutions:

(in ₹ million)

Lender	Nature and purpose of loan facility availed	Principal loan amount sanctioned as on March 31, 2021	Rate of interest as on March 31, 2021 (% p.a.)	Repayment Schedule*	Prepayment Penalty	Principal loan amount outstanding as on March 31, 2021	Purpose for which disbursed loan amount was utilised
NIIF Infrastructure Finance Limited (formerly known as IDFC Infra Debt Fund Limited) **	Term loan	1,350.00	9.10	96 monthly instalments from January 31, 2019 to December 31, 2025	1.00%	580.35	Refinancing of existing loans and capital expenditure
Federal Bank Limited**	Term loan	360.00	8.85	60 monthly instalments from August 17, 2019 to August 31, 2024	-	210.00	Capital expenditure

**The repayment schedule is based on the total sanctioned amount for each of the financing arrangements.*

Brief details on the business and financial information of our Subsidiaries, KHKPL, KHEPL and SIMSPL are stated below:

*KIMS Hospital Kurnool Private Limited ("**KHKPL**")*

KHKPL runs a multi-specialty hospital at Kurnool in Andhra Pradesh with a total of 200 beds, all of which were operational beds as on March 31, 2021. In Fiscal Years 2021 and 2020, KHKPL had 9,185 and 10,464 aggregate admissions, primarily in the areas of mother & child, cardiac sciences, renal sciences, gastric sciences, orthopaedics, neuro sciences. For more details on business of KHKPL, see "***Our Business – KIMS Kurnool***" on page 180.

As on the date of this Prospectus, our Company holds 3,300,000 equity shares of KHKPL aggregating to 55.00% of the total equity holding of KHKPL.

KHKPL avails majority of its fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. A summary of the financial information derived from the standalone audited financial results of KHKPL for the financial years 2021, 2020 and 2019 is as follows:

(in ₹ million, except otherwise stated)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity capital	60.00	60.00	60.00
Reserves and surplus (excluding revaluation reserves)	(226.90)	(175.07)	(94.53)
Secured borrowings	528.39	432.68	243.01
Unsecured borrowings	75.60	79.40	96.27
Sales	524.46	409.82	201.52
Profit/(loss) after tax	(51.79)	(93.26)	(54.81)

*KIMS Hospital Enterprises Private Limited ("**KHEPL**")*

KHEPL runs a multispecialty hospital at Kondapur in Telangana with a total of 200 beds, including 150 operational beds as on March 31, 2021. In Fiscal Years 2021 and 2020, KIMS Kondapur had 9,269 and 11,909 aggregate admissions, primarily in the areas of mother & child (KIMS Cuddles Program), cardiac sciences, renal sciences, gastric sciences, neuro sciences, orthopaedics and oncology. For more details on business of KHEPL, see "***Our Business – KIMS Kondapur***" on page 179.

As on the date of this Prospectus, our Company holds 21,272,857 equity shares of KHEPL aggregating to 86.67% of the total equity holding of KHEPL.

KHEPL avails majority of its fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. A summary of the financial information derived from the standalone audited financial results of KHEPL for the financial years 2021, 2020 and 2019 is as follows:

(in ₹ million, except otherwise stated)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity capital	245.45	245.45	245.45
Reserves and surplus (excluding revaluation reserves)	388.69	231.25	120.85
Secured borrowings	152.88	239.56	327.97
Unsecured borrowings	-	-	2.71

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019
Sales	1,638.88	1,422.43	1,184.71
Profit/(loss) after tax	158.33	114.57	55.79

*Saveera Institute of Medical Science Private Limited ("**SIMSPL**")*

SIMSPL runs a multi-specialty hospital at Anantapur in Andhra Pradesh with a total of 250 beds, including 215 operational beds as on March 31, 2021. In Fiscal Years 2021 and 2020, SIMSPL had 10,654 and 10,394 aggregate admissions, primarily in the areas of cardiac sciences, orthopaedics, renal sciences, neuro sciences, mother & child and gastric sciences. For more details on business of SIMSPL, see "***Our Business – KIMS Anantapur***" on page 180.

As on the date of this Prospectus, our Company holds 8,000 equity shares of SIMSPL aggregating to 80.00% of the total equity holding of SIMSPL. Further, our Company also holds 30,990,000 preference shares of SIMSPL aggregating to 100.00% of the total preference share holding of SIMSPL.

SIMSPL avails majority of its fund based and non-fund based facilities in the ordinary course of business from various banks and financial institutions. A summary of the financial information derived from the standalone audited financial results of SIMSPL for the financial years 2021, 2020 and 2019 is as follows:

(in ₹ million, except otherwise stated)

Particulars	Fiscal 2021	Fiscal 2020	Fiscal 2019[(1)]
Equity capital	0.10	0.10	0.10
Reserves and surplus (excluding revaluation reserves)	(94.06)	(45.33)	(15.42)
Secured borrowings	621.45	535.78	544.75
Unsecured borrowings	30.00	60.00	37.00
Sales	694.72	585.10	229.36
Profit/(loss) after tax	(48.59)	(31.04)	(33.37)

Note:
(1)Company was operational for 6 months in FY 2019.

The audited standalone financial statements of KHKPL, KHEPL and SIMSPL as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, are available at https://www.kimshospitals.com/stakeholder-relations. The audited standalone financial statements and the related reports of KHKPL, KHEPL and SIMSPL 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 Group or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the audited standalone financial statements of KHKPL, KHEPL and SIMSPL or the opinions expressed therein.

The following table provides details of certain outstanding secured loans availed by KHKPL, SIMSPL and KHEPL as on March 31, 2021, which we propose to prepay or repay, in full or in part, from the Net Proceeds without any obligation to any banks/financial institutions:

Loans availed by KHKPL[**]:

(in ₹ million)

Lender	Nature and purpose of loan facility availed	Principal loan amount sanctioned as on March 31, 2021	Rate of interest as on March 31, 2021 (% p.a.)	Repayment Schedule*	Prepayment Penalty	Principal loan amount outstanding as on March 31, 2021	Purpose for which disbursed loan amount was utilised
HDFC Bank Limited	Term loan	177.00	9.05	60 monthly instalments from June 1, 2019 to May 1, 2024	2.00%, if prepaid within 2 years of the first date of repayment	120.90	Refinancing of existing loans
	Term loan	18.00	9.05	60 monthly instalments from June 1, 2019 to May 1, 2024	2.00%, if prepaid within 2 years of the first date of repayment	12.30	Refinancing of existing loans
	Term loan	150.00	8.55	104 monthly instalments from September 1, 2019 to April 1, 2028	2.00%, if prepaid within 2 years of the first date of repayment	150.00	Capital expenditure

Lender	Nature and purpose of loan facility availed	Principal loan amount sanctioned as on March 31, 2021	Rate of interest as on March 31, 2021 (% p.a.)	Repayment Schedule*	Prepayment Penalty	Principal loan amount outstanding as on March 31, 2021	Purpose for which disbursed loan amount was utilised
	Term loan	135.00	9.05	106 monthly instalments from June 1, 2021 to March 1, 2028	2.00%, if prepaid within 2 years of the first date of repayment	135.00	Refinancing of existing loans
Total						418.20	

** The repayment schedule is based on the total sanctioned amount for each of the financing arrangements.*

*Loans availed by SIMSPL**:*

(in ₹ million)

Lender	Nature and purpose of loan facility availed	Principal loan amount sanctioned as on March 31, 2021	Rate of interest as on March 31, 2021 (% p.a.)	Repayment Schedule*	Prepayment Penalty	Principal loan amount outstanding as on March 31, 2021	Purpose for which disbursed loan amount was utilised
HDFC Bank Limited	Term loan	450.00	8.6	142 monthly instalments from November 1, 2018 To August 1, 2030	2.20%, if prepaid within 2 years of the first date of repayment	419.75	Refinancing of existing loans and capital expenditure
	Term loan	50.00	8.6	141 monthly instalments from January 15, 2019 to September 15, 2030	2.20%, if prepaid within 2 years of the first date of repayment	47.26	Capital expenditure
	Term loan	30.00	8.6	72 monthly instalments from March 15, 2020 to February 15, 2026	2.20%, if prepaid within 2 years of the first date of repayment	25.72	Capital expenditure
Total						492.73	

** The repayment schedule is based on the total sanctioned amount for each of the financing arrangements.*

*Loans availed by KHEPL**:*

(in ₹ million)

Lender	Nature and purpose of loan facility availed	Principal loan amount sanctioned as on March 31, 2021	Rate of interest as on March 31, 2021 (% p.a.)	Repayment Schedule*	Prepayment Penalty	Principal loan amount outstanding as on March 31, 2021	Purpose for which disbursed loan amount was utilised
HDFC Bank Limited	Term loan	227.55	9	48 monthly instalments from November 1, 2020 to November 1, 2024	Standard prepayment penalties apply if prepaid within 6 months of the first date of repayment	150.30	Refinancing of existing loans

** The repayment schedule is based on the total sanctioned amount for each of the financing arrangements.*

***Our Company has obtained the requisite certificates in accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the statutory auditor, certifying the utilisation of loan for the purposes availed.*

For further information on the terms and conditions of these financing arrangements, see "***Financial Indebtedness***" on page 315.

To the extent that Net Proceeds of the Offer are utilised to repay/ pre-pay any of the loans availed by KHKPL, SIMSPL and KHEPL, our Company shall deploy the Net Proceeds of the Offer in KHKPL, SIMSPL and KHEPL in the form of unsecured loan issued by our Company to KHKPL, SIMSPL and KHEPL, respectively.

Our Company, KHKPL, SIMSPL and KHEPL will approach the lenders after completion of this Offer for repayment/prepayment of the above loans. Our Company has obtained written consents from the relevant lenders for undertaking various actions in relation to the Offer, such as changes to the Company's Board, capital structure etc. For further details in respect of the consents received from our lenders for undertaking the Offer, please see *"**Risk Factors - Our indebtedness and the conditions and restrictions imposed by our financing arrangements may limit our ability to grow our business and adversely impact our business**"* on page 32 of this Prospectus. The amounts under the loan facilities may be dependent on various factors and may include intermediate repayments and drawdowns. Accordingly, it may be possible that amount outstanding under the loan facilities may vary from time to time. We may, from time to time, repay, refinance, enter into further financing arrangements or draw down funds from any such existing term loan facilities. In such event, we may utilise the Net Proceeds towards repayment/pre-payment of any existing or additional indebtedness which will be selected based on various commercial considerations including, amongst others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan, any conditions attached to the borrowings restricting our ability to pre-pay/repay the borrowings, receipt of consents for pre-payment from the respective lenders, as applicable and applicable law governing such borrowings.

We may be required to obtain the prior consent of or notify certain of our lenders prior to the repayment. Further, we may be subject to the levy of pre-payment penalties or premiums, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable. Payment of pre-payment penalty or premium, if any, shall be made by our Company, KHKPL, SIMSPL and KHEPL from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such pre-payment penalties or premiums, such excessive amount shall be met from internal accruals of the respective company.

2. *General corporate purposes*

The Net Proceeds will first be utilised for repayment/pre-payment, in full or part, of certain borrowings availed by our Company, as set out above. Subject to this, our Company intends to deploy any balance left out of the Net Proceeds towards general corporate purposes and the business requirements of our Company and our Subsidiaries, as approved by our Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Net Proceeds of the Fresh Issue, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include capital expenditure, strategic initiatives, partnerships, joint ventures and acquisitions, meeting fund requirements which our Company may face in the ordinary course of business, investments into our Subsidiaries, part or full repayment/prepayment of debt of our Company or any of our Subsidiaries, and meeting working capital requirements incurred in the ordinary course of business towards salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance and the payment of taxes and duties and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act 2013. Our management will have the flexibility in utilising surplus amounts, if any, as may be approved by the Board or a duly appointed committee from time to time. In case of variation in the actual utilisation of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes, set out above.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹ 893.55 million. The expenses of this Offer include, amongst others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Escrow Collection Banks and Sponsor Bank to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The estimated Offer expenses are as follows:

S. No	Activity	Estimated amount* (*in ₹ million*)	As a % of total estimated offer Expenses*	As a % of Offer Size*
1.	Fees payable to the BRLMs (including underwriting commission, brokerage and selling commission payable to members of the syndicate)	596.99	66.81%	2.78%
2.	Selling commission and processing fees for SCSBs [(1)(2)] and Bidding Charges[(3)(4)] for Members of the Syndicate, Registered Brokers[(5)], RTAs and CDPs	28.41	3.18%	0.13%
3.	Fees payable to the Registrar to the Offer	10.25	1.15%	0.05%
4.	Other expenses:		0.00%	0.00%
	(i) Listing fees, SEBI filing fees, book building software fees and other regulatory expenses	68.47	7.66%	0.32%

S. No	Activity	Estimated amount* (*in ₹ million*)	As a % of total estimated offer Expenses*	As a % of Offer Size*
(ii)	Printing and stationery expenses, advertising and marketing expenses for the Offer and fees payable to the legal counsels	65.04	7.28%	0.30%
(iii)	Other Advisors to the Offer	109.37	12.24%	0.51%
(iv)	Miscellaneous	15.02	1.68%	0.07%
Total Estimated Offer Expenses		**893.55**	**100.00%**	**4.17%**

** All the above expenses are inclusive of all applicable taxes.*

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

*Portion for Retail Individual Bidders**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Investors**	*0.20% of the Amount Allotted (plus applicable taxes)*
*Portion for Employee Reservation**	*0.25% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*
No additional processing/uploading charges shall be payable by our Company to the SCSBs on the applications directly procured by them.

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

*Portion for Retail Individual Bidders**	*₹ 10 per valid Bid cum Application Forms (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid Bid cum Application Forms (plus applicable taxes)*
*Portion for Employee Reservation**	*₹ 10 per valid Bid cum Application Forms (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

(3) Selling commission on the portion for Retail Individual Bidders (using UPI Mechanism), the portion for Non-Institutional Investors and Eligible Employees which are procured by Syndicate Member (including their sub-Syndicate Members), RTAs, CDPs or for using 3-in1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Bidders**	*0.35% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.20% of the Amount Allotted (plus applicable taxes)*
*Portion for Employee Reservation**	*0.25% of the Amount Allotted (plus applicable taxes)*

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

Note: The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member. The payment of selling commission payable to the sub-brokers / agents of Sub-Syndicate Members are to be handled directly by the respective Sub-Syndicate Member. The selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE

(4) Uploading charges / processing charges of Rs.30/- valid application (plus applicable taxes) is applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs for applications made by Retail Individual Bidders using the UPI Mechanism

Uploading charges/processing charges of Rs.10/- valid applications (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs:

- *for applications made by Retail Individual Bidders using 3-in-1 type accounts*
- *for Non-Institutional Bids using Syndicate ASBA mechanism / using 3- in -1 type accounts*

The Bidding/uploading charges payable to the Syndicate / Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

(5) Registered Brokers

Selling commission payable to the Registered Brokers on the portion for Retail Individual Bidders & Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:

*Portion for Retail Individual Bidders**	*₹ 10 per valid Bid cum Application Forms (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ 10 per valid Bid cum Application Forms (plus applicable taxes)*

**Based on valid Bid cum Application Forms*

Sponsor Bank processing fees for applications made by Retail Individual Bidders using the UPI mechanism will be Nil. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI 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.

Interim Use of Funds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with the scheduled commercial banks for the necessary duration. Such deposits will be approved by our Board from time to time. Our Company confirms that, pending utilisation of the Net Proceeds for the purposes described above, it shall not use the funds for any investment in any other equity or equity linked securities.

Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company has appointed The Federal Bank Limited as the monitoring agency for monitoring the utilisation of Net Proceeds, as the proposed Fresh Issue exceeds ₹ 1,000.00 million. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will disclose and continue to disclose details of all monies utilised out of the Fresh Issue till the time any part of the Fresh Issue proceeds remain unutilised, under an appropriate head in the balance sheet of our Company. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 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 utilisation of the Net Proceeds from the objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the objects of the Offer as stated above. This information will also be published on our website simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Variation in Objects of the Fresh Issue

In accordance with Sections 13(8) and 27 of the Companies Act 2013 and the SEBI ICDR Regulations, our Company shall not vary the Objects of the Fresh Issue unless our Company is authorised to do so by way of a special resolution of its Shareholders. 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. Pursuant to the Companies Act 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act 2013 and provisions of the SEBI ICDR Regulations.

Appraising Agency

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

Other Confirmations

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. Our Company has not entered into and is not planning to enter into any arrangement/agreements with our Promoters, Directors, Key Managerial Personnel or our Group Companies in relation to the utilisation of the Net Proceeds.

BASIS FOR OFFER PRICE

The Offer Price has been determined by our Company (through the IPO Committee) in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 and the Offer Price is 82.50 times the face value of the Equity Shares.

Investors should also refer to "***Risk Factors***", "***Our Business***" and "***Financial Information***" on pages 27, 165 and 233, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for the Offer Price are:

1. Regional leadership through delivering clinical excellence and affordable healthcare.
2. Ability to attract, train and retain high quality doctors, consultants and medical support staff.
3. Track record of strong operational and financial performance.
4. Well positioned to consolidate in India's large, unorganised yet rapidly growing and underserved affordable healthcare market.
5. Disciplined approach to acquisitions resulting in successful inorganic growth.
6. Experienced senior management team with strong institutional shareholder support.

For further information, see "***Our Business – Competitive Strengths***" on page 167.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Statements. For further information, see **"*Financial Information*"** on page 233**.**

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

1. Basic and Diluted Earnings per Equity Share

Fiscal ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2021	26.87	26.42	**3**
March 31, 2020	16.00	15.87	**2**
March 31, 2019	(6.91)	(6.91)	**1**
Weighted Average	17.62	17.35	

Note:

(1) Basic and diluted earnings per Equity Share are computed in accordance with 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.

(2) Basic EPS = Restated profit / (loss) attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year - basic

(3) Diluted EPS = Restated profit / (loss) attributable to equity shareholders of the Company divided by weighted average number of equity shares outstanding during the year - diluted

(4) Weighted average number of Equity 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. 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

(5) *Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of the Company.*

2. Price/Earning ("P/E") Ratio in relation to the Offer Price Band of ₹ 825 per Equity Share:

Particulars	P/E at Offer Price (no. of times)
Based on basic EPS for the financial year ended March 31, 2021	30.70x
Based on diluted EPS for the financial year ended March 31, 2021	31.23x

Industry P/E ratio*

Particulars	P/E
Highest	101.39x
Lowest	101.39x
Average	101.39x

Source: The highest, lowest and average Industry P/E shown above is based on the industry peer set provided below under "- Comparison with Listed Industry Peers**" on page 109.*

3. Return on Net Worth ("RoNW")

Fiscal ended	RoNW (%)	Weight
March 31, 2021	23.30	3
March 31, 2020	19.93	2
March 31, 2019	(8.84)	1
Weighted Average	16.82	

Note:

(1)Return on net worth - we have calculated based on the profit after tax - attributable to owners of the Company divided by total equity attributable to owners of the Company.

*(2)Our return on net worth reflect our results of operations after making certain adjustments. For more information, see "**Other Financial Information**" on page 311.*

4. Net Asset Value ("NAV")

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	115.36
As on March 31, 2020	80.30
As on March 31, 2019	78.18
After the Offer	
At Offer Price	132.92

Notes:

(1)Net asset value per equity share (₹) = total equity attributable to owners of the Company divided weighted average number of equity shares outstanding during the year – basic.

*(2)Our net asset value reflect our results of operations after making certain adjustments. For more information, see "**Other Financial Information**" on page 311.*

5. Comparison with Listed Industry Peers

Following is the comparison with our peer group companies listed in India and in the same line of business as our Company:

Name of the company	Consolidated	Face value (₹ per share)	Closing price on June 7, 2021	Total income for Fiscal 2021/2020 (in ₹ million)#	EPS (₹)		NAV(2) (₹ per share)	P/E(3)	RoNW(4) (%)
					Basic	Diluted(1)			
Our Company(5)	Consolidated	10	NA	13,401.02*	26.87*	26.42*	115.36	31.23#	23.30%
PEER GROUP#									
Apollo Hospitals Enterprise Limited	Consolidated	5	3,315.30	112,468.00	32.70	32.70	240.10	101.39	12.91
Fortis Healthcare Limited	Consolidated	10	236.25	40,766.80	(1.45)	(1.45)	88.98	NA	1.37
Narayana Hrudayalaya Limited	Consolidated	10	481.15	26,105.22	(0.70)	(0.70)	54.85	NA	10.48
Max Healthcare Institute Limited	Consolidated	10	244.15	26,194.10	(1.59)	(1.59)	57.34	NA	9.66

** Based on Restated Financial Statements as on and year ended March 31, 2021.*

 # Financial Information of Fortis Healthcare Limited, Narayana Hrudayalaya Limited and Max Healthcare Institute Limited has been sourced from the financial statements for the year ended March 31, 2021 and financial information of Apollo Hospitals Enterprise Limited has been sourced from the annual report for the year ended March 31, 2020.

[#] Based on diluted EPS for the financial year ended March 31, 2021.

(1) Diluted EPS refers to the Diluted EPS sourced from the financial statements of the respective peer group companies for the year ended March 31, 2021 except for Apollo Hospitals Enterprise Limited for which the information is sourced from annual report for the year ended March 31, 2020.

(2) NAV is computed as the closing net worth divided by the closing outstanding number of equity shares as on March 31, 2021 except for Apollo Hospitals Enterprise Limited for which the information is sourced from annual report for the year ended March 31, 2020.

(3) P/E Ratio has been computed based on the closing market price of equity shares on NSE on June 7, 2021, divided by the Diluted EPS provided under Note 1 above.

(4) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Closing net worth has been computed as sum of paid-up share capital and other equity as on March 31, 2021 except for Apollo Hospitals Enterprise Limited for which the information is sourced from annual report for the year ended March 31, 2020.

*(5) Net asset value (basic), return on net worth for our Company are non-GAAP measures. These non-GAAP measures are not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations—Non-GAAP Financial Measures**" on page 342. Please see, "**Risk Factors - This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.**" on page 50.*

The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "***Risk Factors***" on page 27 and any other factors that may arise in the future and you may lose all or part of your investments.

The Offer Price of ₹ 825 has been determined by our Company (through the IPO Committee) in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building process. Our Company (through the IPO Committee) in consultation with the BRLMs, has justified the Offer Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with "***Risk Factors***", "***Our Business***" and "***Financial Information***" on pages 27, 165 and 233, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in "***Risk Factors***" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors
Krishna Institute of Medical Sciences Limited
D.NO.1-8-31/1, Minister's Road,
Secunderabad, Telangana, 500003

Dear Sirs,

Statement of Special Tax Benefits available to Krishna Institute of Medical Sciences Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by **Krishna Institute of Medical Sciences Limited** (the "Company"), provides the special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

   - the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India and

   - the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 applicable for the Financial Year 2021-22, Foreign Trade Policy 2015-20 ("FTP") as extended till 30.09.2021 vide Notification 60/2015-2020 dated 31.03.2021 (unless otherwise specified) ("FTP"), presently in force in India.

   The Act, the GST Acts, the Customs Act, the Tariff Act and the FTP, as defined above, are collectively referred to as the "Relevant Acts".

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company and/ or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

   The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Initial Public Offer ("IPO") of equity shares of face value of Rs. 10 each of the Company (the "Issue").

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

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

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

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

_____
per **Navneet Rai Kabra**
Partner
Membership Number: 102328
UDIN: 21102328AAAADH9615
Place of Signature: Hyderabad
Date: 25 May 2021

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – INCOME-TAX ACT, 1961

Outlined below are the special tax benefits available to Krishna Institute of Medical Sciences Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

I. Special tax benefits available to the Company

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone

ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)

iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

iv) Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)

v) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)

vi) Deduction under section 35CCD (Expenditure on skill development)

vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M

viii) No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above

ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above

Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

In this regard, the Company has opted to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (25.168% along with surcharge and health and education cess) subject to fulfilment of above conditions. Further, in order to avail the benefit of lower tax rate, the Company has to opt for the same on or before the filing of Income-tax return for respective year. It is pertinent to note that in case where a Company does not opt for the lower tax rate, the Company would be liable to pay tax at the rate of 30% (plus applicable surcharge and health and education cess).

Further, as per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. This Annexure is as per the Income-tax Act, 1961 as amended by the Finance Act, 2021 read with relevant rules, circulars and notifications applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Issue.

4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

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

For Krishna Institute of Medical Sciences Limited

Managing Director

Place: Hyderabad

Date: 25 May 2021

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification 60/2015-2020 dated 31.03.2021 (unless otherwise specified), presently in force in India.

I. Special tax benefits available to the Company

The Company is availing the following benefits under Indirect Taxes:

1. Duty credit scrips under Service Exports from India Scheme ("SEIS") covered in Chapter 3 – Exports from India Scheme in Foreign Trade Policy 2015-20 as extended till 31.03.2021 *vide.* Notification No. 57/2015-20 dated 31.03.2020. However, the service categories eligible under the scheme and the rates of reward on such services rendered from 1st April 2019 to 31st March 2020 are yet to be notified. Further, the Directorate General of Foreign Trade ("DGFT") are yet to notify extension of Service Export from India Scheme for FY 2020-21 on which the decision will be taken and notified subsequently.

2. In terms of Notification No. 16/2015 – Customs dated 1st April 2015 (and as amended from time to time), materials imported against Export Promotion Capital Goods ('EPCG') scheme under Foreign Trade Policy 2015-20, are exempt from payment of customs duty, additional duty as levied under Tariff Act. Further, the said exemption has been extended till 31.03.2022 vide Notification No. 23/2021 dated 31.03.2021. Similar extension till 30.09.2021 under FTP has been provided vide Notification 60/2015-2020 dated 31.03.2021.

3. In line with Notification No. 79/2017 – Customs dated 13th October 2017 (and as amended from time to time), exemption is available from payment of IGST and Compensation Cess on goods imported under Export Promotion Capital Goods ('EPCG') scheme. Further, the said exemption under Customs has been extended till 31.03.2022 vide Notification No. 23/2021 dated 31.03.2021.

II. Special tax benefits available to the Shareholders of the Company

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

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), Foreign Trade Policy 2015-20 as extended till 30.09.2021 vide Notification 60/2015-2020 dated 31.03.2021 (unless otherwise specified), presently in force in India.

2. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed IPO.

3. Our comments are based on our understanding of the specific activities carried out by the Company from 1 April 2020 till the date of this Annexure as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.

4. We have been given to understand that during the period from 1 April 2020 to the date of this Annexure, the Company intends to:

    i. avail above mentioned exemption, benefits and incentives under indirect tax laws (as applicable)

    ii. export services outside India

    iii. import goods from outside India

5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

6. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

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

For Krishna Institute of Medical Sciences Limited

Managing Director

Place: Hyderabad

Date: 25 May 2021

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this Industry Overview section is sourced from a report prepared by CRISIL Research titled "An assessment of the healthcare delivery market in India, February 2021" that was commissioned by our Company. The information in that report and in this Industry Overview section has not been independently verified by our Company or the BRLMs, and none of them make any representation as to the accuracy of such information.

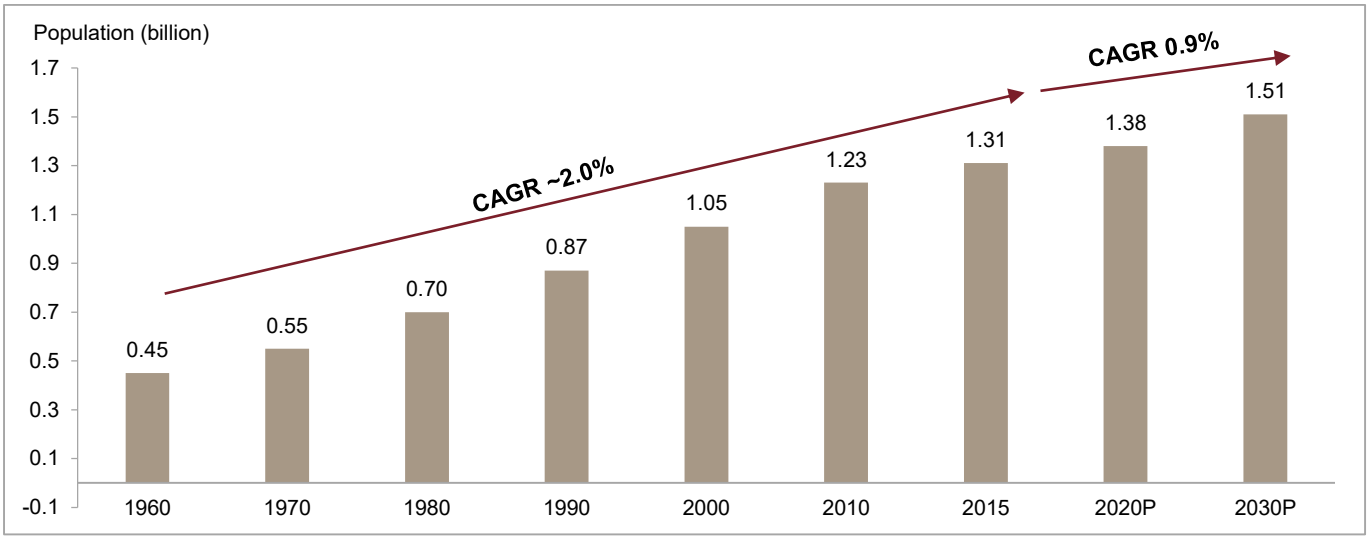
(i) FUNDAMENTAL GROWTH DRIVERS OF GDP

By 2030, India's population is projected to touch 1.5 billion.

India's population clocked a ~1.6% CAGR from 2001 to 2011 to reach ~1.2 billion and comprised nearly 246 million households, as per Census 2011.

According to the 'World Urbanization Prospects: The 2018 Revision' by the United Nations, India and China, the top two countries in terms of population, accounted for nearly 37% of the world's population in 2015. The report projects India's population to increase at 1% CAGR to 1.5 billion by 2030, making it the world's most populous country, surpassing China (with 1.4 billion people by 2030).

India's population growth

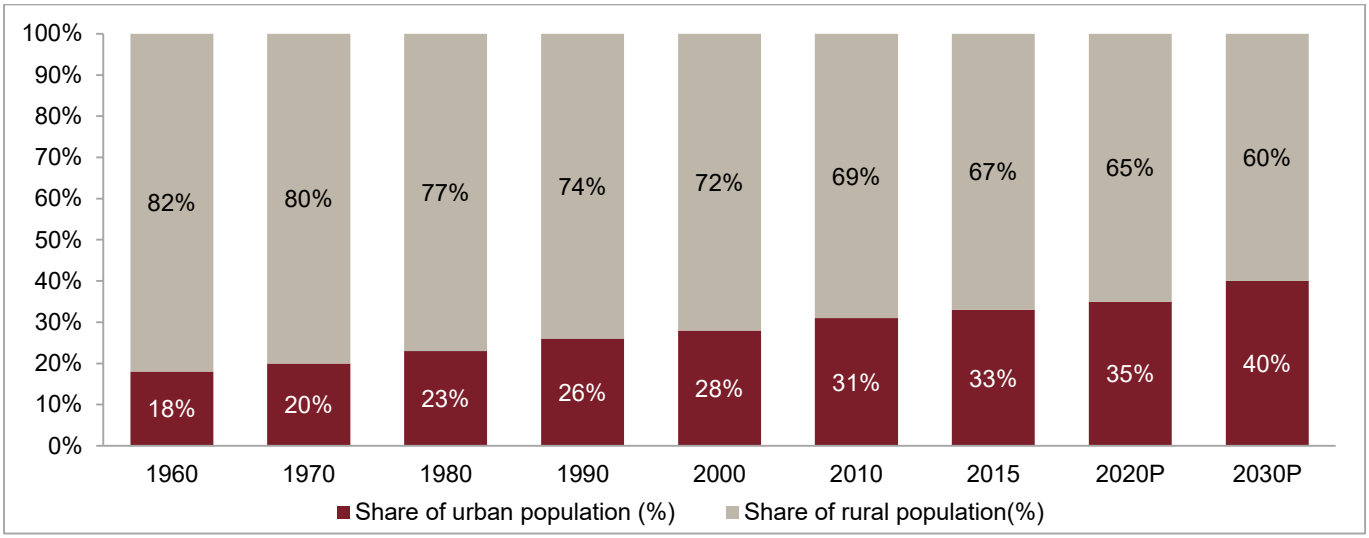


P: Projected
Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

Urbanisation likely to reach 40% by 2030

According to 'World Urbanization Prospects: The 2018 Revision by the United Nations', in 2018, China had the largest urban population, with 837 million urban dwellers, accounting for 20% of the global total. China was followed by India, with 461 million urban dwellers, and the US, with 269 million urban dwellers. The share of India's urban population, in relation to its total population, has been rising over years and printed ~31% in 2010. This trend will continue, with the United Nations report projecting nearly 40% of the country's population will live in urban areas by 2030.

India's urban versus rural population



P: Projected
Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

People from rural areas move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family continues to live in the native, rural house.

Per-capita income recorded a 5% CAGR between fiscals 2012 and 2020

India's per-capita income, a broad indicator of living standards, clocked a healthy ~5% CAGR, from ₹ 63,462 in fiscal 2012 to ₹ 94,954 in fiscal 2020. Growth in per-capita income has been led by better job opportunities, propping up overall GDP growth. Moreover, population growth has remained fairly stable at a ~1% CAGR.

Per-capita net national income at constant prices

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20PE
Per-capita net national income (Rs)	63,462	65,538	68,572	72,805	77,659	82,931	87,828	92,085	94,954
On-year growth (%)	2.1	3.3	4.6	6.2	6.7	6.8	5.9	4.8	3.1

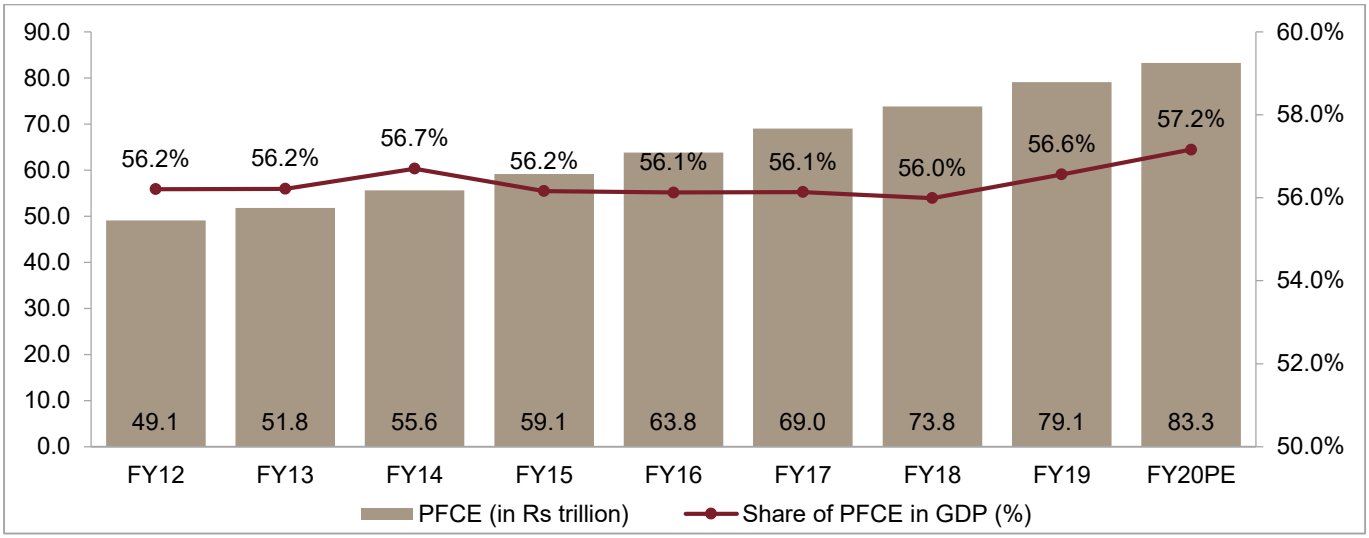
PE: Provisional estimates
Source: Provisional Estimates of Annual National Income, 2019-20, CSO, MoSPI, CRISIL Research

(ii) A REVIEW OF PRIVATE FINAL CONSUMPTION GROWTH IN INDIA

Private final consumption expenditure to maintain a dominant share in GDP

Private final consumption expenditure at constant prices clocked a 6.8% CAGR between fiscals 2012 and 2020, maintaining its dominant share of ~57% in the GDP pie. In its annual provisional estimates, the Central Statistics Office estimated private final consumption expenditure at ₹ 83.3 trillion (~57% of GDP) for fiscal 2020. Factors contributing to this growth included a good monsoon, wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates, and low inflation.

Private final consumption expenditure (at constant prices)



PE: Provisional estimates
Source: Provisional Estimates of Annual National Income, 2019-20, CSO, MoSPI, CRISIL Research

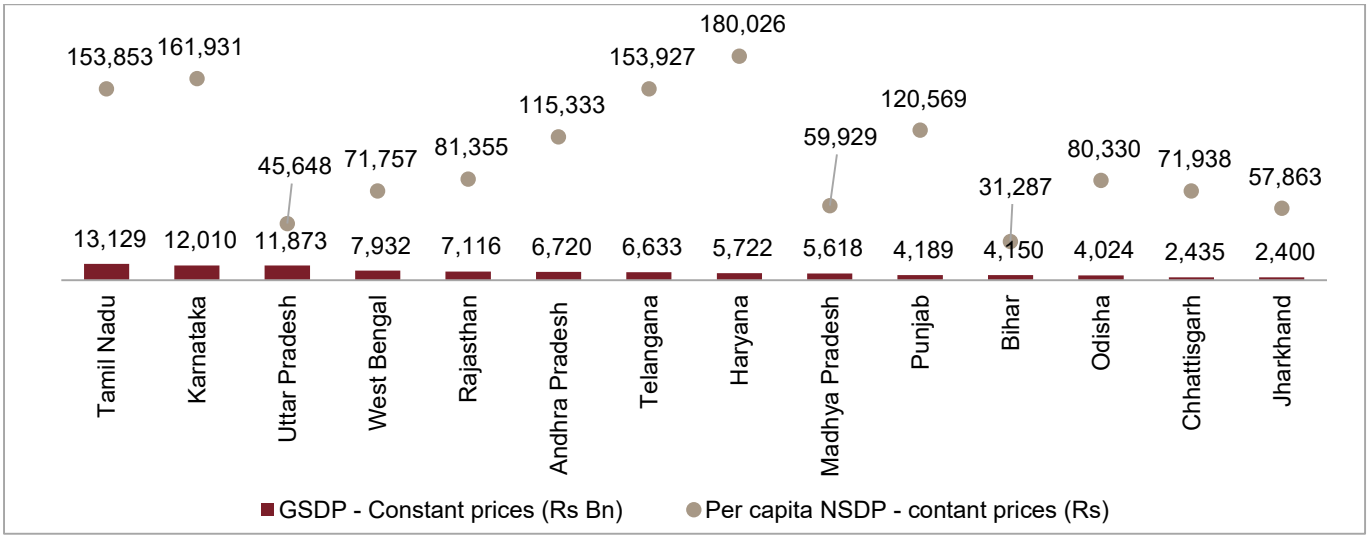
(iii) STATE-WISE MACROECONOMIC INDICATORS

In the section hereby, CRISIL Research will focus on how macroeconomic performance evolved in fiscal 2020 among the non-special category of states, and compare them with expenditure patterns specially related to healthcare. 17 states under the non-special category given by the Reserve Bank of India (except Goa) have been considered for the analysis, such as Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

Telangana among the top three states in terms of per-capita NSDP as of fiscal 2020

In fiscal 2020, Tamil Nadu, Karnataka and Uttar Pradesh were top-rankers in terms of gross state domestic product (GSDP) at constant prices among the non-special states considered in our analysis. However in terms of per-capita net state domestic product (NSDP) at constant prices, Haryana, Karnataka, and Telangana led the peers in fiscal 2020.

State-wise GSDP and per capita NSDP at constant prices as of fiscal 2020

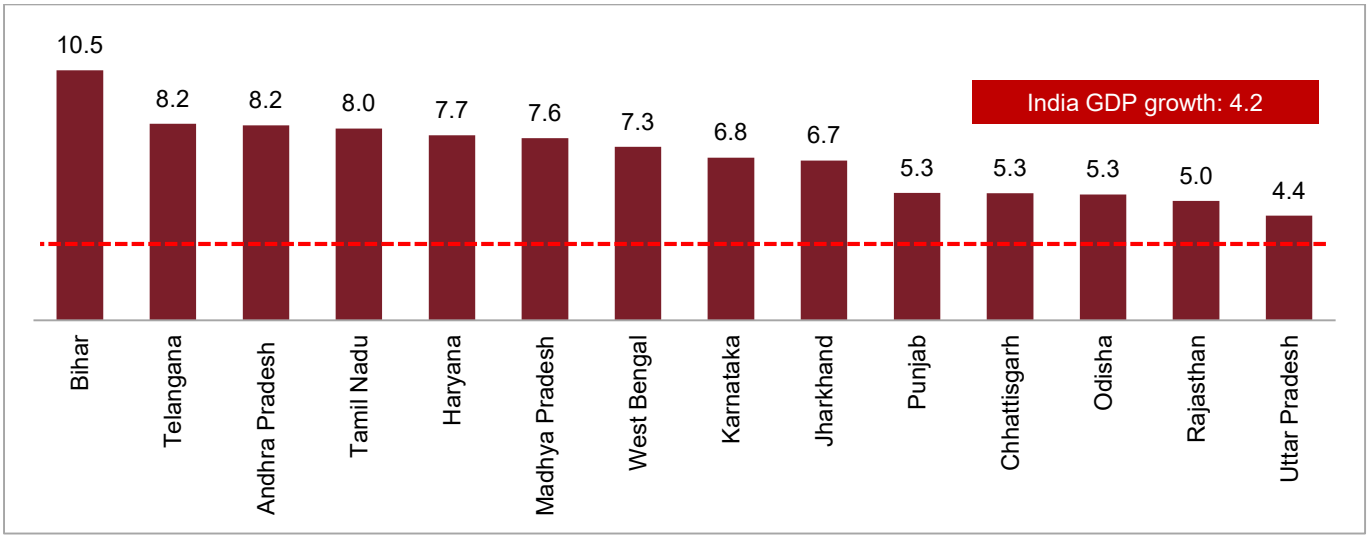


Note: 17 states as classified by the RBI under non-special category have been considered for this analysis. GSDP data for FY20 is available for only 14 (FY20 data is not available for Maharashtra, Gujarat & Kerala) out of the 17 states.
Source: CSO, CRISIL Research

Bihar, Telangana and Andhra Pradesh Led in fiscal 2020 in terms of GSDP growth

In fiscal 2020, Bihar, Telangana and Andhra Pradesh were top rankers in terms of GSDP growth among the non-special states considered in our analysis. Odisha, Rajasthan, and Uttar Pradesh were at the bottom. However, 14 of the 17 states saw faster growth in fiscal 2020 compared with the previous five years.

GSDP growth across states in FY20

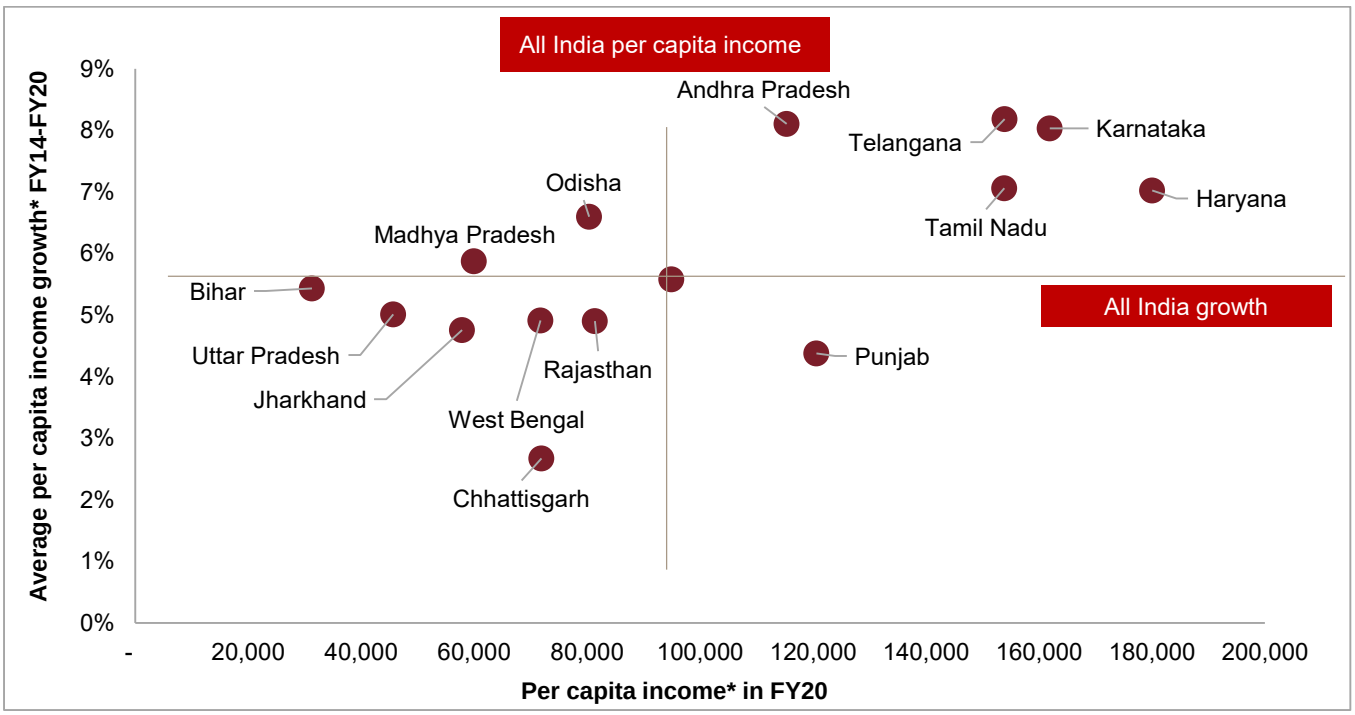


Note: 17 states as classified by the RBI under non-special category have been considered for this analysis. GSDP data for FY20 is available for only 14 (FY20 data is not available for Maharashtra, Gujarat & Kerala) out of the 17 states.
Source: CSO, CRISIL Research

Telangana, Andhra Pradesh and Karnataka the top three states in terms of average per-capita income growth between fiscals 2014 and 2020

As of fiscal 2020, Haryana, Karnataka and Telangana were the top three rankers (among the non-special states considered in our analysis) in terms of per-capita NSDP at constant prices. Jharkhand, Uttar Pradesh and Bihar were at the bottom. However, in terms of CAGR between fiscals 2014 and 2020, Telangana (8.2%), Andhra Pradesh (8.1%) and Karnataka (8.0%) stood the highest-ranking states among the other 14 with a CAGR of ~8%.

GSDP growth across states in FY20



Note: Per-capita income for states refers to 'per capita Net State Domestic Product (NSDP) at constant prices; base year 2011-12' has been considered; All India per capita income refers to 'Per capita net national income at constant prices'.
** Average per-capita income growth and per capita income in FY20 are at constant prices.*
Per-capita income data for FY20 is available for only 14 (FY20 data is not available for Maharashtra, Gujarat & Kerala) out of the 17 states.
Source: CSO, CRISIL Research

Telangana and Andhra Pradesh among the 'higher than national per-capita income' states in FY20

Based on the data for per capita income, six states (of the 14 states under analysis) stood above the national per capita income average of Rs 94,954.

Haryana topped the list in terms of per capita income with Rs 180,026 followed by Karnataka (Rs 161,931) and Telangana (Rs 153,927).

The other three states which fared higher than the national per capita income were Tamil Nadu (Rs 153,853), Punjab (Rs 120,569) and Andhra Pradesh (Rs 115,333).

State	Per Capita NSDP*	Average Growth FY14 TO FY20	Difference With National Per Capita Income**
Haryana	180,026	7.0%	85,072
Karnataka	161,931	8.0%	66,977
Telangana	153,927	8.2%	58,973
Tamil Nadu	153,853	7.1%	58,899
Punjab	120,569	4.4%	25,615
Andhra Pradesh	115,333	8.1%	20,379
Rajasthan	81,355	4.9%	(13,599)
Odisha	80,330	6.6%	(14,624)
Chhattisgarh	71,938	2.7%	(23,016)
West Bengal	71,757	4.9%	(23,197)
Madhya Pradesh	59,929	5.9%	(35,025)
Jharkhand	57,863	4.8%	(37,091)
Uttar Pradesh	45,648	5.0%	(49,306)
Bihar	31,287	5.4%	(63,667)

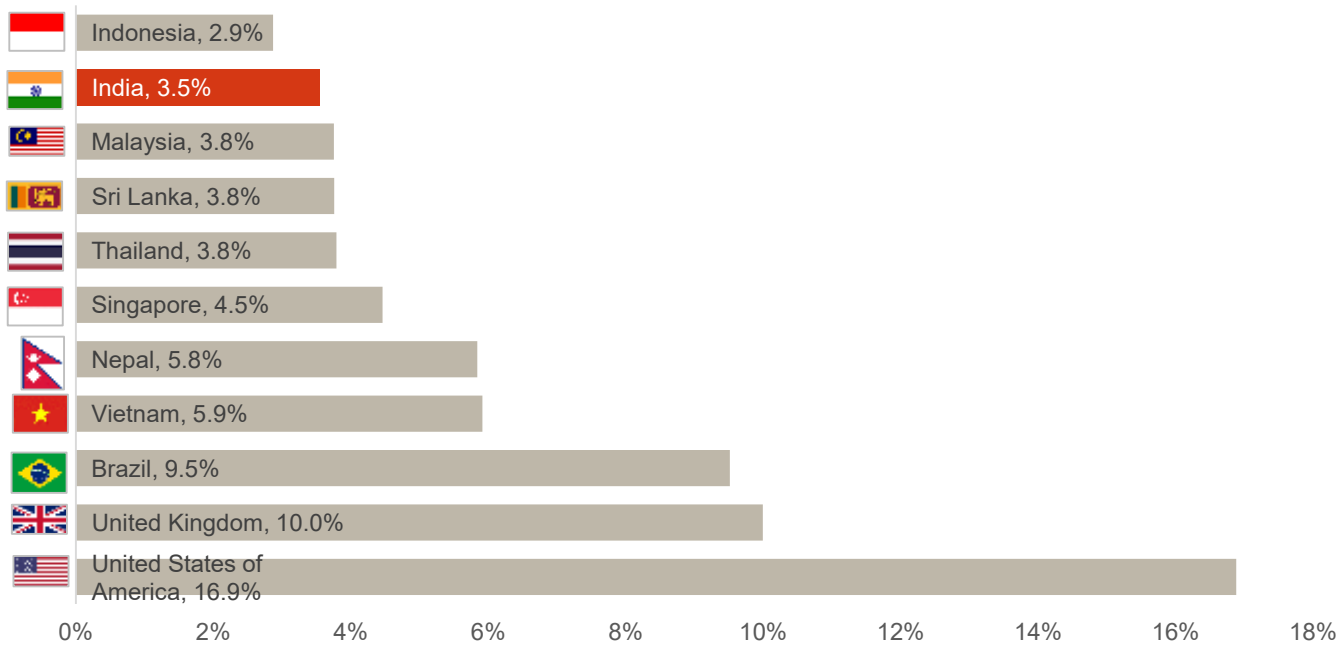
Note: Per capita income for states refers to 'per capita Net State Domestic Product (NSDP) at constant prices as of FY20; base year 2011-12' has been considered; All India per capita income refers to 'Per capita net national income at constant prices as of FY20'.
Per capita income data for FY20 is available for only 14 (FY20 data is not available for Maharashtra, Gujarat & Kerala) out of the 17 states.
Source: CSO, CRISIL Research

(iv) SOCIAL AND HEALTHCARE RELATED PARAMETERS

Along with the structural demand existing in the country and the potential opportunity it provides for growth, provision of healthcare in India is still riddled with many challenges. The key challenges are inadequate health infrastructure, unequal quality of services provided based on affordability and healthcare financing.

India lags pears in healthcare expenditure

Total healthcare expenditure as % of GDP (2018)

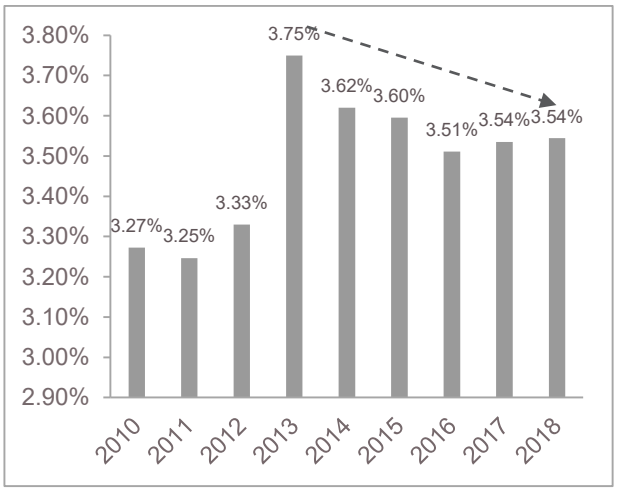


Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

According to the Global Health Expenditure Database compiled by the World Health Organisation (WHO), India's current expenditure on healthcare was 3.5% of gross domestic product (GDP) in 2018. India's real GDP in fiscal 2019 was ₹ 139.8 trillion (constant fiscal 2012 prices). Accordingly, India' current healthcare expenditure during fiscal 2019 is estimated at ~₹ 4.9 trillion. India trails not just developed countries such as the United States (the US) and the United Kingdom (the UK), but also developing countries such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand in terms of healthcare spending as a percentage of GDP as of CY2018.

India spends too little on healthcare

Current healthcare expenditure (CHE) as % of GDP in India (2010-2018)



Per capita current expenditure on health in USD (2018)



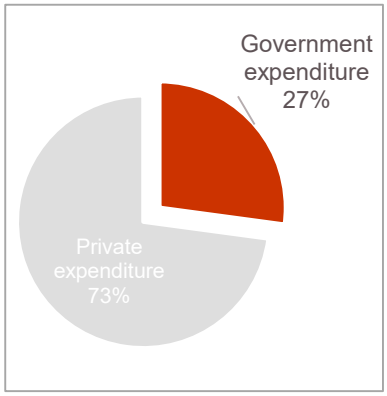
Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

India's current healthcare expenditure decreased from calendar year 2013 to 2018. The skew, however, is more towards private expenditure compared with public expenditure. Low healthcare expenditure in India is primarily due to under-penetration of healthcare services and lower consumer spending on healthcare.

Further, the share of public spending on healthcare services remains much lower than global peers. For example, India's per-capita total expenditure on healthcare (at an international dollar rate, adjusted for purchasing-power parity) was only $73 in 2018 compared with $10,624 for the US, $4,315 for the UK and $2,824 for Singapore.

Public healthcare expenditure is low, with private sector accounting for a lion's share

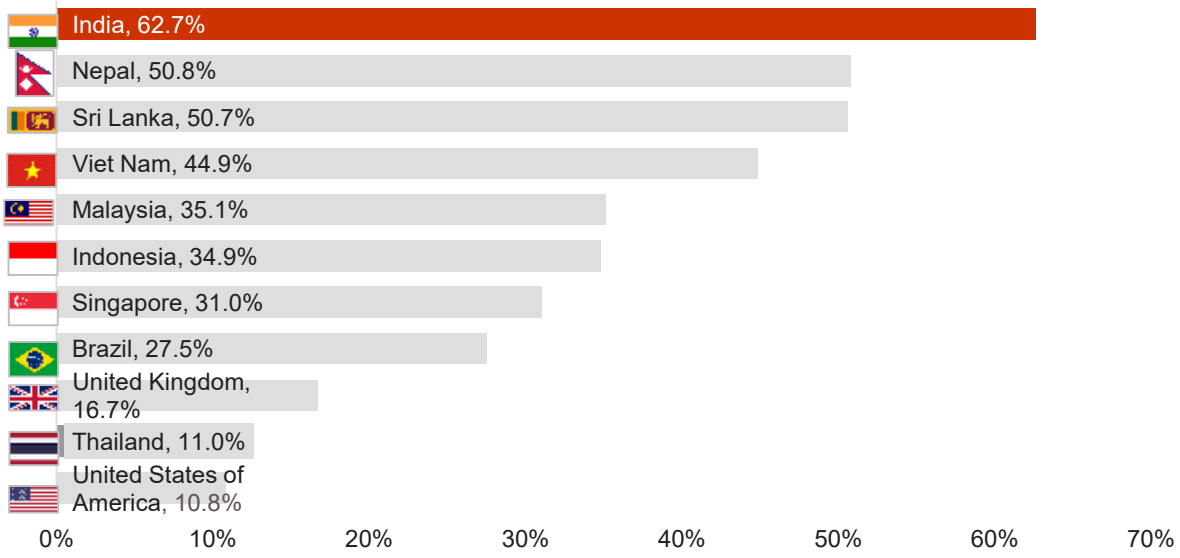
General expenditure on health as % of CHE (2018)



India's current healthcare expenditure (CHE) is skewed more towards private expenditure compared with public expenditure. Government expenditure on healthcare has remained range-bound at 20-30% of the current healthcare expenditure from calendar year 2010 to 2018. The rest of the expenditure is private in nature (expenditure from resources with no government control such as voluntary health insurance, and the direct payments for health by corporations (profit, not-for-profit and non-government organisations) and households. However, the government aims to increase public healthcare expenditure to 2.5% of GDP from the current 1.2%, according to the National Health Policy - 2017.

Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

Out-of-pocket (OOPS) as % of CHE (2018)



Source: Global Health Expenditure Database- World Health Organisation, CRISIL Research

In India, out-of-pocket (OOP) expenditure on health accounted for nearly 63% of total health expenditure as of 2018 (the highest among all the other countries compared above). Insurance does not cover out-patient treatments (an insurance company started covering OPD treatments under health insurance only recently).

Nearly 25% of the rural population and 18% of the urban population are dependent on borrowings for funding their healthcare expenditure. And nearly 68% of the rural population and 75% of the urban population use their household savings on healthcare-related expenditure. Health expenditure contributes to nearly 3.6% and 2.9% of rural and urban poverty, respectively. And annually, an estimated 60 to 80 million people fall into poverty due to healthcare-related expenditure. However, with Pradhan Mantri Jan Arogya Yojana (PMJAY), the affordability aspect of healthcare expenditure is expected to be taken care of to some degree, especially for the deprived population.

Though it represents a pain point in healthcare financing, it also means that there exists a substantial potential for those involved in provision of auxiliary healthcare services.

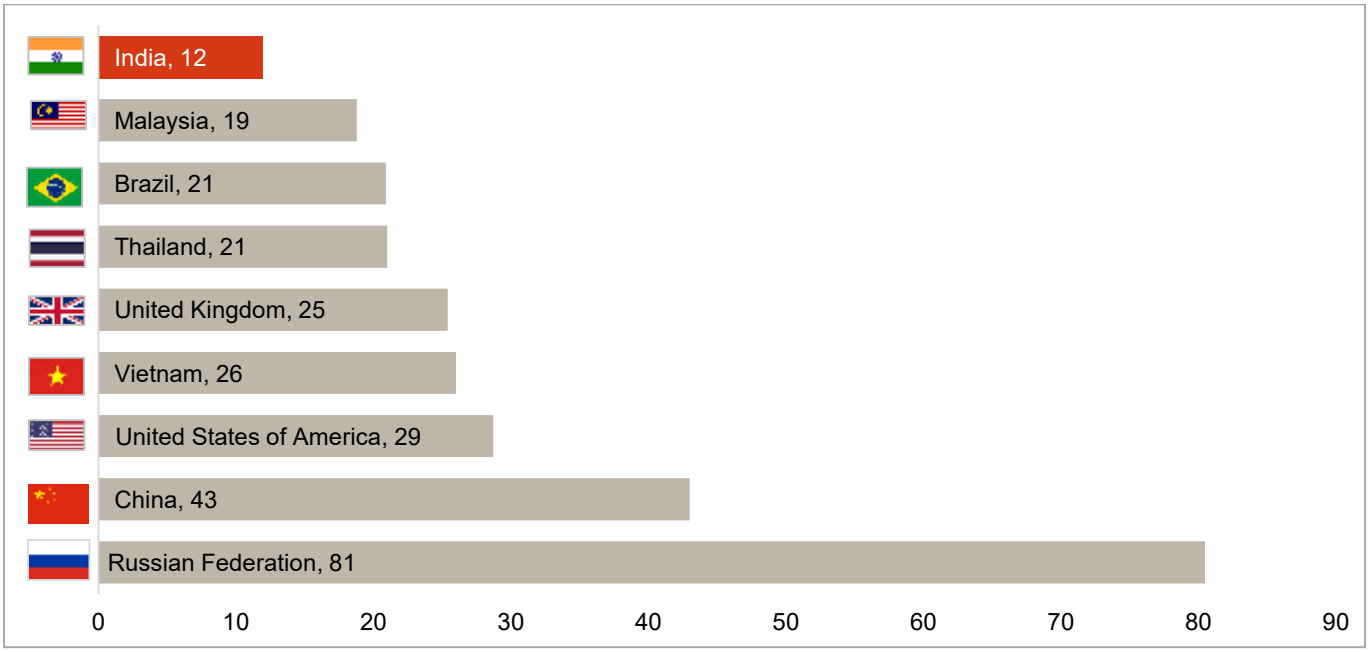
The quality of healthcare in a country can be gauged through the adequacy of healthcare infrastructure and personnel in that country. It can be assessed through bed density (bed count per 10,000 population) and the availability of physicians and nurses (per 10,000 population).

Health infrastructure of India in dire need of improvement

The adequacy of a country's healthcare infrastructure and personnel is a barometer of its quality of healthcare. The country accounts for nearly a fifth of the world's population, but has an overall bed density of merely 12, with the situation being far worse in rural

than urban areas. India's bed density not only falls far behind the global median of 29 beds, it also lags that of other developing countries such as Brazil (21 beds), Malaysia (19 beds), and Vietnam (26 beds).

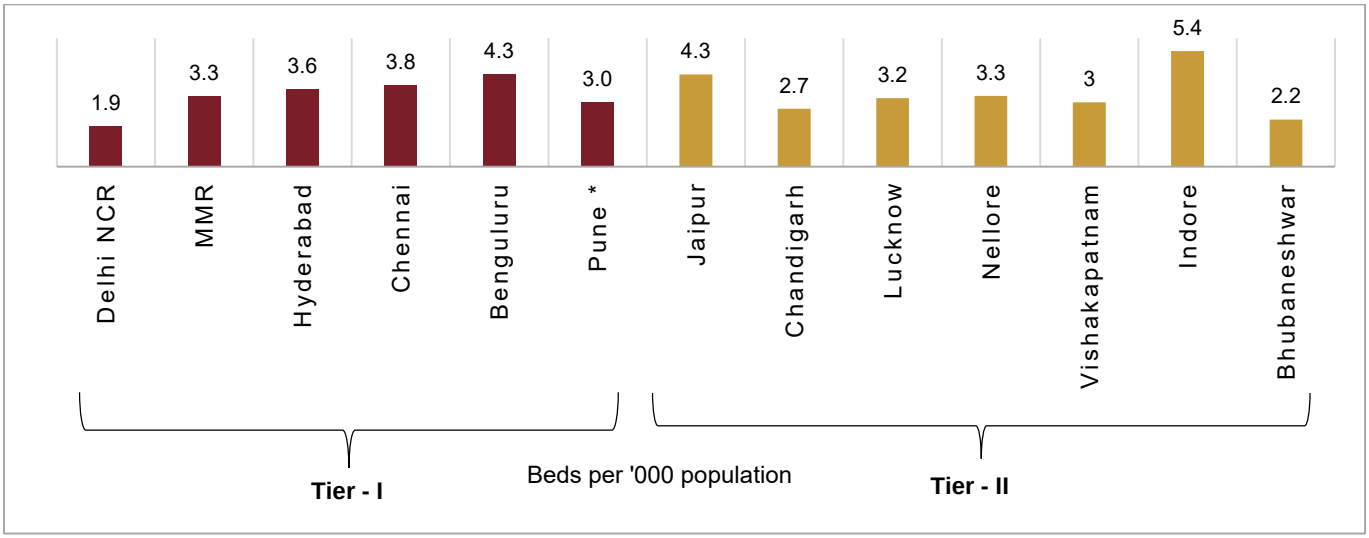
Bed densities across countries - hospital beds (per 10,000 population)



Note: India bed density is estimated by CRISIL Research
Source: Tracking Universal Health Coverage: 2017 Global Monitoring Report, World Bank Database, CRISIL Research

Estimated bed density across key cities in India

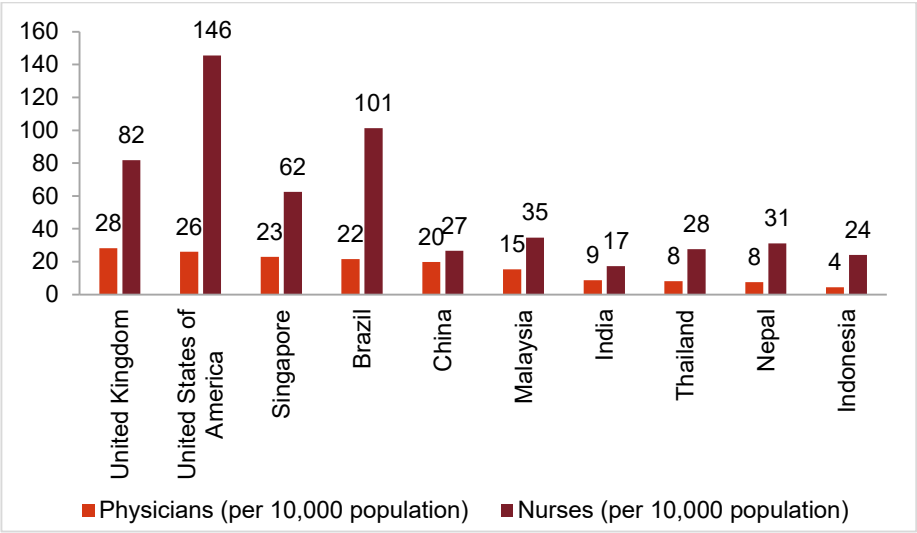
Estimated bed density across key tier – I & II cities in India



Based on city category classification followed by 7th Pay Commission, Tier I – X cities (top 8 cities), tier II – Y cities (next 88 cities)
** Pune metropolitan region*
Source: CRISIL Research

The Delhi NCR, Pune Metropolitan and Mumbai Metropolitan regions are highly populous and have a bed density of 1.9, 3.0 and 3.3, respectively. An important facet to consider, while estimating the healthcare infrastructure adequacy in a selected city, is to take into account the availability of healthcare infrastructure in the neighbouring cities/states. Given that the selected cities are key cities with a well-developed hospital infrastructure, they tend to attract patients not only from other cities and towns within the state, but also from the neighbouring states. While this creates an additional burden on the healthcare infrastructure of these cities, it also clearly indicates the willingness of people from nearby tier 1 and 2 cities to travel in order to access quality healthcare facilities. In other tier 1 cities such as Hyderabad in Telangana, Chennai in Tamil Nadu, and Bengaluru in Karnataka, the bed density is higher than Delhi NCR and Mumbai in Maharashtra because of presence of big hospital chains with large bed capacities. Another indication of this trend is the expansion of large chain hospitals to tier II cities.

Healthcare personnel: India vs other countries



The paucity of healthcare personnel compounds the problem. At nine physicians and 17 nursing personnel per 10,000 population, India trails the global median of 16 physicians and 38 nursing personnel. Even on this parameter, India lags developing countries such as Brazil (22 physicians, 101 nurses), Malaysia (15 physicians, 35 nurses) and other South East Asian countries.

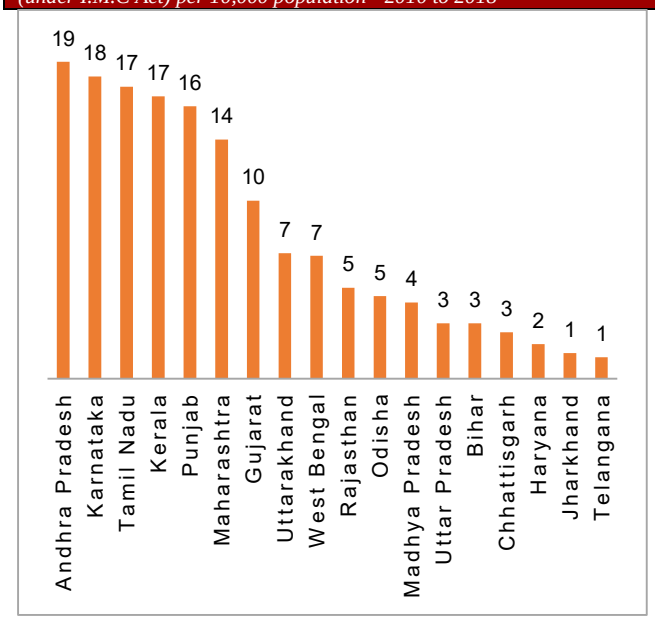


Source: WHO World Health Statistics 2020

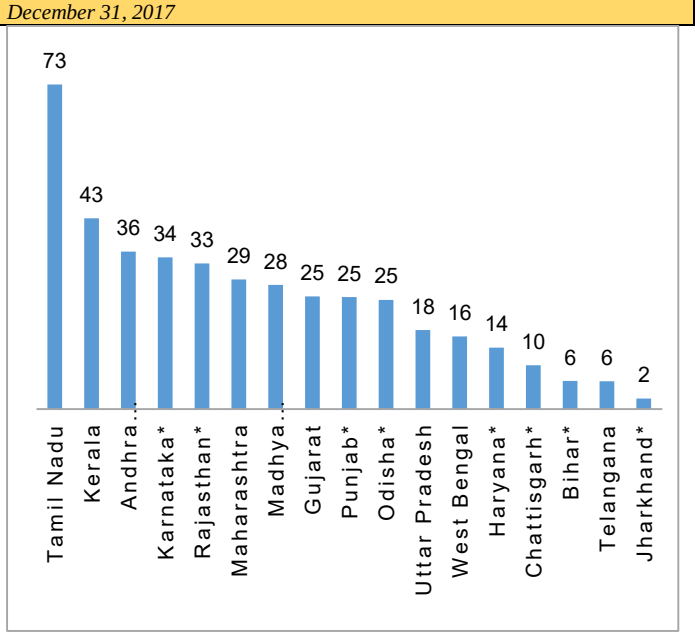
Andhra Pradesh leads in terms of doctors per 10,000 population as of CY 2018

Availability of allopathic medical practitioners, dental surgeons and nurses per lakh population has improved over the years. The number of doctors with recognised medical qualifications (under I.M.C Act) registered with state medical councils/the Medical Council of India rose to 1,154,686 in CY 2018 from 827,006 in CY 2010. There are 20,48,979 registered nurses and registered midwives (RN & RM) and 56,469 lady health visitors serving in the country as on December 31, 2017. Based on the population, there was a government allopathic doctor per 10,926 persons on average as of CY 2018.

State-wise count of doctors possessing recognised medical qualifications (under I.M.C Act) per 10,000 population - 2010 to 2018



State-wise count of registered nurses per 10,000 population in India as on December 31, 2017



** Data up to 31.12.2016*

17 states under the non-special category given by the Reserve Bank of India (except Goa) have been considered for the analysis viz Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal

Source: National Health Profile 2019, CRISIL Research

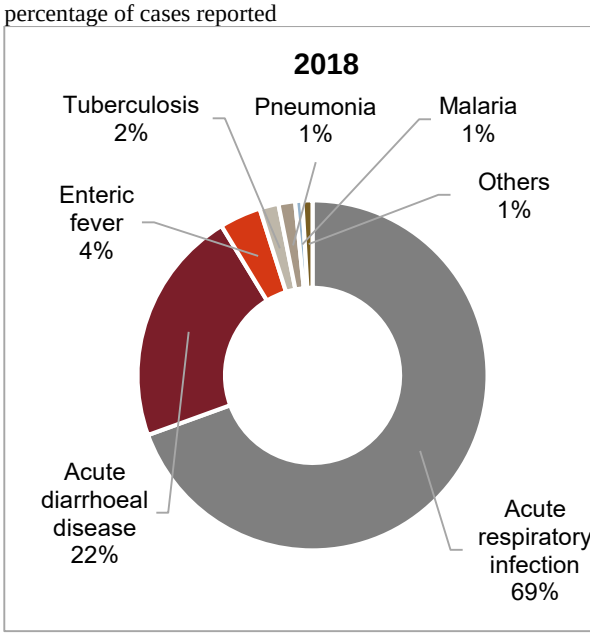
(v) DISEASE PROFILE IN INDIA

A review of communicable diseases in India

Overall, communicable diseases have been decreasing in India, especially with a considerable fall in cases and deaths due to malaria, dengue, chikangunya, chicken pox, encephalitis, and viral meningitis.

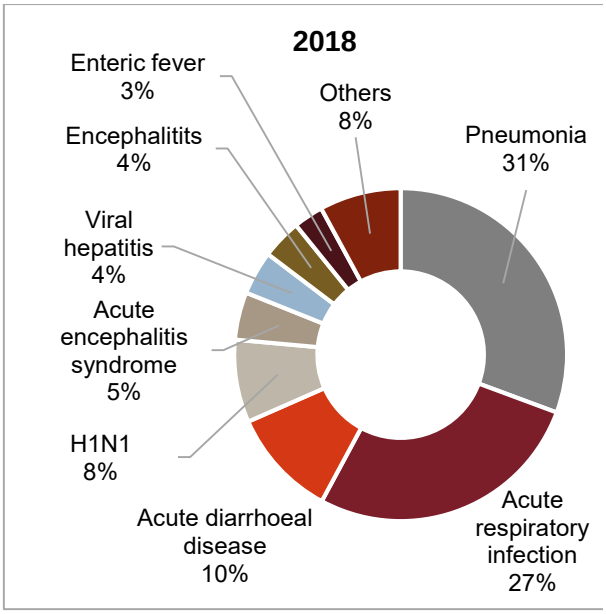
Morbidity reported on major communicable diseases

Among the various communicable diseases reported by states/union territories (UTs) in 2018, the following communicable diseases accounted for the maximum percentage of cases reported



Mortality reported on major communicable diseases

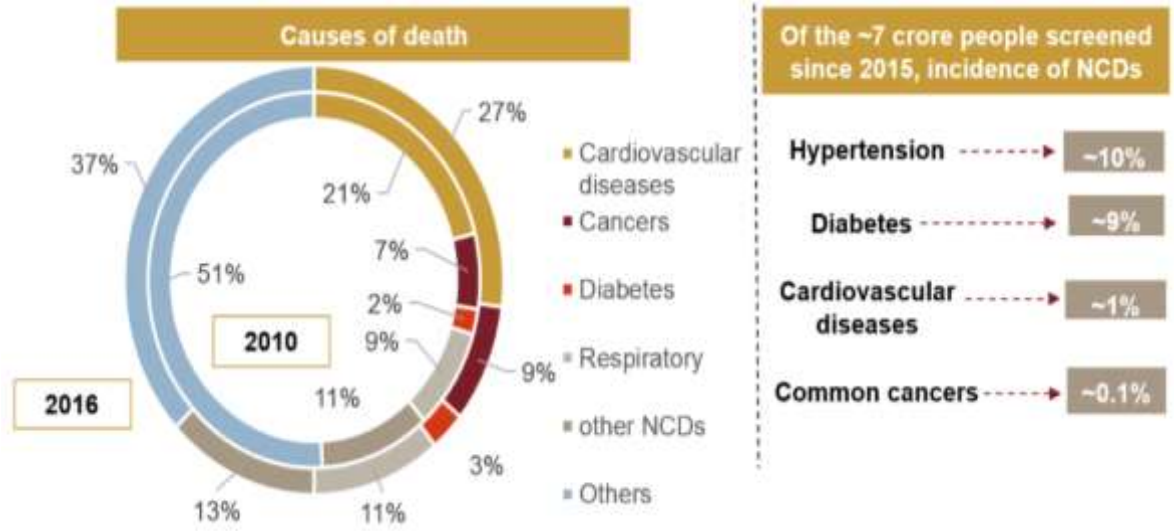
Among the various communicable diseases reported by states/UTs in 2018, the following communicable diseases accounted for the maximum percentage of deaths reported



Source: National Health Profile-2019, CRISIL Research

Pneumonia deaths were the highest in 2018. During the year, acute respiratory infection was one of the most prevalent diseases in India both in terms of morbidity as well as reason for deaths; it was followed by acute diarrhoeal disease. Taken together, pneumonia, acute respiratory infection and acute diarrhoeal disease accounted for 68% of deaths during 2018. Communicable diseases such as enteric fever, tuberculosis, pneumonia, malaria and others formed a smaller share of the total morbidity reported during 2018.

Disease epidemiology shifting towards lifestyle diseases



Source: WHO global burden of disease, National Health Profile-2019, CRISIL Research

As opposed to the decreasing rate in communicable diseases, lifestyle-related illnesses or non-communicable diseases (NCDs) have been increasing rapidly in India over the past few years. The contribution of NCDs to the disease profile rose from 30% in 1990 to 55% in 2016. Statistics show these illnesses accounted for nearly 62% of all deaths in India in 2016.

As per the World Economic Forum, the world will lose nearly $30 trillion by 2030 for treatment of NCDs and India's share of this burden will be $5.4 trillion.

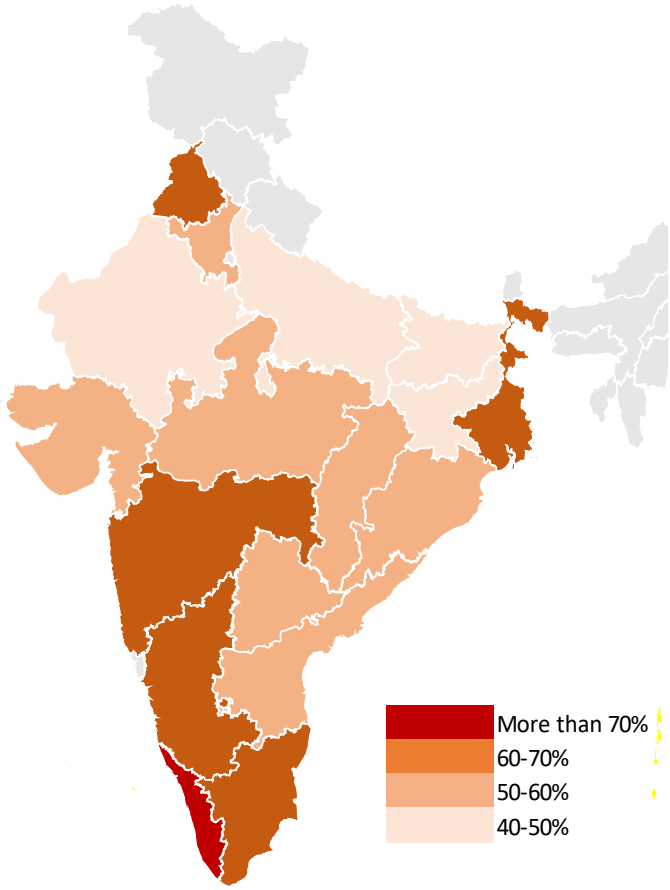
In 2016, of the total disease burden, the contribution of the group of risks (unhealthy diet, high blood pressure, high blood sugar, high cholesterol, and overweight) which mainly cause ischemic heart disease, stroke and diabetes rose to nearly a quarter. The combination of these risks was the highest for Punjab, Tamil Nadu, Kerala, Andhra Pradesh, and Maharashtra, but has increased in all other states as well. Cases of cardiovascular diseases (CVDs) rose to nearly 64 million in 2015 from 38 million in 2005.

Andhra Pradesh and Telangana among the states with higher (>50%) NCD burden in India

According to reports, the proportion of NCDs in the country's disease burden has increased. Disability-adjusted life years (DALYs) represent the total number of years lost to illness, disability, or premature death within a given population. Of the total disease burden in India measured as DALYs, the share of communicable, maternal, neonatal, and nutritional diseases (termed infectious and associated diseases in this summary for simplicity) dropped to 33% in 2016 from 61% in 1990. There was a corresponding increase in the contribution of non-communicable diseases from 30% of the total disease burden in 1990 to 55% in 2016, and of injuries from 9% to 12%. The wide variations between the states in this epidemiological transition are reflected in the range of the contribution of major disease groups to the total disease burden in 2016: 48% to 75% for non-communicable diseases, 14% to 43% for infectious and associated diseases, and 9% to 14% for injuries.

The contribution of most of the major non-communicable disease groups to the total disease burden has increased all over India since 1990, including cardiovascular diseases, diabetes, chronic respiratory diseases, mental health and neurological disorders, cancers, musculoskeletal disorders, and chronic kidney disease. Among the leading non-communicable diseases, the largest disease burden or DALY rate increase from 1990 to 2016 was observed for diabetes at 80% and ischaemic heart disease at 34%. In 2016, three of the five leading individual causes of disease burden in India were non-communicable, with ischaemic heart disease and chronic obstructive pulmonary disease being the top two causes and stroke the fifth leading cause.

State-wise proportion of total disease burden from NCDs in 2016



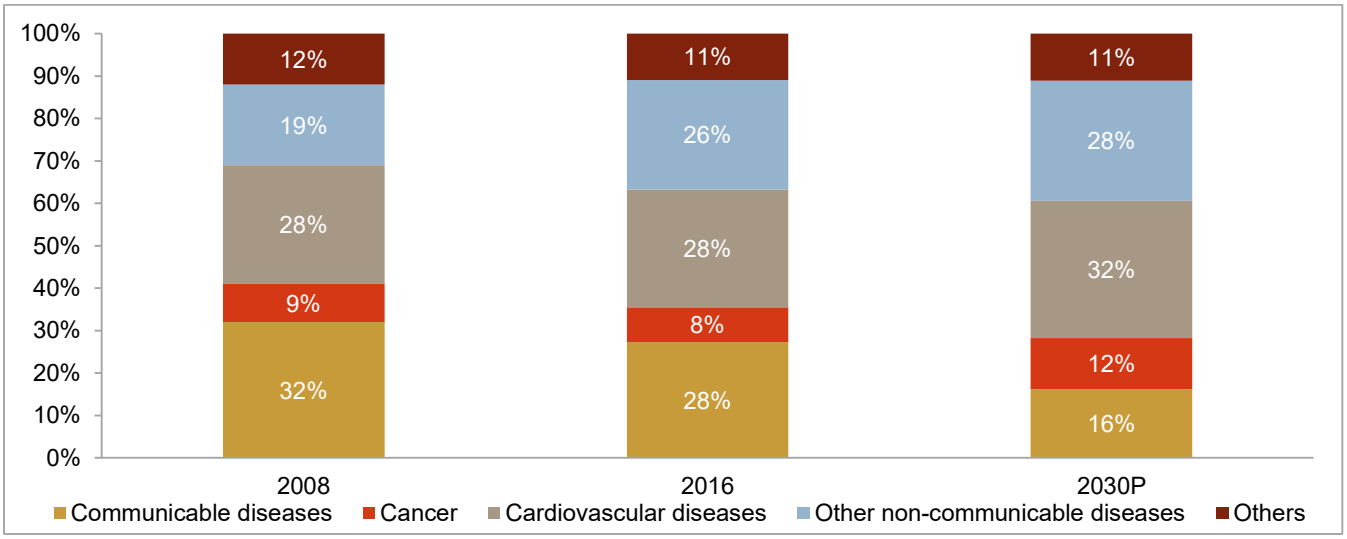
State	NCDs *
Kerala	74.60%
Punjab	66.00%
Tamil Nadu	65.30%
Maharashtra	63.10%
West Bengal	62.70%
Karnataka	62.00%
Andhra Pradesh	59.70%
Telangana	59.20%
Haryana	58.80%
Gujarat	56.70%
Odisha	52.10%
Madhya Pradesh	50.50%
Chhattisgarh	50.40%
Rajasthan	49.30%
Jharkhand	48.30%
Uttar Pradesh	47.90%
Bihar	47.60%

** Proportion of total disease burden from NCDs in 2016.*
Indian Council of Medical Research (ICMR), Public Health Foundation of India (PHFI), and the Institute for Health Metrics and Evaluation (IHME) published report titled 'India: Health of the Nation's States – The India State-Level Disease Burden Initiative'.
17 states under the non-special category given by the Reserve Bank of India (except Goa) have been considered for the analysis viz Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal
Source: ICMR, PHFI, IHME, MoHFW, CRISIL Research

Non-communicable diseases: A silent killer

CRISIL Research believes NCDs exhibit a tendency to increase in tandem with rising income levels. WHO projects an increasing trend in NCDs by 2030, following which CRISIL forecasts demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes to rise. Another emerging market in the country is orthopaedics, which currently comprises a very small proportion compared with NCDs, but has a potential market in the country. The orthopaedics market can be classified into four different segments, viz., knee, hip, trauma, and spine, of which the knee replacement market holds the biggest share, followed by trauma and spine. Hip replacement in India is still a very small segment compared with knee replacement in contrast to the worldwide trend.

Causes of death in India

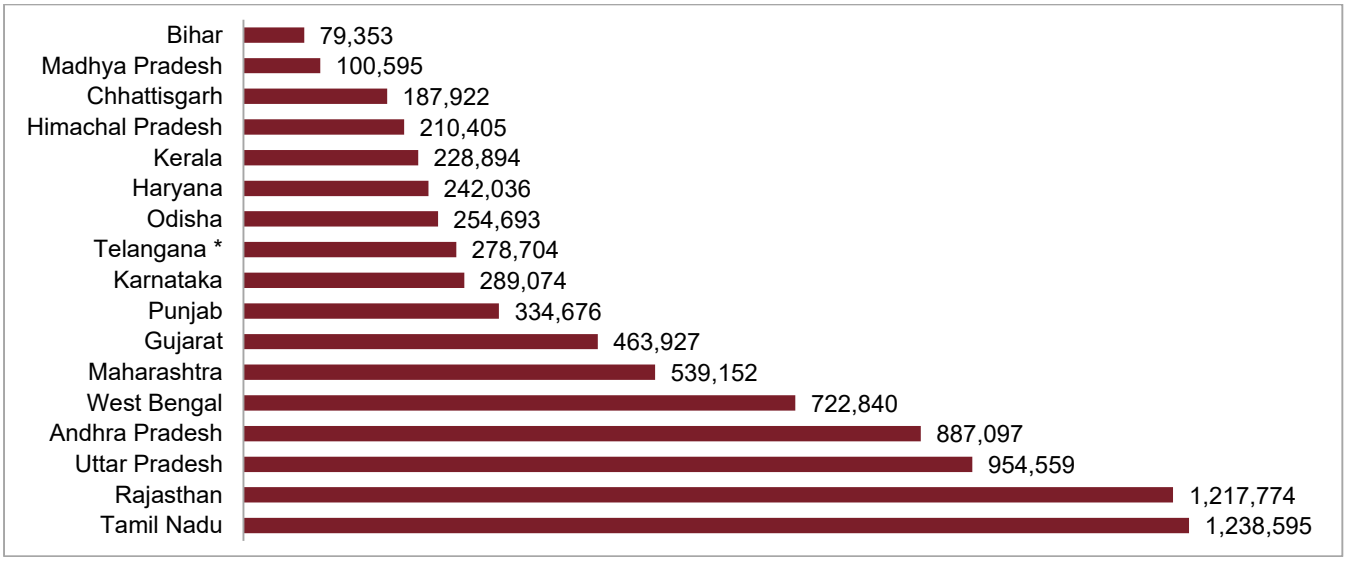


Source: WHO global burden of disease, India: Health of the Nation's States, CRISIL Research

Tamil Nadu led in number of NCD cases in CY2018

As per the National Health Profile 2019, out of 65,194,599 patients who attended NCD clinics, 4.75% were diagnosed with diabetes, 6.19% with hypertension, 0.30% with cardiovascular ailments, 0.10% with stroke, and 0.26% with common cancers. Out of the 17 states compared, Tamil Nadu, Rajasthan and Uttar Pradesh topped the number of persons diagnosed with NCDs out of those screened in CY2018 followed by Andhra Pradesh, West Bengal and Maharashtra.

State-wise number of persons diagnosed with NCDs in CY 2018

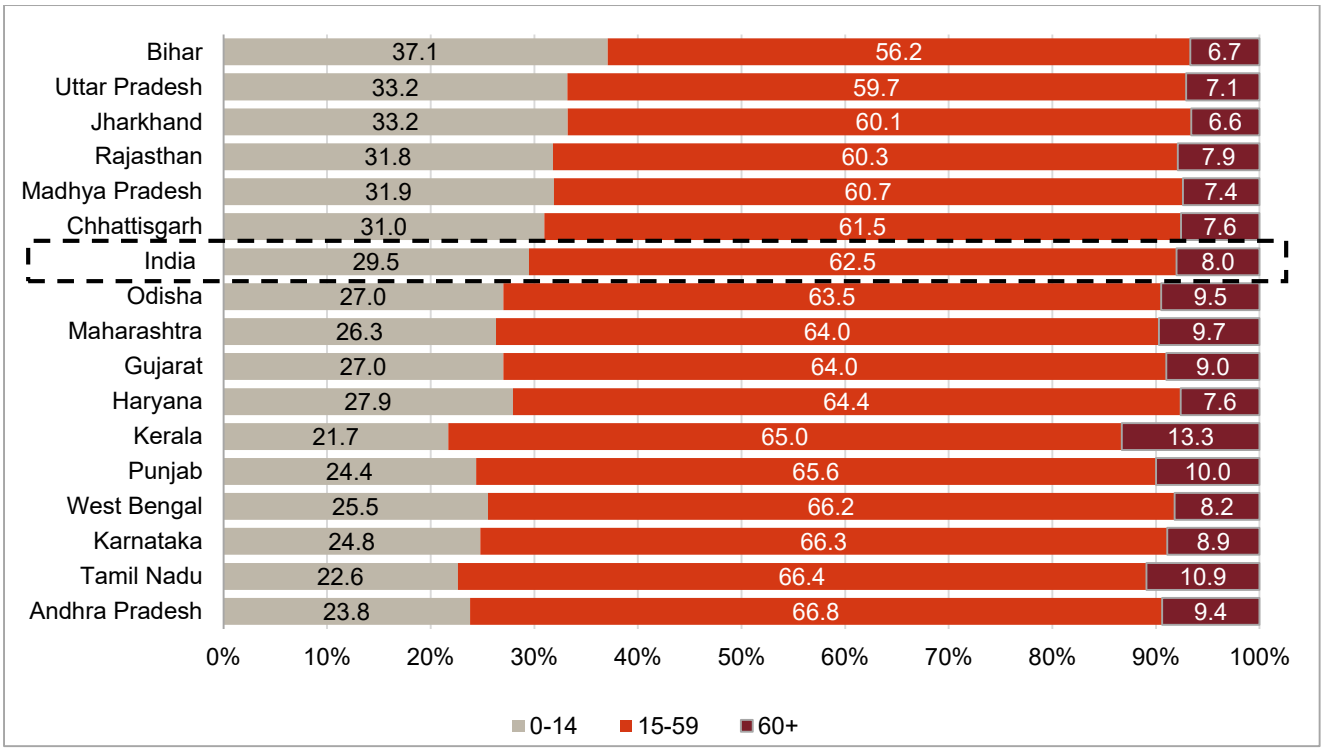


17 states under the non-special category given by the RBI (except Goa) have been considered for analysis - Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, and West Bengal.
Data for National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS) from January 2018 to December 2020.
** Telangana excludes data for diabetes mellitus (DM) and hyper tension (HTN), cardiovascular disease, and stroke as it was not reported by the state.*
Source: NHP 2019, CRISIL Research

Andhra Pradesh has highest percentage of population aged 15-59 years

As per Census 2011 data, India's age-wise national average statistics indicates that 29.5% people fall in the 0-14-year group, 62.5% in the 15-59-year bracket and 8% are 60+. In Andhra Pradesh, ~67% of its population is aged 15-59 years and 9.4% above 60 years, which collectively is nearly 5.7% higher than the national average. This increases the state's vulnerability towards NCDs, thus necessitating greater focus on healthcare.

State-wise age group-wise population for 2011



17 states under the non-special category given by the RBI (except Goa) have been considered for the analysis - Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, and West Bengal.
Source: Census 2011, CRISIL Research

(vi) GDP OUTLOOK FOR FISCAL 2021 AND 2022

Healthcare-related fiscal measures

India's COVID-19 emergency response and health system preparedness package of ₹ 150 billion was announced in three phases until Mar 2024 to address immediate needs in the wake of the pandemic. A separate health-worker life insurance cover of ₹ 5 million under Pradhan Mantri Garib Kalyan Yojana (PMGKY) was also announced to offer support to families of frontline health workers fighting the virus.

In addition to emergency funding for the pandemic response, the economic package includes long-term measures to improve healthcare infrastructure. The government's emphasis on healthcare offers substantial opportunities for private investment to create affordable healthcare facilities and services. To boost private investment in social infrastructure, the government has announced an outlay of ₹ 81 billion with viability-gap funding (VGF) limits enhanced from 20% to 30% of project cost for both the Central and state governments to attract private investments in the social infrastructure space.

VGF support will aid in the development of hospitals and healthcare centres under public-private partnership (PPP). It creates an investment opportunity of ₹ 150-200 billion under the social-infrastructure space. Support to private investments via enhanced VGF will help grow the current health infrastructure by 4-5%. Increased public expenditure on health (National Health Policy targets public health expenditure at 2.5% of GDP by 2025) also means increased government focus on development of health systems and research centres. Development of healthcare infrastructure will gain preference in the current situation with a rise in healthcare spending / demand in India.

Impact of Union Budget 2021-22 on healthcare and wellbeing: Positive

Key budget proposals

- Budgetary allocation towards health and well-being increased to ₹ 2.23 lakh crore in fiscal 2022
- Provision of ₹ 35,000 crore for COVID-19 vaccines in fiscal 2022

Ministry/Department	Actuals FY20 (Rs crore)	BE FY21 (Rs crore)	RE FY21 (Rs crore)	BE FY22 (Rs crore)
Healthcare	**64,331**	**67,112**	**82,928**	**122,124**
D/o Health & Family Welfare	62,397	65,012	78,866	71,269
D/o Health Research	1,934	2,100	4,062	2,663
Vaccination				35,000
FC Grants for Health				13,192
Well-being	**21,928**	**27,340**	**19,946**	**101,722**
M/o AYUSH	1,784	2,122	2,322	2,970
D/o Drinking Water & Sanitation	18,264	21,518	17,024	60,030
Nutrition	1,880	3,700	600	2,700
FC Grants for Water and Sanitation				36,022
Overall (Health and wellbeing)	**86,259**	**94,452**	**102,874**	**223,846**

BE: Budget Estimates; RE: Revised Estimates;
Source: Budget document

- Government healthcare expenditure will now cover preventive and curative health and well-being. Of this, healthcare-related measures will account for 71% of the budgeted expenditure of ₹ 94,452 crore for fiscal 2021. A large part of the remaining spending on well-being will be contributed by the Jal Shakti Abhiyan.

- Revised core healthcare expenditure for fiscal 2021 is 24% higher than BE fiscal 2021 because of a ₹ 13,857 crore allocation towards a one-time COVID-19 Emergency Response and Health System Preparedness Package. BE for fiscal 2022 is 47% higher than RE fiscal 2021 due to a ₹ 35,000 crore allocation for COVID-19 vaccination and financial grant of ₹ 13,192 crore to states for health-related expenditure. While details about vaccine funding are awaited, a large part is expected to be spent on expanding the coverage and developing-related infrastructure, including cold storage. If the entire corpus of ₹ 35,000 crore is spent on vaccine procurement (with limited spending on vaccine-related infrastructure), the initiative can cover almost 50% of the population (~590 million people with two doses, each procured at ₹ 300 centrally by the government). Vaccines currently account for only 2-3% of the domestic pharma market and the increased allocation will boost the market share and revenue of pharmaceutical manufacturers. The increased devolution of funds to states will further strengthen healthcare infrastructure and services at the grassroots level.

- On the well-being front, under the Ministry of Jal Shakti, allocation for drinking water and sanitation is up 3.5 times compared with RE fiscal 2021. Provision of potable drinking water via functional tap connections to rural households will impact health and hygiene positively.

Andhra Pradesh promoting universal healthcare through Dr. YSR Aarogyasri Health Insurance Scheme

To achieve universal health coverage for below poverty level families whether defined in terms of financial protection or access to and effective use of health care, the Andhra Pradesh government is implementing state-sponsored Dr. YSR Aarogyasri Health Insurance Scheme. The scheme is a PPP model in the field of health insurance, and provides end-to-end cashless services for identified diseases under secondary and tertiary care through a network of service providers from government and private sector. Primary care is addressed through free screening and outpatient consultation in both health camps and network hospitals as part of scheme implementation. The information, education & communication (IEC) activity during health camps, and screening, counselling and treatment of common ailments in these camps and out-patient services in network hospitals are supplementing the government health care system in preventive and primary care. To facilitate the effective implementation of the scheme, the state government set up the Dr. YSR Aarogyasri Health Care Trust.

Services Included in the scheme

- End-to-end cashless services offered through a NWH from the time patient reporting till 10 days post discharge medication, including complications if any up to thirty (30) days post-discharge, for those patients who undergo a listed therapy.

- Free OP evaluation of patients for listed therapies who may not undergo treatment for listed therapies.

- All the pre-existing cases under listed therapies are covered under the scheme.

- Food and transportation.
- Follow-up services are provided for a period of one year through fixed packages to patients who require long-term follow-up therapy to get optimum benefit from the procedure and avoid complications.

Impact of the scheme on the state's health scenario

i. Changing tertiary care profile: As the scheme progressed, the pre-existing load of diseases is coming down, particularly in relation to high-end diseases in cardiology, neurosurgery, gynaecology and obstetrics, etc. This may be attributed to a decrease in preload which is contributed by procedures under the scheme such as valve replacement surgeries and congenital cardiac defects, SOLs in brain and chronic disorders in gynaecology.

ii. Improvement in documentation and regulatory effect on hospitals: The empanelment procedure, defined diagnostic and treatment protocols, capturing of admission notes, daily clinical notes, operation notes, discharge summary and uploading of diagnostic reports including films, WebEx recording of angio and laparoscopic procedures and other photographic evidences have resulted in a profound improvement of medical documentation in the state and regulatory effect on the hospitals.

iii. Improvement in the quality of services: Continued monitoring of the services both online and in the field through an elaborate mechanism, coupled with disciplinary action against erring hospitals, is greatly enhancing the quality of treatment under the scheme.

iv. Establishing medical protocols tailor-made to local situations: The scheme considers availability of local infrastructure and standard medical practices defined by standard medical protocols with the help of senior specialists in each field.

v. Employment generation: The scheme generated indirect employment potential as the insurance company, network hospital and other stake holders have to employ many people in different cadres such as Vaidyamithra, MEDCO, VMCCO, duty doctors, paramedical technicians, staff nurses, etc.

vi. Health awareness: Since implementation of the scheme, health camps held in rural areas not only screened people but also played a key role in bringing health awareness among the population through IEC activity. Counselling by field staff and paramedical staff is also contributing to health awareness among rural poor. As pre-evaluation of patients is also cashless under the scheme, people are motivated to approach network hospitals as and when they notice symptoms of identified diseases.

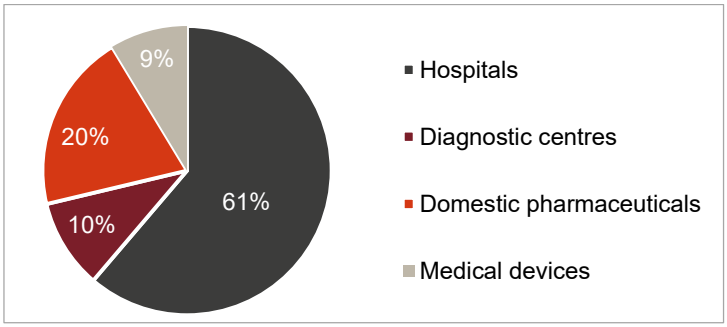
vii. Morbidity pool and disease mapping: As the entire patient data of people attending health camps, network hospital OP, in-patient treatment details and treatment details of the beneficiaries approved under the scheme are captured online, it created a huge morbidity data pool of the population.

viii. Early recognition and disease IEC activities, health camps, counselling by field staff and awareness campaigns by the Trust and district administration are helping in early recognition and prevention of diseases.

ix. Performance of government hospitals: Government hospitals with requisite infrastructure are empanelled to provide services under the scheme and they are entitled to receive the same payment as private and corporate hospitals. This is helping government hospitals to earn much needed finances to improve infrastructure and provide quality care to patients. This system is motivating more and more government hospitals to participate in the scheme and utilise the revenue earned to improve facilities to provide quality medical care. The government decided to retain 20% of earnings by government hospitals to create a revolving fund to regularly assist these hospitals improve their infrastructure and decided to utilise a part of these funds to bring reforms in tertiary medical care.

(vii) STRUCTURE OF THE HEALTHCARE DELIVERY INDUSTRY IN INDIA

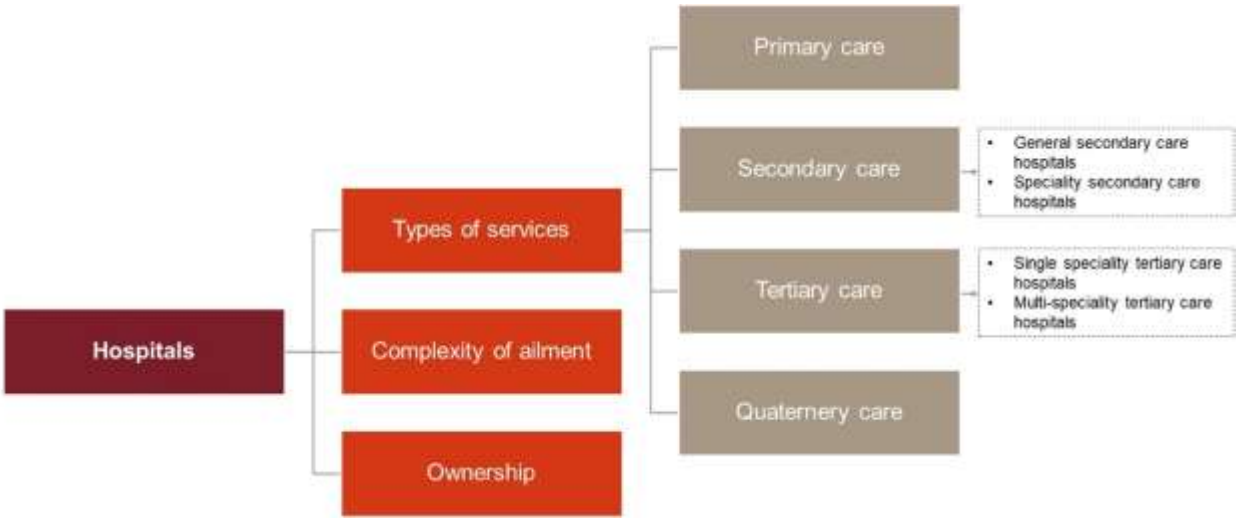
OVERVIEW



CRISIL Research estimates the healthcare delivery market, consisting of hospitals and diagnostic centres, to account for a major share of the healthcare pie (71%), followed by domestic pharmaceuticals (20%) and medical devices market (9%) as of fiscal 2020.

Source: CRISIL Research

(viii) CLASSIFICATION OF HOSPITALS



Classification of hospitals based on services offered

Primary care/ dispensaries/ clinics

Primary care facilities are outpatient units that offer basic, point-of-contact medical and preventive healthcare services, where patients come for routine health screenings and vaccinations. These do not have intensive care units (ICU) or operation theatres. Primary care centres also act as feeders for secondary care/ tertiary hospitals, where patients are referred to for treatment of chronic/ serious ailments.

Secondary care

Secondary care facilities diagnose and treat ailments that cannot be treated in primary care facilities. These act as the second point of contact in the healthcare system. There are two types of secondary care hospitals - general and specialty care.

General secondary care hospitals

These hospitals are approached for common ailments, and attract patients staying within a radius of 30 km. The essential medical specialties in general secondary care hospitals include: internal medicine, general surgery, obstetrics and gynaecology, paediatrics, ear-nose-throat (ENT), orthopaedics, and ophthalmology. Such a hospital typically has one central laboratory, a radiology laboratory, and an emergency care department. Generally, secondary care hospitals have 50-100 in-patient beds, a tenth of which are allocated for the ICU segment. The remaining beds are equally distributed between the general ward, semi-private rooms, and single rooms.

Specialty secondary care hospitals

These hospitals are located in district centres, treating patients living within a radius of 100-150 km. They usually have an in-patient bed strength of 100-200, 15% of which are reserved for critical care units. The balance is for private rather than general ward beds. Apart from medical facilities offered by a general secondary care hospital, specialty secondary care hospitals treat ailments related to gastroenterology, cardiology, neurology, dermatology, urology, dentistry, and oncology. These hospitals may also offer some surgical specialties, but they are optional. Diagnostic facilities in a specialty secondary care hospital include: a radiology department; biochemistry, haematology and microbiology laboratories; and a blood bank. They also have a separate physiotherapy department.

Tertiary care

Tertiary care hospitals provide advanced healthcare services, usually on referral from primary or secondary medical care providers.

Single-specialty tertiary care hospitals

These treat a particular ailment (such as cardiac, cancer, etc). Prominent facilities in India include: Escorts Heart Institute & Research Centre (New Delhi); Tata Memorial Cancer Hospital (Mumbai, Maharashtra); HCGEL Oncology (Bengaluru, Karnataka); Sankara Nethralaya (Chennai, Tamil Nadu); National Institute of Mental Health & Neuro Sciences (NIMHANS, Bengaluru, Karnataka); and Hospital for Orthopaedics, Sports Medicine, Arthritis and Trauma (HOSMAT, Bengaluru, Karnataka).

Multi-specialty tertiary care hospitals

These hospitals offer all medical specialities under one roof and treat complex cases such as multi-organ failure, high-risk, and trauma cases. Most of these hospitals derive a majority of their revenue through referrals.

Such hospitals are located in state capitals or metropolitan cities and attract patients staying within a 500 km radius. They have a minimum of 300 in-patient beds, which can go up to 1,500 beds. About one-fourth of the total beds are reserved for patients in need of critical care. Medical specialties offered include: cardio-thoracic surgery, neurosurgery, nephrology, surgical oncology, neonatology, endocrinology, plastic and cosmetic surgery, and nuclear medicine. In addition, these hospitals have histopathology and immunology laboratories as a part of its diagnostic facilities. Lilavati Hospital and Hiranandani Hospital in Mumbai, Maharashtra, KIMS hospitals in Andhra Pradesh and Telangana region and KIMS in Hyderabad, Telangana are multi-specialty tertiary care hospitals.

Classification of hospitals by facilities/ services offered

	Primary care	Secondary care	Tertiary care
Services	Provides all services as required for the first point of contact	Provides all services as required, including organised medical research	Provides all services as required, including provision for experimental therapeutic modalities and organised research in chosen specialities
Multi-disciplinary	Yes	Yes	Single- or multi-speciality
Type of service	Only medical services and excludes surgical services	Overall medical and surgical services	Complex surgical services with sophisticated equipment
Type of patient	Only outpatient	Inpatient and outpatient	Primarily inpatient
No of beds	0 beds	50-200 beds	>200 beds
Dependent on	Secondary and tertiary care hospitals for further diagnosis and support	Tertiary care hospital for diagnostic and therapeutic support on referral and for patient transfer	Tertiary care/secondary hospital for referrals for its workload
Investment	Low investment required	Medium	High

Classification based on complexity of ailment

Healthcare delivery may also be classified as primary, secondary and tertiary, on the basis of the complexity of ailment being treated. For instance, a hospital treating heart diseases may be classified as a primary facility if it addresses conditions such as high cholesterol; as a secondary facility if it treats patients suffering strokes; or as a tertiary facility if its deals with cardiac arrest or heart transplants.

Ailment/ condition	Primary	Secondary	Tertiary
Acute infections	Fever	Typhoid/ jaundice	Hepatitis B,C
Accidents/ injuries	Dressing	Fracture	Knee/ joint replacements / brain haemorrhage
Heart diseases	High cholesterol	Strokes	Cardiac arrest/ heart attacks/ heart transplantation/ heart defects like hole in heart
Maternity	Diagnosis/ check-ups	Normal delivery/ caesarean	Normal delivery/ caesarean/ post-delivery complications such as brain fever
Cancer	Lump diagnosis/ check-ups	Tumour – medical, surgical, and radiation therapy	Medical, surgical and radiation therapy

Source: CRISIL Research

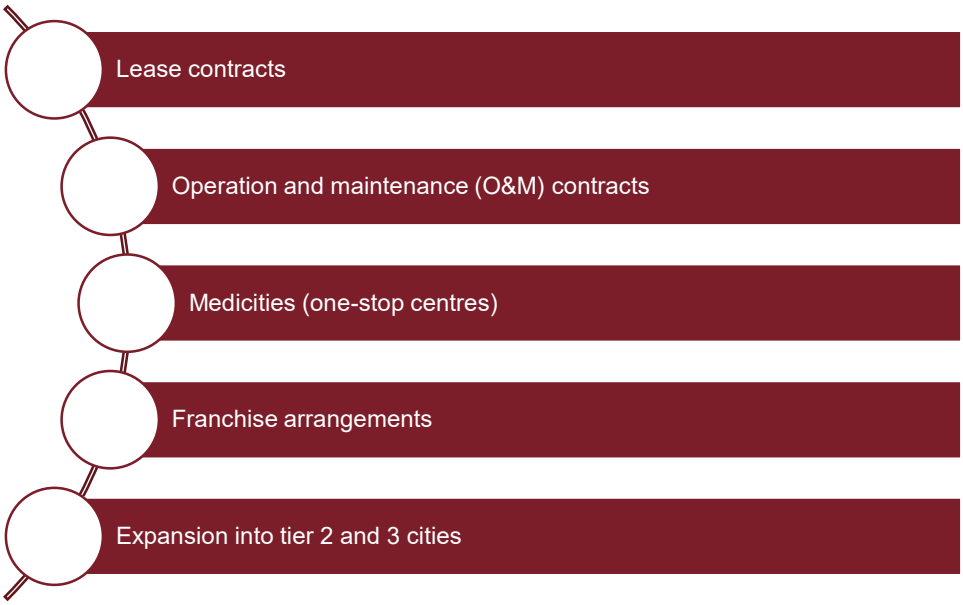
Classification based on ownership

Hospitals can also be classified based on their ownership and management:

Government	• Brihanmumbai Municipal Corporation hospitals, KEM Hospital, Cooper Hospital (Mumbai, Maharashtra)
Private	• Asian Heart Institute, Apollo Hospitals, Krishna Institue of Medical Sciences (KIMS), Fortis, Max Healthcare
Trust	• Lilavati (Mumbai, Maharashtra), Hinduja (Mumbai, Maharashtra)
Trust owned, but managed by a private party	• Two operational models are followed by trusts and private parties: • **Medical service agreement** - Max Super Speciality Hospital, Patparganj, National Capital Territory of Delhi • **Operation and management contract** - Balabhai Nanavati Hospital in Mumbai, Maharashtra; Apollo Hospital in Ahmedabad, Gujarat is owned by a trust but managed by the Apollo Group
Owned by one private player, managed by another	• East Coast Hospital in Puducherry was earlier managed by Fortis Healthcare

(ix) REVIEW OF BUSINESS MODELS FOR HEALTHCARE DELIVERY

Emerging business models



Lease contracts

In the hospitals sector, the ownership model has become costly because of the sharp increase in land prices, especially in metros and tier 1 cities, over the past few years. This has compelled private players to look for alternative models such as lease contract. In a lease contract, the land owner develops the hospital building as per specifications given by the private player, who, in turn, enters into a long-term lease agreement with the land owner. For example, Apollo Hospitals has acquired land and building on lease from Orient Hospital, Madurai, Tamil Nadu, for 60 years. However, lease renewals pose a major risk for private players.

O&M contracts

Under this model, a large private player (or a hospital chain) undertakes a contract for managing a standalone hospital and overseeing functions such as marketing, operations, finance, and administration. In return, the private player receives a fixed annual management fee and share in revenue or profits from the standalone hospital's owners. Apollo and Fortis (with Cauvery Hospital in Mysuru in Karnataka) have entered into such contracts to expand their base in India.

Medicity (one-stop centres)

Medicity is an integrated township of super-speciality hospitals, diagnostic centres, medical colleges, research and development (R&D), ancillary, and supporting facilities. The concept of medicity is based on models already operating in countries such as Scotland, the US, France, and Algeria. In India we have Medanta (Gurgaon, Haryana), Narayana Hrudayalaya (Bengaluru, Karnataka), and Chettinad Health City (Chennai, Tamil Nadu). However, the success of a medicity depends on its location and the ability to attract patients. Due to large land requirements, health cities are often located on the outskirts of a city and, hence, attracting patients could be a challenge unless transportation is available.

Franchise arrangements

In this model, franchisees obtain the premises (owned or leased) and infuse capital (both fixed and working), while the franchisor lends the brand name to the healthcare facility for a fee. The franchisor has to ensure that the service quality is maintained across all healthcare centres that use its brand. It may also help the franchisee in training and recruiting staff, procuring equipment, designing the facility, etc. In India, Apollo Hospitals has expanded its network of primary clinics through this model.

Expansion into tier 2/ 3 cities through primary and secondary hospitals

Private players are now foraying into tier 2 and 3 cities as income levels in these cities are fast catching up with those in metros and tier I cities, and these regions hold a big share of unmet healthcare demand. Some of the major hospital chains are also expanding into these regions at different price formats, thereby creating a continuum of care, with provision of higher super specialty services in metros/ tier 1 locations. KIMS hospitals have also expanded to tier-II cities in Andhra Pradesh like Anantapur, Kurnool, Vizag amongst others.

However, there are some chains that predominantly operate only in tier 2 and 3 cities, such as Paras Healthcare and Shalby Hospitals.

(x) EMERGING TECHNOLOGIES IN HEALTHCARE DELIVERY


Electronic Health Records


Artificial Intelligence, Blockchain


Radiology information system


Clinical decision support system


Mobile-based applications


Telemedicine


Robotic surgery


Wearables and sensors

The healthcare industry, like other industries, is constantly evolving in terms of technology. Developments in information technology have helped create systems that ensure faster and reliable services. While, on the one hand, these systems help increase reach and quality of healthcare delivery systems across the country, on the other, they enable healthcare delivery providers to improve efficiency by helping them in resource planning, maintaining patient records, etc. CRISIL Research expects the advent of 5G, smartphone penetration, and increasing health-conscious population to deepen digital healthcare penetration.

Electronic health records ("EHRs")

EHRs are designed to manage detailed medical profile and history of patients such as medication and allergies, immunisation status, laboratory test results, and radiology images.

EHRs can be shared between multiple systems allowing doctors from various specialties and hospitals to share the same set of patient data. This feature helps improve coordination between doctors, saves time, and prevents redundancy of recreating medical records.

Artificial Intelligence (AI) and blockchain

Healthcare establishments like hospitals are looking at opportunities to deploy AI or/and blockchain in improving their operating efficiency – scheduling appointments depending on the gravity of the issue, healthcare monitoring, etc, thereby minimising human error through technological intervention. For instance, NITI Aayog has extended its support to an AI-based project - Radiomics, which is also supported by Tata Memorial Centre Imaging Biobank.

Radiology information system

RIS is a tool that allows managing digital copies of medical imagery such as X-ray, MRI, ultrasound, and associated data on a network. RIS is used by doctors to access medical imagery data from multiple locations. It is connected to medical equipment such as X-ray, MRI and ultrasound machines, which generate diagnosis results in the form of images and graphs.

Implementation of RIS allows hospitals eliminate the need of generating and maintaining medical imagery on expensive films. RIS enable hospitals to store complete radiology history of patients together. This feature allows generating detailed analytical reports on patient's medical history.

Clinical decision support system

CDSS is a software designed to assist doctors in taking decisions pertaining to the diagnosis and treatment of patients. A CDSS is supported by a large database that has detailed information on ailments with data aspects ranging from symptoms to diagnosis. The database is supported by a set of rules that help generate accurate results for the query made by the user. It also contains patient specific information such as medical history, allergies, etc, which helps doctors to make effective decisions on the treatment. CDSS databases are open-ended to allow addition of information on newly discovered diseases, procedure and medications, rectification of erroneous procedures, and updating of patient information.

Mobile-based application

Healthcare delivery is also seeing an influx of mobile-based applications (mobile apps) to assist doctors as well as patients. These apps provide features such as self-diagnosis, drug references, hospital/doctor search, appointment assistance, electronic prescriptions, etc. While certain apps allow doctors to obtain information on drugs, dosage, contradictions, disease/ condition references and procedures; others allow patients to locate doctors, fix appointments, and opt for video consultations.

Telemedicine

Telemedicine is a technology designed to improve accessibility of healthcare services from remote locations. Telemedicine, through its extensive use of information technology, creates a connection between doctors at the main hospital and patients at remote locations or telemedicine centres. The doctor analyses the patient through telephonic conversation or video conferencing and is assisted by a junior doctor or health worker who is physically present at the telemedicine centre. The junior doctor physically examines the patient and conveys the information, based on which the doctor confirms the diagnosis and prescribes medication.

Robotic surgery

Robotic surgery or robot-assisted surgery (RAS) is a surgery conducted by using a robotic arm that is controlled electronically by a control pad. The pad may be located at a local or remote place and is equipped with high-definition cameras allowing surgeons to take a closer look at the areas being operated. Since RAS can be performed from remote locations, it allows patients to avail the treatment from the desired specialist surgeons across the globe without having to travel.

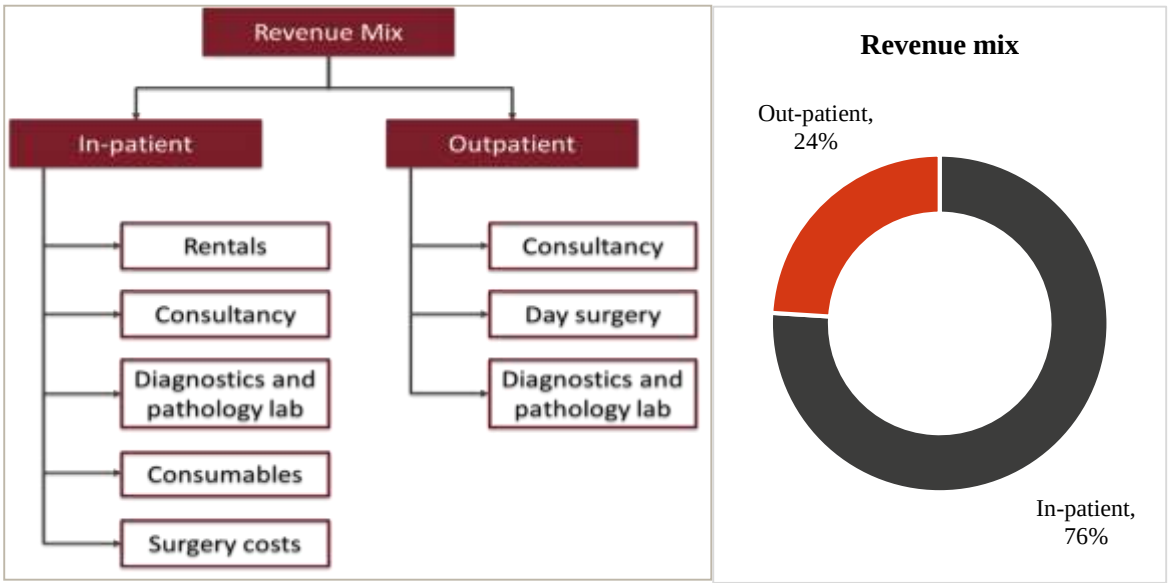
Wearables and sensors

With awareness on healthcare increasing, people have started adopting wearables and sensors that keep a track of the vitals of the user. Wearables and sensors also have data about the user's historical health records and sends out alerts in case of any irregularities. Some sensors are used solely from a curative healthcare perspective, to lead a healthy life with a proper fitness routine.

(xi) REVENUE AND COST STRUCTURE REVIEW OF HOSPITALS

Hospitals derive bulk of their revenue from IPD

The primary revenue streams of hospitals are the IPD and out-patient department (OPD) segments. Typically in most hospitals, the OPD contributes to three-fourths of total volumes; whereas, the IPD accounts for as much as 76% of the overall revenue. This ratio could vary with hospitals, depending on the type of services rendered and the ailment mix.



Notes: 1) The IPD in a hospital generally consists of beds, operation theatre(s), intensive care unit, supportive services (such as nursing services, pharmaceutical services, laboratory and diagnostics centres) and central sterile and supply department (CSSD)
2) In the OPD, examination, diagnostics and day surgeries are included
Source: CRISIL Research

Ailment-wise realisation

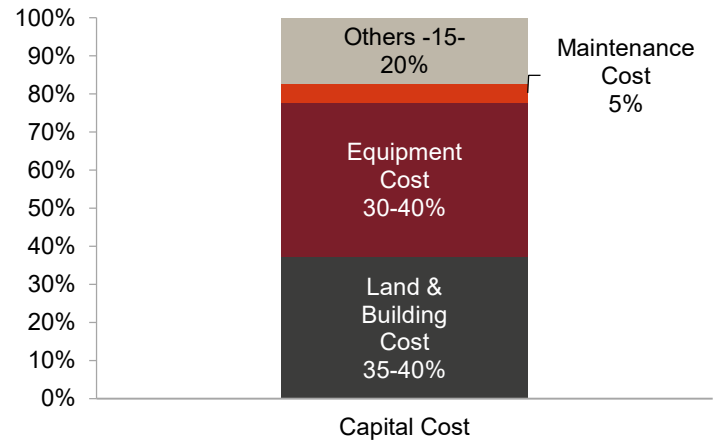
Ailment	ALOS	Remarks
Cardiac	5 days	In complex, surgical cases, ALOS is 7-8 days Angiography – day care; and angioplasty – 2 days
Orthopaedics	3-4 days	
Oncology	5-6 days	Hospitalisation is for surgical cases only. For chemotherapy, there are day-care beds and for radiotherapy, no stay is required
Neurosurgery	8-10 days	Would vary on case-to-case basis depending on the complexity of the case
Ophthalmology	1 day	Day care

Source: CRISIL Research

Capital costs

For secondary care hospitals in tier-I cities, the capital costs would hover around Rs 5-8 million per bed and the costs for super-specialty tertiary care hospitals would be higher as high-end technology and equipment costs are involved. Use of imported equipment can further drive up equipment costs. Capital costs to build tertiary care hospitals in tier-I cities are in the range of Rs 10-12 million per bed, excluding land cost. For a secondary care hospital in tier II cities, the capital cost would hover around Rs 2.5-5 million per bed followed by Rs 1-2.5 million per bed in the remaining Indian cities and towns (other than tier I & tier II). The table below depicts the capital cost per bed across tier-I, II & III cities for secondary and tertiary care hospitals.

Typical cost structure of hospitals



Capital cost / bed (excluding land cost)	Secondary care hospital	Tertiary/Quaternary care hospital
Tier - I	Rs 5-8 million	Rs 10 million+
Tier – II	Rs 2.5–5 million	Rs 5-8 million
Tier - III	Rs 1-2.5 million	Rs 2.5-5 million

Source: CRISIL Research

The two key capital cost components are land and building development costs and equipment costs.

- *Land and building costs:* These costs usually form 35-40% of the total project cost. Land cost usually constitutes 20-30% of the total project cost as land cost varies with location. In some cases, land is offered at a concessional rate by the government. However, after obtaining land at cheaper rates, hospitals may have contractual obligations to treat a certain percentage of patients (belonging to the lower income category) free of charge and/ or at a subsidised rate every year.

- *Equipment costs*: These costs form 30-40% of the total project cost (subject to variations depending on the sophistication of the equipment purchased). MRI, linear accelerators and CT scan machines are some of the expensive equipment, each costing ₹ 50-100 million. As these equipment rapidly become obsolete, hospitals need to set aside resources periodically for technology upgradation (as it directly impacts patient outcomes). Moreover, the maintenance cost for high-end equipment is typically around 5% of the capital costs. In the case of tertiary care hospitals, most of the high-end diagnostic and surgical equipment are imported. Equipment costs vary across hospitals, depending on the ailment type the hospital specialises in.

Tier II cities hold good potential for players to expand

Tier-II cities, such as Jaipur, Rajasthan and Indore, Madhya Pradesh indicate comparatively higher bed densities due to the presence of large number of hospitals whereas in other tier-II cities, such as Bhubaneshwar in Orissa, Chandigarh, Nellore and Vishakhapatnam in Andhra Pradesh and Lucknow in Uttar Pradesh, there are lesser number of hospital beds compared to the population they cater to. However, tier-II cities like Indore in Madhya Pradesh, located at the centre of India, still holds a good potential to expand further in terms of healthcare facilities because of demand arising from both within the city and districts/cities of neighbouring states. On the other hand, cities such as Bhubaneshwar in Orissa and Chandigarh that lack sufficient number of hospitals also have room for players in the healthcare services to strengthen their foothold and improve healthcare infrastructure of these cities.

Increasing penetration of hospital chains in tier 2 and 3 locations



Note: Based on city category classification followed by 7th Pay Commission, tier I – X cities (top 8 cities), tier II – Y cities (next 88 cities)
Source: Company reports, CRISIL Research

The Indian healthcare delivery system has seen consolidation in recent years. A highly competitive industry, coupled with tightening of healthcare regulations, has made it difficult for smaller players in the industry to stay profitable. Larger hospital brands typically have stronger financial discipline and negotiating power with suppliers, better ability to attract medical talent, and greater capital and administrative resources to meet these needs over standalone hospitals. Many of the established players in the healthcare delivery industry follow inorganic growth to expand into the geographies where they have limited presence. In terms of supply creation,

major hospital chains have expanded into the next level of creamy tier 2 and 3 locations (with ~67% aggregate bed additions by 10 large hospitals players in the past four years being in these areas). KIMS Ltd has acquired four hospitals over the last four years to further strengthen presence in Andhra Pradesh and Telangana, across tier-II micro-markets in Andhra Pradesh such as Ongole, Kurnool, Anantapur and Vizag.

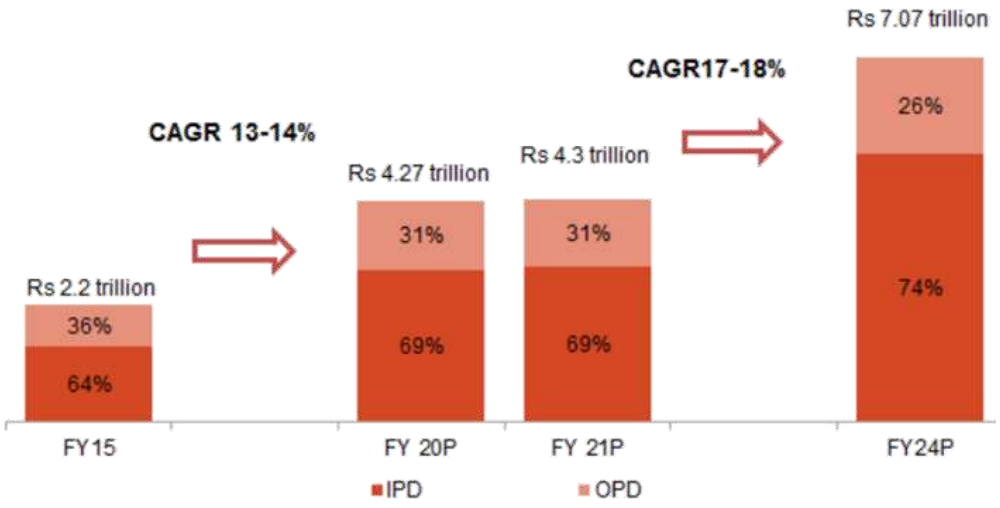
Rise in demand for health infrastructure, modern technologies and multi-disciplinary healthcare have been some of the key driving factors for consolidation in the industry. Investments by private equity (PE) players is also gaining traction. Majority of the PE deals in the industry in the past 2-3 years have been towards hospital portfolio consolidation, also enabling formation of regional clusters that provide base for further expansion and consolidation. Recently, Manipal Health acquired 100% stake in Columbia Asia hospitals, strengthening its presence in southern India. IHH health also has gained stake in Fortis Healthcare in 2018. In the past two years, deals worth ~₹ 126 billion and ~₹ 22 billion have taken place in multi-speciality and single-speciality hospitals, respectively.

(xii) REVIEW AND OUTLOOK

Momentary blip for private hospitals this fiscal; but poised for robust growth in the medium term

Barring the momentary setbacks in fiscal 2021, CRISIL Research estimates the Indian healthcare delivery industry to post a healthy 17-18% CAGR between fiscals 2021 and 2024, driven by strong fundamentals, increasing affordability and Ayushman Bharat Yojana.

Overall healthcare delivery market in India



Note: According to CRISIL Research out-patients are those who are not required to stay at the hospital overnight. It includes consultancy, day surgeries at eye care centres, and diagnostics, and excludes pharmaceuticals purchased from standalone outlets.
Source: CRISIL Research

The Indian Healthcare delivery market is estimated at ₹ 4.3 trillion in fiscal 2021

CRISIL Research estimates the Indian healthcare delivery market at ₹ 4.3 trillion in value terms and 1.7 billion treatments in volume terms (inclusive of both in-patient and out-patient) in fiscal 2021, with the growth being contributed by the increased government expenditure onto the sector to combat Covid-19 as private hospitals are expected to witness a decline in revenues. In value terms, the IPD is expected to account for nearly 69%, while OPD is likely to account for the remaining. Though in terms of volumes, OPD is estimated to outweigh IPD volumes, with the latter contributing the bulk of the revenues to healthcare facilities. The share of IPD (in value terms) is expected to grow from 69% in the current fiscal year to nearly 74% in fiscal 2024.

Healthcare delivery industry to grow 17-18% over next four years

With renewed impetus from the PMJAY, the healthcare delivery market is expected to log a CAGR of 17-18% and reach ₹ 7.07 trillion in fiscal 2024.

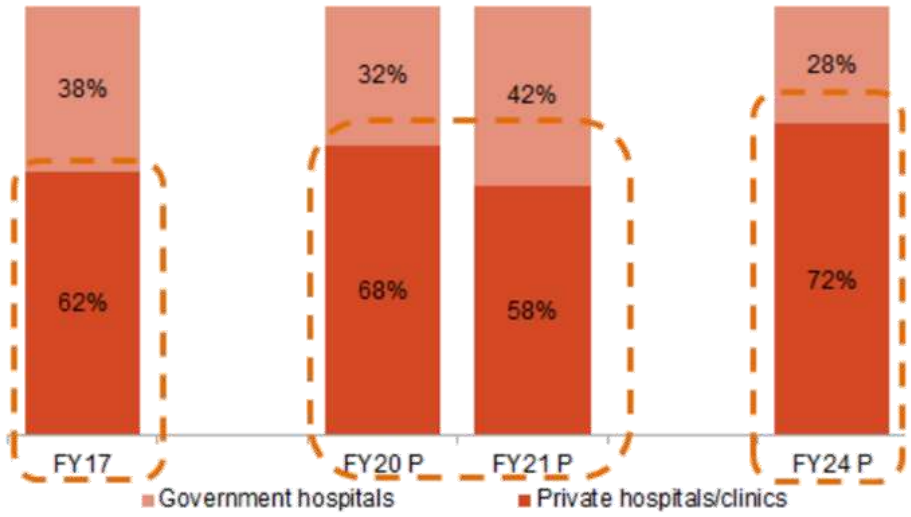
Over the last four years, major hospital chains have added supply (~67% of their incremental supply during the period) in Tier-2 and -3 locations, to create a referral network into their main centre by tapping into the under-served creamy Tier-2 areas. The other contributors to demand are more structural in nature, such as increase in lifestyle-related ailments, growing medical tourism, rising incomes and changing demographics.

In India, healthcare services are provided by the government and private players, and these entities provide both IPD and OPD services. However, the provision of healthcare services in India is skewed towards the private players (both for IPD and OPD). This is mainly due to the lack of healthcare spending by the government and high burden on the existing state health infrastructure.

As of fiscal 2020, around 68% of the treatments in value terms were carried out by private hospitals/clinics in the country. The skew is more towards the private players owing to the expansion plans of private players being centered on it, further supported by coverage of hospitalisations under the PMJAY scheme. However, going forward, the share of private hospitals/clinics in treatments (in value terms) is expected to increase to nearly 72% by fiscal 2024. The additional demand to be unleashed by the recently launched PMJAY can be met only by private participation as government facilities are already over-burdened. Hence, going forward, a major share of treatments would be inclined more towards the private sector.

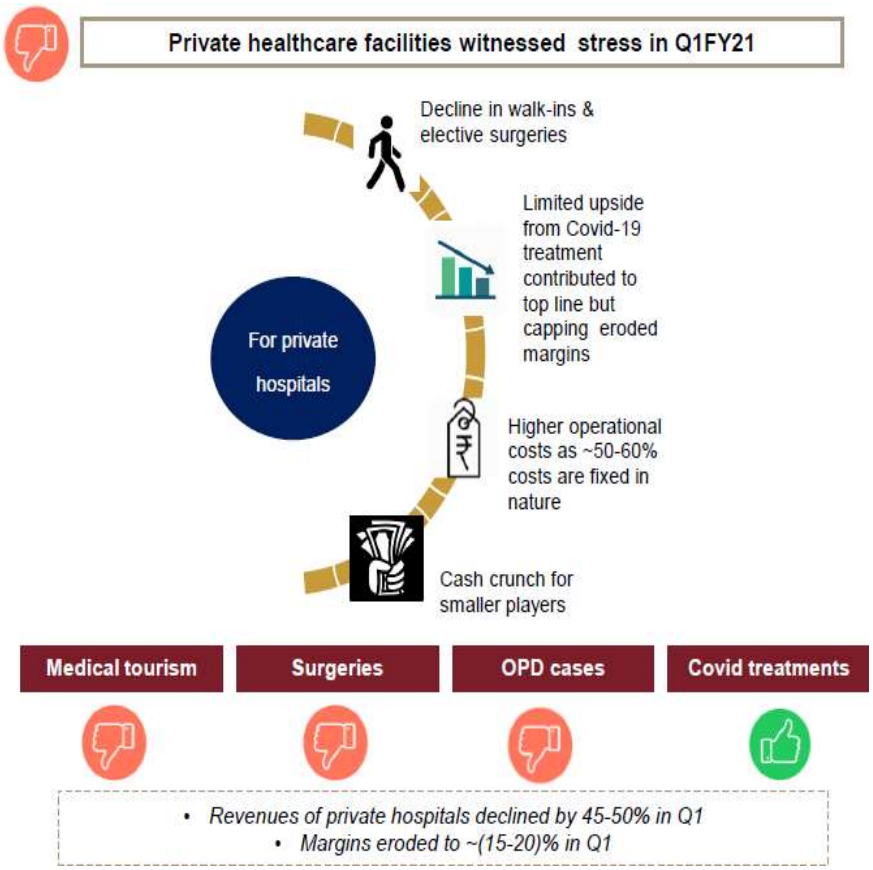
Further, in fiscal 2021, revenues of private hospitals are expected to decline by 10-15% due to reduction in both out-patient and inpatient footfalls (with Occupancy rate (OR) falling to 25-30% in April). The extent of revenue loss is wholly dependent on recovery in footfalls and resolution of deferred surgeries, as the spread of Covid-19 cases is varied across the country. Between the two halves of the fiscal, the second half is expected to see much of the unmet demand coming onto the system.

Share of treatments in value terms (government hospitals versus private hospitals/clinics)



Source: CRISIL Research

(xiii) IMPACT OF COVID-19 ON HEALTHCARE DELIVERY MARKET



The healthcare delivery market saw reduced footfalls during the pandemic-induced lockdown. Surgeries were deferred, too. This impacted cash flow of players. However, the market is driven by strong fundamentals, conducive government policies, improving affordability and geographical diversification of hospital players. The pace of the sector's growth in the medium term remains robust.

Trade-off between Covid-19 and non-Covid-19 care sullies industry outlook in near term

As the nation continues to grapple with COVID-19, like others sectors, the healthcare delivery market is also witnessing a loss of revenue, despite this being a healthcare-related emergency. Till date, the major burden of combating this contagious virus has been handled by the government, with some private facilities being roped in to meet the shortfall in bed infrastructure. The nationwide lockdown in response to the pandemic restricted movements of people, impacting OPD footfalls at hospitals as well as in-patient conversion from OPD. This also ensured that conveyance of people to urban hospitals was restricted. Many private hospitals chose to delay elective surgeries (some had shut operations for some time) in order to minimise the risk to patients, especially those, whose immunity was already compromised due to varied illnesses, thereby leading to a drop in occupancy levels. Some hospitals started teleconsultations and adopted telemedicine for OPD treatments (at similar costs), but have been unable to shift their entire OPD patient load onto this mode due to factors such as patients being unaware of this facility and some still preferring the traditional face-to-face consultation.

As per our primary interactions, occupancy in private hospitals had fallen up to 25-30% in April, but witnessed a gradual pick-up in the following months. Most of the pent-up demand is likely to be met in the second half of the fiscal. Major listed hospitals have seen an improvement in occupancy, both from deferred treatments as well as COVID treatments. However, a renewed surge in COVID cases and consequent diversion of critical beds towards COVID care could hamper revenue prospects from regular channels that are a higher revenue contributor.

Visa curbs and grounding of inbound airlines is expected to wipe out revenues (to the tune of 8-10%) from the high-margin medical tourism business for major hospitals in metros. Prospects for this vertical remain bleak this fiscal, as people would continue to exercise caution while travelling even though travel bans have been lifted and India has entered into a travel bubble arrangement with some countries.

As COVID has curved downwards, return to normalcy has begun in most parts of the country during the second half of the fiscal. Even as private hospitals find it difficult to set course to their erstwhile growth levels, hospitals focused on critical specialties are expected to be able to recoup their lost revenues faster, making them relatively lesser vulnerable to the pandemic at the end of the fiscal. As the impact of COVID-19 is touted to be greater in urban areas, where major hospital chains have greater presence, smaller hospitals may stand to benefit from volume impetus provided by government schemes as this ensures at least some level of occupancy. The impact would be limited further for those hospitals who have tighter control on their operating costs (hospitals with higher EBITDA/bed). CRISIL Research estimates revenues of private hospitals to decline by 10-15% in the near term. This decline would vary across geographies, with a caveat that private hospital revenues could witness a potential upside from increasing COVID cases being treated at private hospitals (which could bring in revenues, but price capping will restrict any gains on margins), as

major metros continue to see a spike in the number of positive cases. Also, OPD levels are still hovering at 50-55% of pre-COVID levels, recovery could be delayed vis-a-vis IPD treatments.

Private hospitals have also witnessed higher demand due to increase in Covid cases

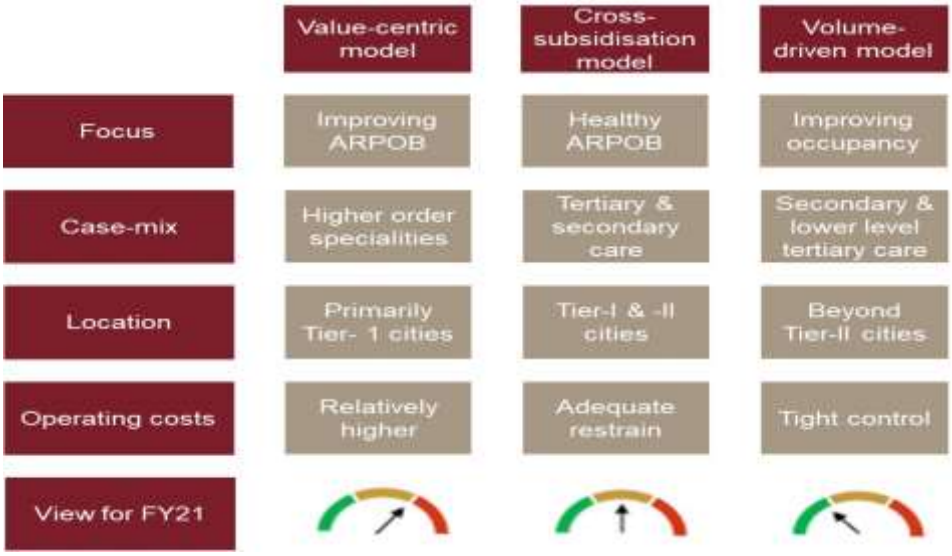
Private players have also fought the battle against Covid-19. They reserved some of their beds exclusively for treating Covid patients. Some private players have gone ahead and converted their whole facility into a Covid centre, adhering to the standard operating procedures.

Hospital industry margins to erode by 400-500 bps this fiscal

Loss of revenue will translate into margin erosion for hospitals as the sector has higher share of fixed operating costs. CRISIL Research estimates an erosion of 400-500 basis points in margins in fiscal 2021.

While the government has released an emergency fund of ~₹ 15,000 crore for a three-year period to procure personnel protective equipment (PPE), N-95 masks and fund Covid treatment costs, an observation has been that states which traditionally had relatively inferior government bed density have not been able to combat or control the pandemic to the extent of states that have a better public healthcare infrastructure in place. And with some of those former states witnessing a faster increase in the number of cases and subsequent increase in fatalities (the national case fatality rate is 3-5%), the reliance of these states on the private sector will be greater for testing as well as treatment facilities. Some of the private facilities in places such as Mumbai and Pune in Maharashtra, and Ahmedabad in Gujarat have been converted into Covid-only hospitals. As of October 30, 2020, insurers received claims worth ₹ 7,700 crore owing to the rising number of cases in the country, with the average claim translating to ~₹ 1.5 lakh. The decline in average claim amount from ~₹ 2 lakh in May could be attributed to price capping measures adopted by some state governments.

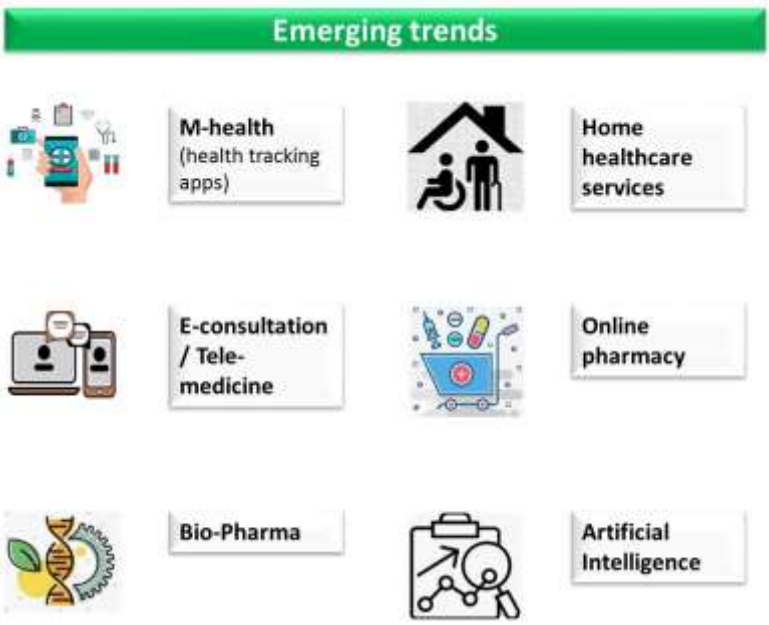
Impact of the pandemic on different business models



Source: CRISIL Research

- Hospitals focussed on specific specialities such as oncology, orthopaedics, etc, will see faster recovery (catering to deferred essential surgeries)
- Dependence on medical tourists in Tier-1 cities to shave off revenues for hospitals this fiscal
- Volume-driven dependence on government schemes to aid volumes in the second half for empanelled hospitals
- Compliance and additional sanitary measures (such as PPE) along with testing of employees with lead to an increase of 3-5% in treatment costs

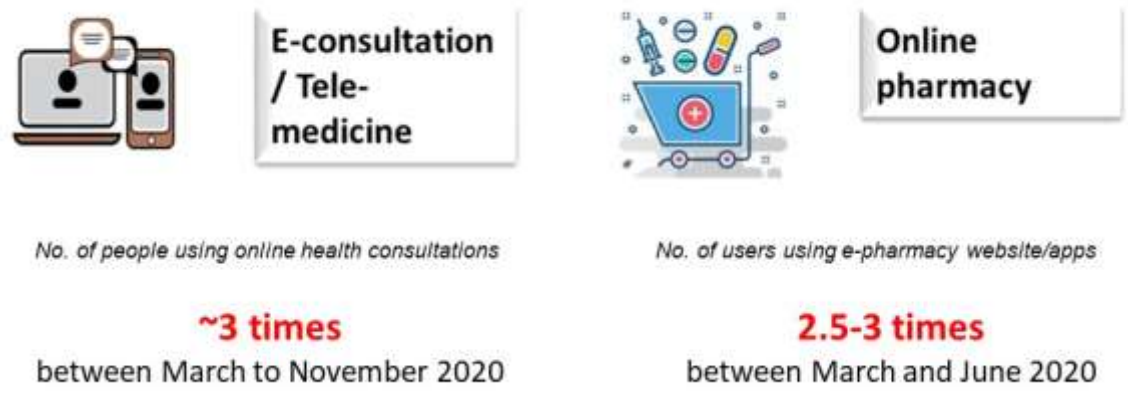
Consumers prefer convenient, affordable and personalised treatments



The need for social distancing and contactless services in the post-COVID world is changing consumer preferences.

Already this has resulted in the growth of mobile health (M-health) with increased use of health-tracking apps apart from the growth in e-consultation and tele-medicine. Online pharmacies are also gaining traction, along with growing acceptance of bio-pharmaceuticals.

Online spends during COVID-19 towards healthcare sector



On account of the nationwide lockdown imposed to contain the COVID-19 pandemic in India during the last week of March 2020, there has been higher dependence on the internet to serve basic healthcare needs of individuals. Convenient, affordable and personalised treatments have been preferred as opposed to traditional hospital-based treatments. Increasing use of e-pharmacy websites/apps has been evident as the number of users using e-pharmacy website/apps shot up nearly 2.5-3 times between March and June 2020. E-consultation/tele-medicine also gained traction as they omitted the need to visit hospitals. As per a recent report 'Rise of Telemedicine - 2020', published by the Telemedicine Society of India, the number of people using online health consultations increased three times between March to November 2020. The advent of 5G, artificial intelligence and machine learning is expected to further accelerate online spending towards healthcare.

(xiv) KEY GROWTH DRIVERS OF HEALTHCARE DELIVERY INDUSTRY

A combination of economic and demographic factors is expected to drive healthcare demand in India. CRISIL Research believes the PMJAY scheme launched by the government would also support these drivers.



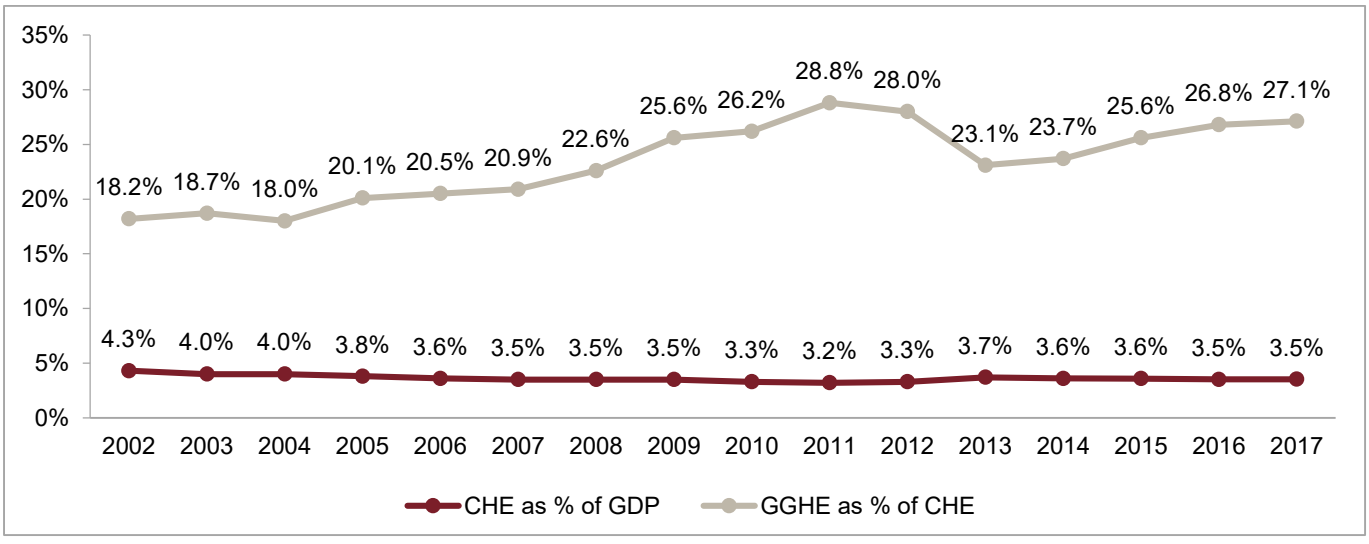
Source: CRISIL Research

India lags global benchmarks in healthcare infrastructure, both in terms of physical infrastructure as well as personnel. However, the picture is bleak even on the healthcare indicators front. In case of life expectancy at birth, which reflects the overall mortality of the population, India stands at a distant 68.8 years in comparison with the global average of 71.4 years. This is despite life expectancy at birth growing at 0.6% CAGR between 2000 and 2017.

Government policies to improve healthcare coverage

The government has raised its healthcare budget by ~10% for fiscal 2021 to ₹ 69,000 crore, keeping in line with its goal to raise its healthcare spending to 2.5% of GDP by 2025 under the National Health Policy, 2017.

Government expenditure as a proportion of current healthcare expenditure



Note: CHE: Current healthcare expenditure; DGGHE: Domestic general government healthcare expenditure
Source: WHO Global Healthcare Expenditure Database

According to the government, inpatient hospitalisation costs have risen by 300% over the past 10 years and nearly six million families had to sell assets or borrow money to undertake treatment, thereby driving them to poverty.

The PMJAY was launched on September 23, 2018, with the objective of providing affordable healthcare. The scheme primarily has three objectives:

Strengthening of physical health infrastructure: Sub-centres

Upgradation of 1.5 lakh 'Health and Wellness' centres to provide comprehensive healthcare, including coverage of non-communicable diseases and maternal and child health services. These centres would also provide essential medicines and diagnostic services free of cost. Inclusion of new ailments under the ambit of the scheme would go a long way in ensuring focus on preventive care as opposed to only curative care. A strong referral network is vital in providing a continuum of care.

Strengthening of physical health infrastructure: Government hospitals

Setting up of 24 new government hospitals and medical colleges and upgradation of existing district hospitals. The intention is to have at least one medical college for three parliamentary constituencies. The government already has a scheme in place, Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), to correct the geographical imbalance in the availability of tertiary healthcare. Six All India Institute of Medical Sciences (AIIMS), one each at Patna (Bihar), Raipur (Chhattisgarh), Bhopal (Madhya Pradesh), Bhubaneshwar (Odisha), Jodhpur (Rajasthan), and Rishikesh (Uttarakhand), have been set up. An AIIMS is under construction at Rae Bareli (OPD services have started) and 13 new ones have been announced by the government. The aim is to tackle issues of inadequate healthcare infrastructure and personnel.

Expansion of health insurance coverage: Ayushman Bharat

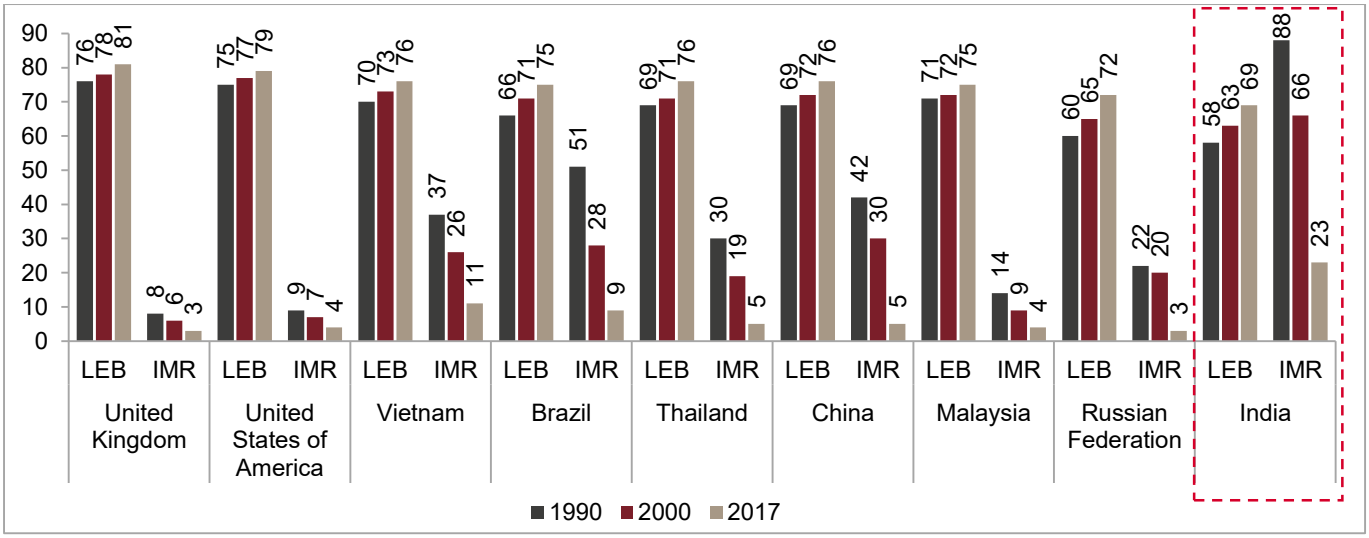
This involves a provision of ₹ 0.5 million assured healthcare coverage to each family that is eligible, selected on the basis of inclusion under the Socio Economic Caste Census (SECC) list. Nearly 10.74 crore families will be covered under the scheme. All existing central and state health insurance schemes will be subsumed under Ayushman Bharat. The model of implementation of the scheme (via insurance company, trust or mixed model) is the state's prerogative.

However, healthcare delivery at affordable prices would require a shift in focus towards capitalising on volumes (with nearly 165 million new people coming under a healthcare scheme) rather than on value (via margins). The government has started an initiative of National Health Stack (NHS), a shared digital framework for both private and public hospitals. It is expected to digitise all health records and keep track of all details concerning healthcare enterprises in the country. The scheme is well-intentioned and holds huge potential for the healthcare delivery and allied industries, but the mechanism for quality control and monitoring along with raising resources for implementation will be a key monitorable.

With life expectancy improving and changing demographic profile, healthcare services are a must

With improving life expectancy, the demographic profile of the country is also witnessing a change. As of 2011, nearly 8% of the Indian population was of 60 years or more, and this is expected to surge to 12.5% by 2026. However, the availability of a documented knowledge base concerning the healthcare needs of the elderly (aged 60 years or more) remains a challenge. Nevertheless, the higher vulnerability of this age group to health-related issues is an accepted fact.

Life expectancy (at birth) and infant mortality rate: India vs others

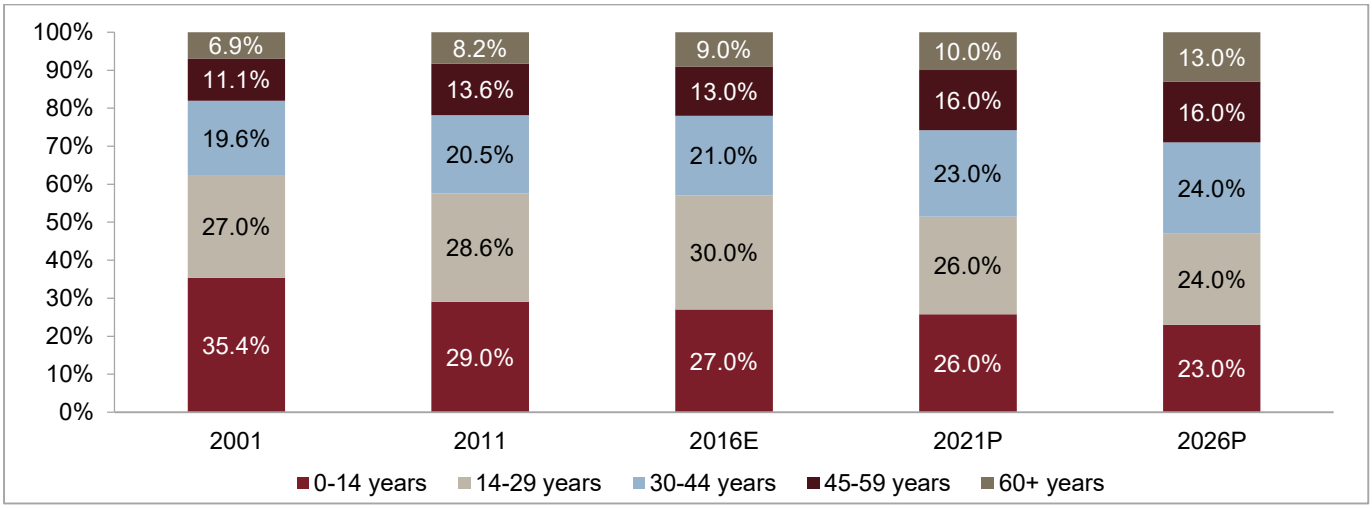


Note: LEB – life expectancy at birth; IMR – infant mortality rate (probability of dying by age one year per 1000 live births)
Source: WHO World Health Statistics 2020

According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund (UNFPA) in November 2012, chronic ailments, such as arthritis, hypertension, diabetes, asthma, and heart diseases, were commonplace among the elderly, with ~66% of the respective population reporting at least one of these. In terms of gender-based

tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies of contracting arthritis, hypertension, and osteoporosis.

Population in 60+ age group to grow faster



Source: Census, CRISIL Research

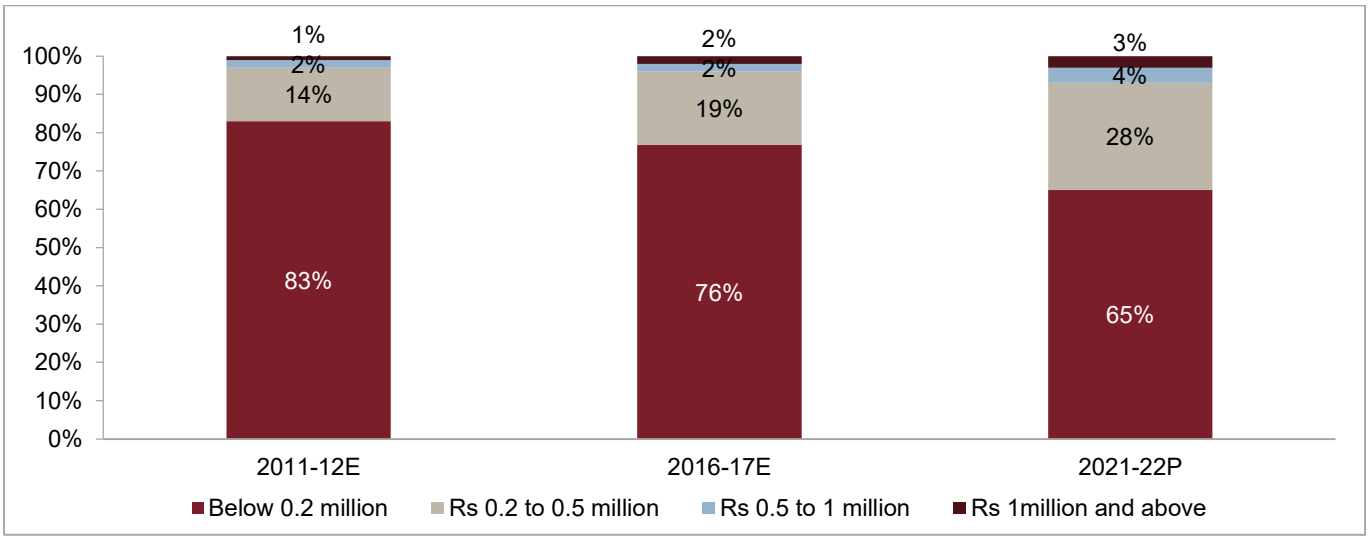
(xv) With the Indian population expected to grow to ~1.4 billion by 2026 and considering the above mentioned factors, the need to ensure healthcare services to this vast populace is imperative. This also provides a huge opportunity to expand into a space that bears enormous potential.

Rising income levels to make quality healthcare services more affordable

Though healthcare is considered a non-discretionary expense, considering that ~83% of households in India had an annual income of less than ₹ 0.2 million in fiscal 2012, affordability of quality healthcare facilities remains a major constraint.

Growth in household incomes and, consequently, disposable incomes, are critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above ₹ 0.2 million is expected to go up to 35% in fiscal 2022 from 23% in fiscal 2017. They provide a potential target segment (with more paying capacity) for hospitals.

Income demographics



Source: CRISIL Research

Increasing health awareness to boost hospitalisation rate

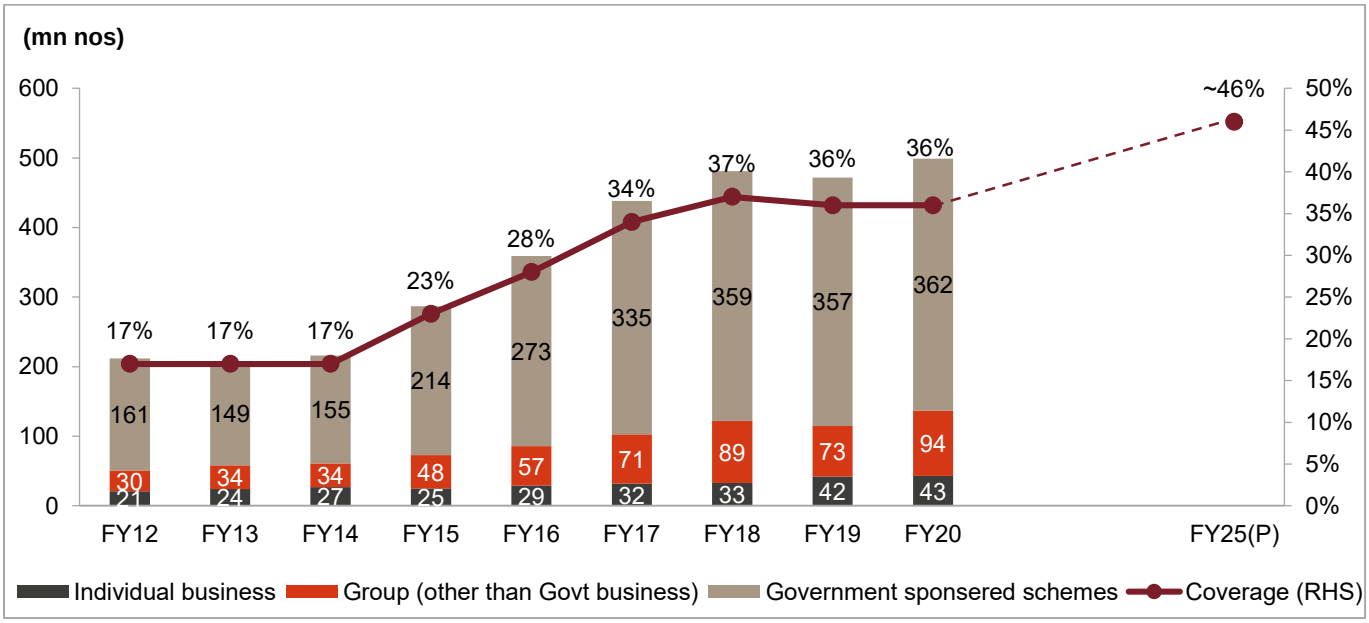
Majority of healthcare enterprises in India are more concentrated in urban areas. With increasing urbanisation (migration of population from rural to urban areas), awareness among the general populace regarding presence and availability of healthcare services for both preventive and curative care is expected to increase.

CRISIL Research, therefore, believes that the hospitalisation rate for in-patient treatment as well as walk-in out-patients will improve with increased urbanisation and increasing literacy.

Growing health insurance penetration to propel demand

Low health-insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India, as affordability of quality healthcare facilities by the lower-income groups remain an issue. Health insurance coverage has increased from 17% in fiscal 2012 to 36% in fiscal 2020. As per the Insurance Regulatory and Development Authority (IRDA), nearly 499 million people have health insurance coverage in India (as of fiscal 2020), as against 288 million (in fiscal 2015), but despite this robust growth, the penetration in fiscal 2020 stood at only 36%.

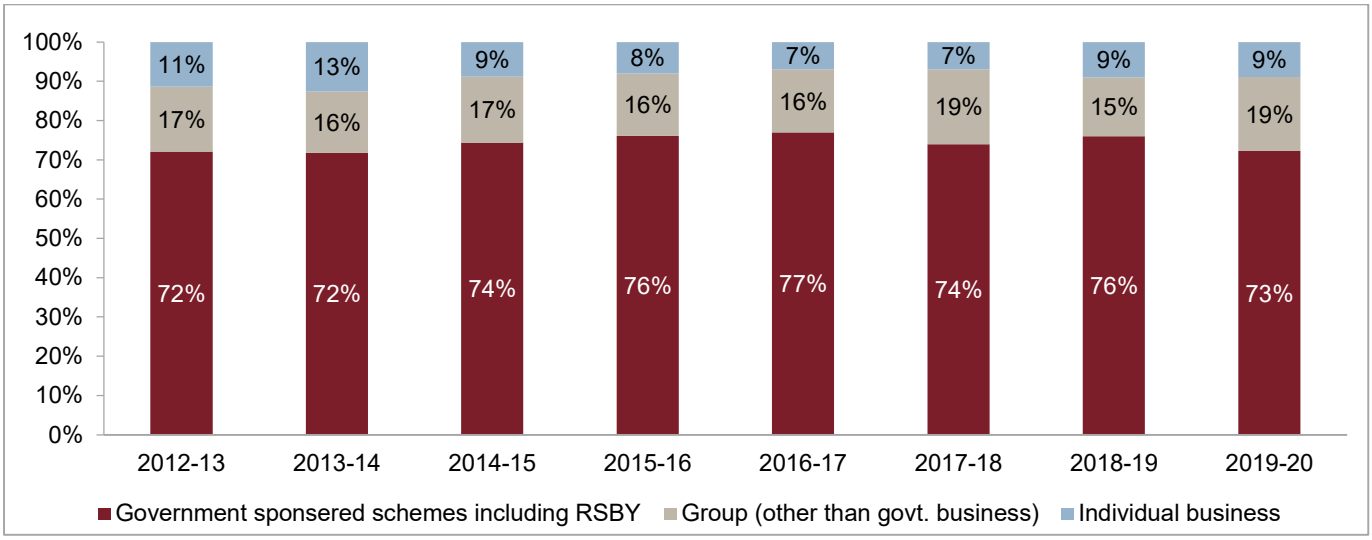
Population-wise distribution among various insurance businesses (million)



Source: IRDA annual report 2019-20

As is evident, the share of government-provided insurance is greater than that due to insurance policies availed of by individuals not covered under any schemes. Government or government-sponsored schemes, such as the Central Government Health Scheme (CGHS), Employee State Insurance Scheme (ESIS), Rashtriya Swasthya Bima Yojana (RSBY), Rajiv Arogyasri (Andhra Pradesh government), and Kalaignar (Tamil Nadu government) account for ~75% of health insurance coverage provided. The remaining is through commercial insurance providers, both government (Oriental Insurance and New India Assurance.) and private (ICICI Lombard and Bajaj Allianz) players.

Percentage split of number of persons covered under health insurance



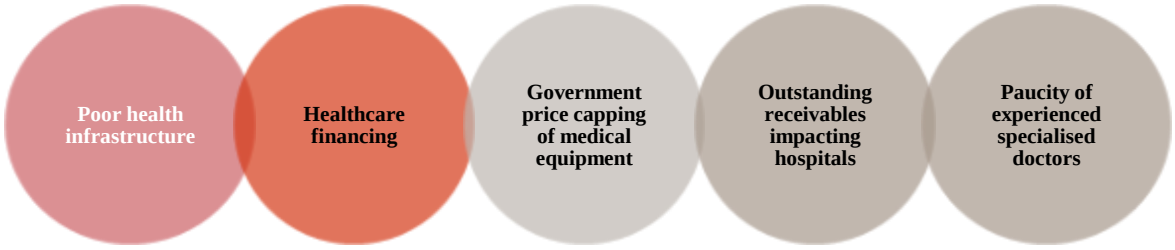
Source: IRDA annual report 2019-20

CRISIL Research sees that while low penetration is a key concern, it also presents a huge opportunity for the growth of healthcare delivery industry in India. With the PMJAY scheme and other growth drivers, the insurance coverage in the country is expected to increase to nearly 46% by FY25.

With health insurance coverage in India set to increase, hospitalisation rates are likely to go up. In addition, health check-ups, which form a mandatory part of health insurance coverage, are also expected to increase, boosting demand for a robust healthcare delivery platform.

(xvi) KEY CHALLENGES FOR THE HEALTHCARE DELIVERY INDUSTRY

The potential demand and opportunities in healthcare in India aside, many challenges exist, mainly: inadequate health infrastructure and unequal quality of services provided based on affordability and healthcare financing.



Poor healthcare infrastructure

India's bed density not only falls far behind the global median of 29 beds, it also lags that of other developing nations, such as Brazil (21 beds), Malaysia (19 beds), and Vietnam (26 beds). The total number of government beds in India are estimated at ~0.7 million. An estimated population of ~1.31 billion implies there is one government bed per 1,845 people, on average, in the country. The paucity of healthcare personnel compounds the problem. At nine physicians and 17 nursing personnel per 10,000 population, India trails the global median of 16 physicians and 38 nursing personnel.

Healthcare financing has been a pain point

In India, the out-of-pocket (OOP) expenditure is nearly at 62.6% of total health expenditure (global average is 20.5%). This implies high dependence on borrowings and usage of household savings for funding of healthcare expenditure. Insurance cover does not cover outpatient treatments (only recently, an insurance company has started covering OPD treatments under its health insurance), which makes OOP of outpatient greater than in inpatient treatments. It has also been noted that annually, an estimated 60-80 million people fall into poverty due to healthcare-related expenditure.

Government price capping of medical equipment

The government has restricted price capping to four devices – cardiac stents, drug-eluting stents, knee implants and intra-uterine devices. However, the National Pharmaceutical Pricing Authority (NPPA) is proposing to bring in capping of trade margins instead of extending the list of devices under the National List of Essential Medicines.

Even state governments have been resorting to measures to curb profiteering by hospitals. The Delhi government had, earlier this year, proposed norms for restricting hospitals and nursing homes from marking up prices of consumables and medicines from their procurement prices, to limit their profits.

Price capping on cardiac stents introduced in February 2017, and on knee-implants, in August 2017 was a deterrent for the industry, which is majorly run by the private sector. However, players have since been able to come back to normalcy after taking a hit on operating margins initially, through price rationalisation via bundle pricing. The National Pharmaceutical Pricing Authority (NPPA) has further extended the capping of prices of knee implants, ranging from ₹ 54,000 to ₹ 1.14 lakh, for one more year.

Post implementation of price caps on stents and implants, the government has identified 23 medical devices to put price controls on.

Outstanding receivables affecting fiscal profile of hospitals

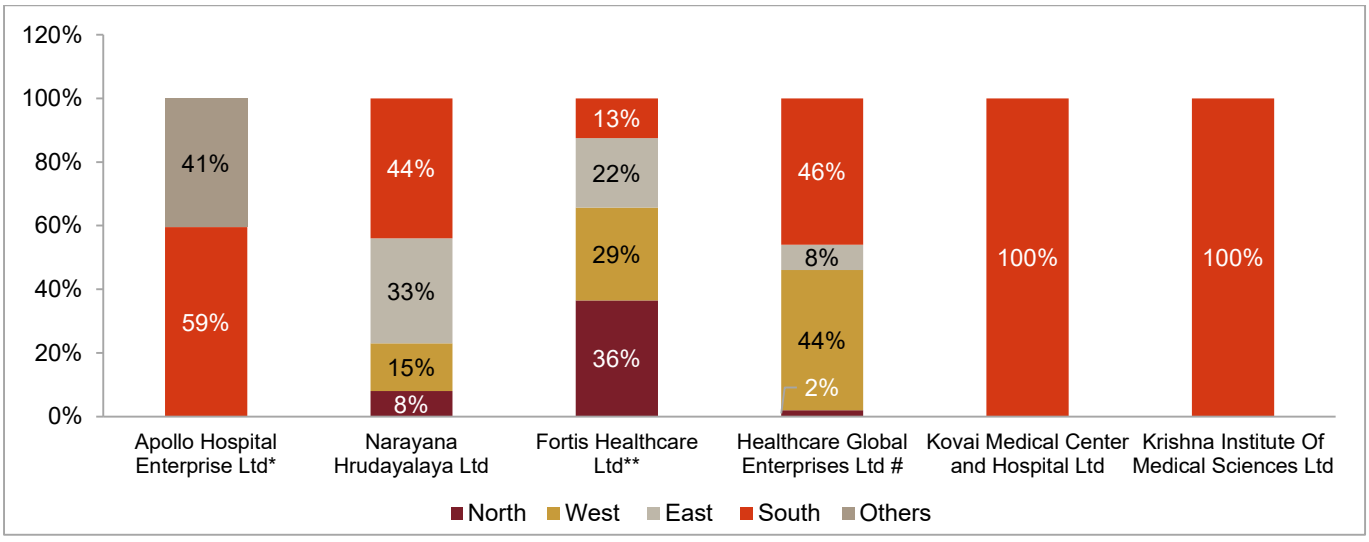
The financial profile of many hospitals empanelled under state schemes became weak due to rising outstanding receivables from the government (state and Centre) for providing treatments to beneficiaries under health insurance schemes. However, this challenge is expected to be dealt with on priority under the PMJAY, by fixing a particular timeline for reimbursements of claims.

Paucity of experienced specialised doctors

Paucity of experienced specialised doctors is another challenge. Experienced specialised doctors also contribute to the reputation and brand of the hospitals. Paucity of such doctors, thus, impacts the growth of the hospital sector. At nine physicians and 17 nursing personnel per 10,000 population, India trails the global median of 16 physicians and 38 nursing personnel. Even on this parameter, India lags behind Brazil (22 physicians, 101 nurses), Malaysia (15 physicians, 41 nurses).

(xvii) KEY ACTIONABLE AREAS

Regional revenue mix of key listed players as of fiscal 2020



**For Apollo Hospitals Enterprise Ltd (AHEL), revenue from Tamil Nadu, Andhra Pradesh, Telangana, and Karnataka has been considered under the 'south' region. 'Others' includes revenue from 'significant subsidiaries/JVs/associates', as classified by AHEL in its earnings update PPT for Q4 FY20, which includes revenue from Bhubaneswar (Orissa), Bilaspur (Chhattisgarh), Nashik (Maharashtra), Navi Mumbai (Maharashtra), Ahmedabad (Gujarat), Kolkata (West Bengal), Delhi (National Capital Territory of Delhi), Indore (Madhya Pradesh), Assam, and Lucknow (Uttar Pradesh).*
***For Fortis Healthcare Ltd, revenue contribution from only Indian hospitals has been considered (i.e. excluding revenue from international hospitals).*
#Regional mix only for HCGEL centres, which consist of 22 comprehensive cancer centres, 3 multispecialty hospitals, 3 diagnostic centres and 1 multispecialty hospital managed by HCGEL, as of March 31, 2020.
Source: Company annual reports/investor presentations, CRISIL Research

Some of the key advantages of having regional presence are as follows:

- **Understanding the mentality of people** (patients) in a particular region forms a crucial part of connecting and establishing long-term relationships for any hospital. Players with regional presence often have a strong grasp of the regional languages, food preferences, culture, and affordability, which helps them connect and bond with their patients from a long-term perspective.

- **Understanding the mentality of doctors** is also an important aspect for a hospital. Having regional presence not only gives players' access to the key doctors in the region, but it also helps doctors tie up with a brand to enhance their portfolios.

- **Integrating talent from well-established allied workforce** such as lab technicians and nurses also augers well for established players. There are additional benefits for employees associated with a regional chain, such as easy location transfers for any personal reasons. Hence, workforce in such hospitals sticks longer.

Established regional presence gives players an upper hand

Key listed healthcare delivery players in India have established themselves in regions across the country. Those with regional presence have an added advantage over those that don't.

(xviii) HEALTHCARE INFRASTRUCTURE ACROSS KEY MICRO-MARKETS IN ANDHRA PRADESH AND TELANGANA

Private hospital chains have expanded in key micro-markets across Andhra Pradesh and Telangana



Source: CRISIL Research

Hyderabad

Based on hospital beds available per thousand people, Hyderabad in Telangana has better healthcare facilities than Andhra Pradesh and Telangana. The number of beds per thousand people in Hyderabad is 3.6, which is higher than the state average of both Andhra Pradesh and Telangana. Apollo Hospitals, Yashoda Hospitals, and Global Hospitals are some of the key hospital chains in Hyderabad. Apollo Hospitals is one of the first corporate hospitals to be established in India. It has two hospital facilities in Hyderabad with a total bed capacity of 959. Yashoda Hospitals is a Hyderabad-based hospital chain having two facilities in Hyderabad with a bed capacity of ~904. Global Hospitals is a network of super-specialty hospitals specialising in organ transplants. It has two hospital facilities in Hyderabad with a total bed capacity of 500.

Secunderabad is the twin city of Hyderabad in the Indian state of Telangana. It has an estimated total population of around 0.2 million. Secunderabad is well-connected to all the cities in Telangana. KIMS Hospitals, Sunshine Hospitals, and Yashoda Hospitals are some of the key private hospitals in the city. KIMS Secunderabad is one of the largest private hospitals in India at a single location (excluding medical colleges) with a capacity of ~1,000 beds. KIMS Secunderabad has key department in areas of cardiac sciences, gastro sciences, orthopaedic sciences, renal sciences, oncological sciences, neuro sciences, mother & child, and organ transplantation, among others. It was the second hospital in the city of Hyderabad in Telangana to install a robotic system within its premises in June 2011. Sunshine Hospitals in Secunderabad is NABH-accredited, and it offers services across key specialties such as microvascular and reconstructive surgery, neurology, and orthopaedics. Yashoda Hospitals in Secunderabad with around 1,500 beds also offers services across key specialties such as cardiology, surgical oncology, orthopaedics, and vascular surgery.

These hospitals also provide emergency admission services to patients. Emergency services form a crucial aspect of any hospital, as it is that medical treatment facility that specialises in acute medical care of patients. Patients are treated in an emergency room without any prior appointment. As on January 30, 2021, KIMS Secunderabad is the only hospital in Andhra Pradesh and Telangana

to have an emergency department complying with NABH standards.

Key hospitals	Estimated number of beds
KIMS Secunderabad	1,000
Yashoda Hospitals *	1,000
Sunshine Hospitals **	~350
KIMS Kondapur	200

** No. of beds as per data published on their website accessed in the month of February 2021*

*** Sunshine Hospitals has a bed capacity of 350+ across Secunderabad, Gachibowli and Karimnagar, in Telangana, as per data published on their website accessed in the month of February 2021*

Source: Secondary research, CRISIL Research

Nellore (Andhra Pradesh)

Nellore, with a population of ~0.6 million, is one of the prominent cities in Andhra Pradesh.

Nellore has around 45-50 hospitals and nursing homes with ~1,900 beds. KIMS Hospitals and Apollo Speciality Hospitals are some of the key private hospitals in the city. KIMS Nellore has a total bed capacity of 250 with six laminal flow operation theatres and six advanced intensive care units. It is one of the top-three hospitals in Nellore by bed capacity. Some of the key specialties offered by KIMS Nellore are cardiology, cardiothoracic and cardiovascular surgeries, and endocrinology. Apollo Hospitals' facility in Nellore has a total of 200 beds and is equipped with cath lab and cardiac surgery operation theatres. The facility also houses two specially equipped labour suites. Some of the key specialties provided by Apollo Hospitals Nellore include haematology, endoscopy, and colonoscopy.

Key hospitals	Estimated number of beds
KIMS Hospitals	250
Apollo Specialty Hospitals	~200
Medicover Hospital	150

Source: Secondary research, CRISIL Research

Rajahmundry (Andhra Pradesh)

Rajahmundry has a total population of ~0.6 million. It is estimated to have a total of 50 hospitals and nursing homes with ~1,650 beds. KIMS Hospitals and Delta Hospitals are some of the key private hospitals in the city. KIMS Rajahmundry is a multi-specialty hospital having a total bed capacity of 180. It has three operation theatres and an advanced intensive care unit. KIMS Rajahmundry is the largest private hospital in Rajahmundry in terms of bed capacity as of January 2021. Some of the key specialties offered by KIMS Rajahmundry are joint replacements, medical gastroenterology, and cardiothoracic and cardiovascular surgeries. Delta Hospitals in Rajahmundry has a total of 220 beds and is equipped with cath lab and cardiac surgery operation theatres. Some of the key specialties provided by Delta Hospitals Rajahmundry are orthopaedics, joint replacements, and vascular and endovascular surgeries.

Key hospitals	Estimated number of beds
Delta Hospitals	220
KIMS Hospitals	180
Raju Neuro and Multi-specialty hospitals	100

Source: Secondary research, CRISIL Research

Srikakulam (Andhra Pradesh)

Srikakulam, with a population of ~0.2 million, has around 30 hospitals and nursing homes with ~1,100 beds. KIMS hospital is the largest private hospital in Srikakulam by bed capacity as of January 2021. KIMS Srikakulam is a multi-specialty hospital with a total bed capacity of 200. It has five operation theatres and an advanced intensive care unit. Some of the key specialties offered by KIMS Srikakulam are cardiothoracic and cardiovascular surgeries, endocrinology, infertility treatment, gastrointestinal oncology, and joint replacements.

Key hospitals	Estimated number of beds
KIMS Hospitals	200
Medicover Hospital	150
GMR Varalaskhmi CARE hospital	200

Source: Secondary research, CRISIL Research

Vizag (Andhra Pradesh)

Visakhapatnam is one of the prominent industrial centres of Andhra Pradesh. It has a population of nearly 1.8 million.

Vishakhapatnam is estimated to have around 130 hospitals with ~5,450 beds. KIMS Hospitals, Care Hospitals, and Apollo Hospitals are some of the key private hospitals in the city. KIMS Vishakhapatnam is a multi-specialty hospital with a total bed capacity of 434. It has 12 operation theatres and a blood bank. Some of the key specialties offered by KIMS Vishakhapatnam are cardiology, hepatobiliary surgery, medical oncology, and gynaecological oncology. Care Hospitals in Vishakhapatnam has three facilities with a total bed capacity of 307. Some of the key specialties provided by Care Hospitals Vishakhapatnam are cardiology, gastroenterology, and orthopaedics. Some of the key specialties of Apollo Hospitals Vishakhapatnam are cardiothoracic surgery, orthopaedics and joint replacements, and urology.

Key hospitals	Estimated number of beds
KIMS Hospitals	434
Apollo Hospitals	~250
Care Hospitals	~300

Source: Secondary research, CRISIL Research

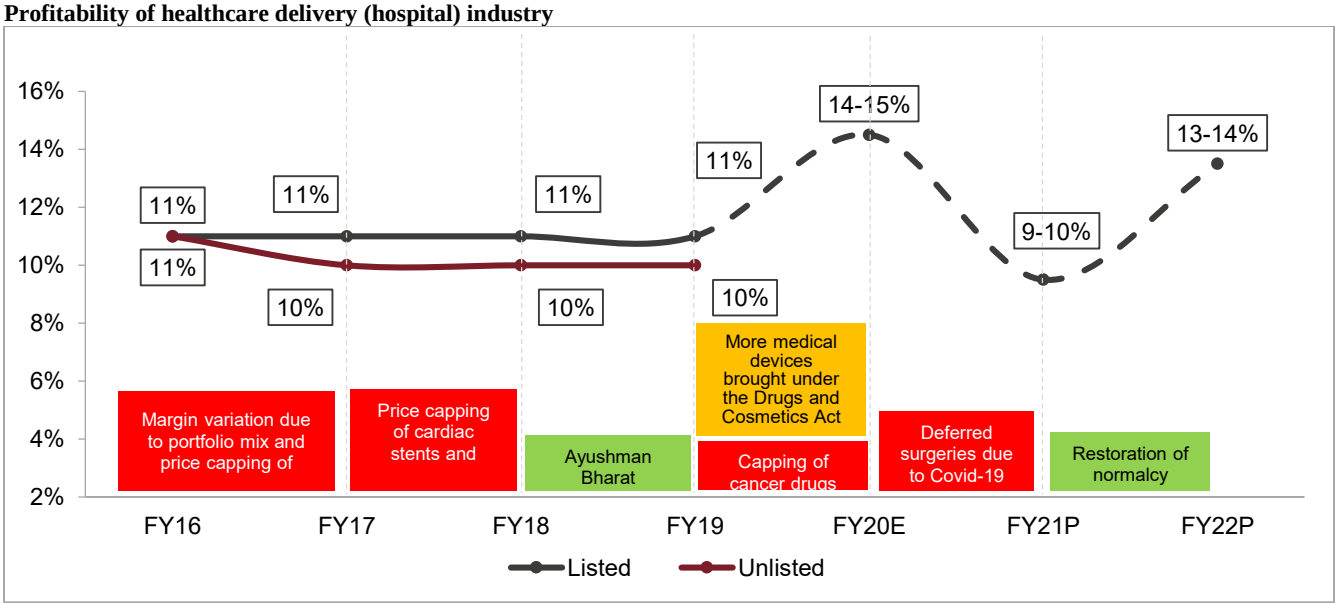
(xix) REVIEW OF INDUSTRY PROFITABILITY

Covid-19 to strain financials of private hospitals in fiscal 2021

While lockdown restricted people movement and adversely impacted revenues and operating margins, deferred elective surgeries are expected to provide some respite to private players in the second half of fiscal 2021.

Operating margins to weaken in fiscal 2021 due to higher fixed proportion of operating costs

Profitability of healthcare delivery (hospital) industry



E - Estimated; P - Projected
**Companies included are AHEL, Narayana Hrudayalaya Limited, Healthcare Global Enterprises, Shalby Hospitals, and MHIL*
Source: CRISIL Research

Earlier, with the addition of new hospitals and expansion of operational beds, operating margins of key listed players had seen a muted improvement and remained range-bound due to a rise in consumable costs and employee costs associated with new supply additions and certain regulatory hiccups.

It usually takes 24-30 months for a newly opened hospital to stabilise its operations. However, this period may be longer for standalone hospitals than chains due to the latter's operational efficiency. But, it could vary depending on the location and specialties offered.

CRISIL Research expects the operations of private entities to be adversely impacted in fiscal 2021. Despite not earning requisite revenue, hospitals would still have to bear personnel costs, which account of 50-55% of total operating costs for hospitals. The margins are expected to fall 500-600 basis points. Typically, a revenue decline of more than 20-22% is expected to result in operating loss. Hospitals with a tighter operating structure and higher realisations, resulting in higher EBITDA per operational bed, are expected to witness relatively low revenue erosion at the end of the fiscal.

The sector remains sensitive to regulations. In fiscal 2017, the government had capped prices of drug-eluting stents and knee implants, which hurt operating margins (the effect being more pronounced for single-specialty hospitals). But the effect of price capping was neutralised in the later part of fiscal 2018 via price rationalisations in bundle pricing.

Even during the Covid-19 pandemic, states such as Maharashtra capped treatment costs at private hospitals following reports of profiteering and as the state government took control of 80% of the private bed infrastructure in cities such as Mumbai in its fight against Covid-19.

The rationale behind price capping was to make healthcare affordable, and the government is likely to introduce a policy regarding trade margin rationalisation for medical devices and consumables. In the long run, however, this move could aid in expansion of hospitals, providing affordable healthcare in smaller towns.

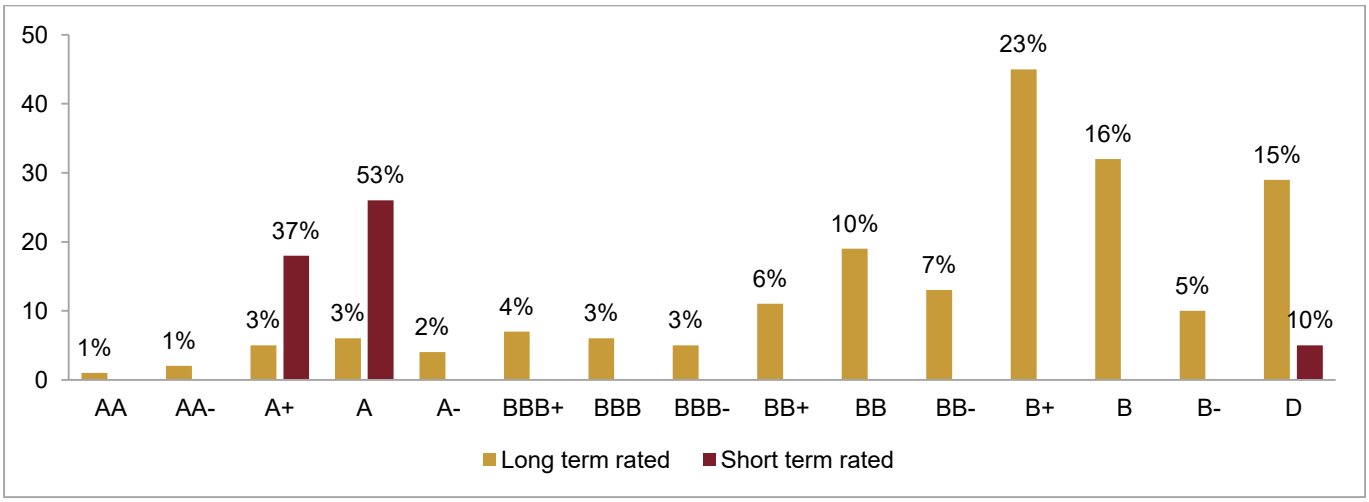
(xx) RATING DISTRIBUTION OF CRISIL-RATED HEALTHCARE DELIVERY ENTITIES

KIMS Ltd is one of the three hospitals in India rated 'AA' by CRISIL

Larger hospitals have considerable financial and operational expertise to ramp up their utilisation levels at the additional infrastructure created (the pace is likely to be faster in Tier 1 cities) by improving their case mix and brand resonance (of doctors and hospitals).

Amongst the long-term rated healthcare delivery entities by CRISIL, the median rating is 'BB'; ~84% fall below the investment-grade BBB category, and nearly 15% have a 'D' rating. These are mainly smaller hospitals with a limited scale of operations and concentration in particular geographies. Only ~9% of the long-term rated entities fall in the A category and only about 2% (three companies) in the AA category. AHEL, Imperial Hospital and Research Centre Ltd, and KIMS Ltd are the three long-term rated entities falling in the AA category.

Only 2% companies fall in the AA category as of February 4, 2021



Source: CRISIL Research

(xxi) COMPETITIVE MAPPING OF KEY PLAYERS IN THE INDIAN HEALTHCARE DELIVERY MARKET

Comparative analysis of players in the hospital sector

In this section, CRISIL Research has compared the key players in the hospital industry. Data in this section has been obtained from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites, as relevant.

For this assessment, we have considered the following key players: Apollo Hospitals Enterprise Ltd. (AHEL), Fortis Healthcare Ltd (Fortis), Max Healthcare Institute Ltd (MHIL), Healthcare Global Enterprises Ltd (HCGEL), Shalby Ltd (Shalby), Narayana Hrudalaya Ltd (NH), Kovai Medical Center and Hospital Ltd (KMCHL), Krishna Institute of Medical Sciences Ltd. (KIMS Ltd) and Manipal Health Enterprises Private Limited (MHEPL).

Company	Year of Incorporation	Geographic Presence
AHEL	1979	Pan India
Fortis	1996	Pan India
HCGEL	1998	Pan India
KMCHL	1985	South India
KIMS Ltd	1973	South India
MHEPL	2010	Pan India
MHIL	2001	North India
NH	2000	Pan India
Shalby	2004	North-West India

Source: Company annual reports/investor presentations, CRISIL Research

The hospitals chains mainly provide secondary and tertiary healthcare services (across a myriad of specialties).

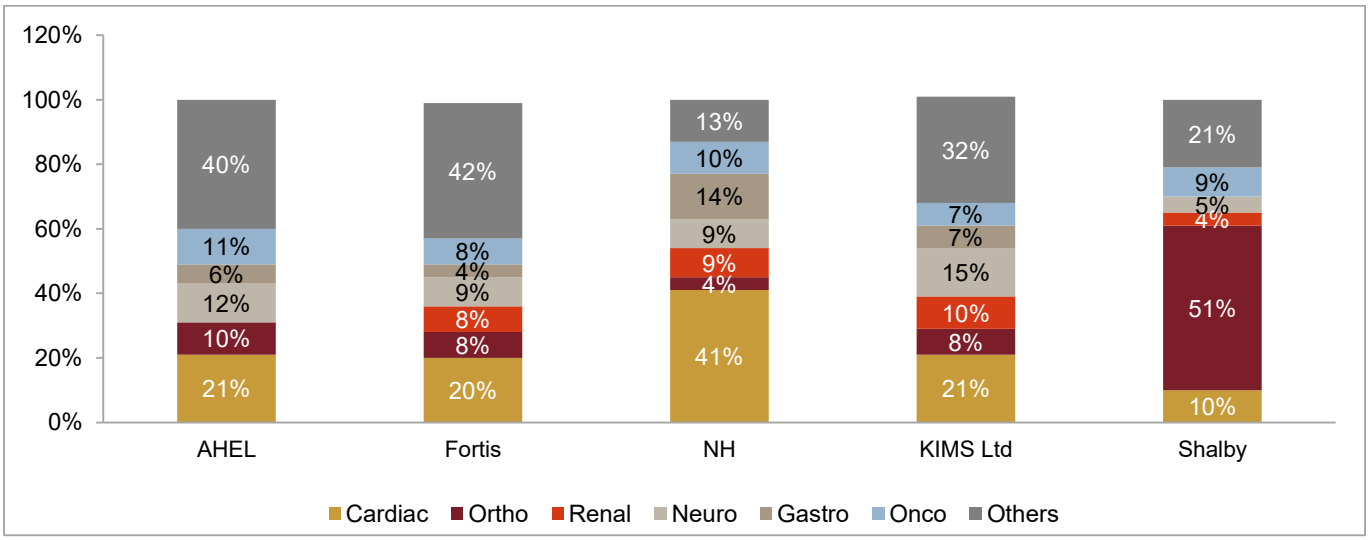
Key specialties undertaken by major players

Player	Key specialties undertaken (top three)
AHEL	**Cardiology, neurology, oncology**
Fortis	**Cardiology, neurology, orthopaedics**
HCGEL	**Oncology and fertility**
KMCHL	**Not available**
KIMS Ltd	**Cardiac sciences, neurosciences, renal sciences**
MHEPL	**Not available**
MHIL *	**Oncology, pulmonology, cardiac sciences**
NH	**Cardiac sciences, gastro sciences, oncology**
Shalby	**Orthopaedic, cardiac sciences, oncology**

** Key specialities based on specialty mix as per investor presentation for Q3 & 9M ended Dec'20.*

Source: Company annual reports, investor presentations, CRISIL Research

Speciality-wise revenue break-up of key players as of fiscal 2020



Source: Companies' annual reports, investor presentations, CRISIL Research

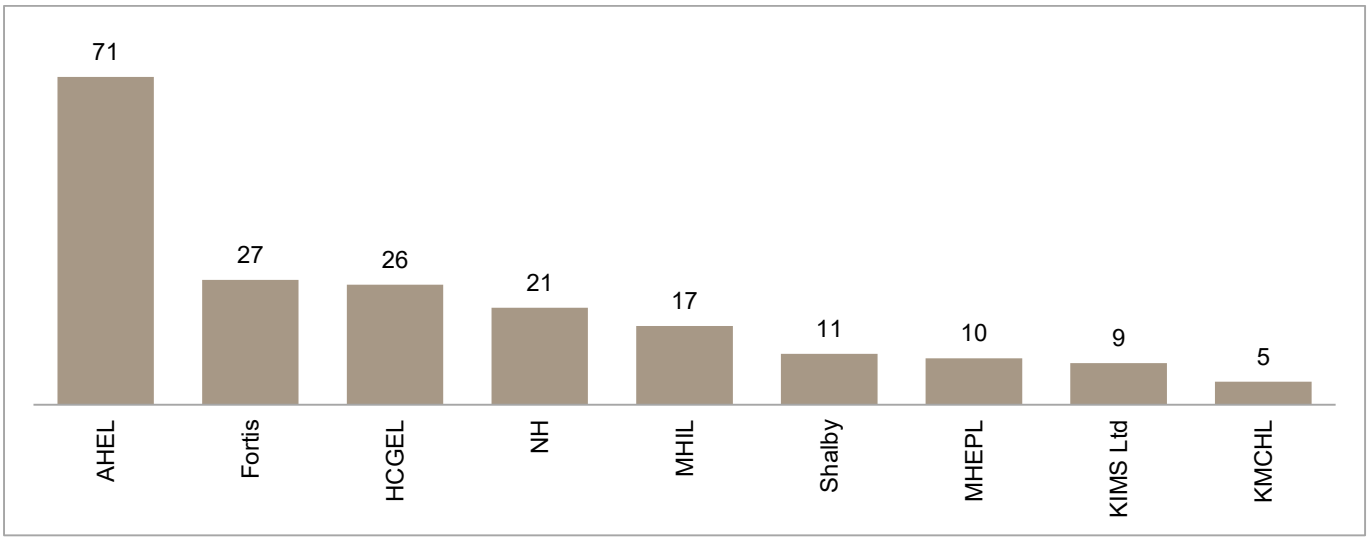
Capex planned by key players

Company name	Planned capex in terms of No of beds
AHEL	**765**
Fortis	**1,300**
HCGEL	**185**
KMCHL	**N a**
KIMS Ltd	**1,000**
MHEPL	**NA**
MHIL	**~2,300**
NH	**NA**
Shalby	**388**

Note: NA - Not available; capex plan is for next 4-5 fiscals and includes potential expansion of the existing facilities and setting up of new facilities
Source: Companies' annual reports for fiscal 2020, investor presentations in fiscal 2020, CRISIL Research

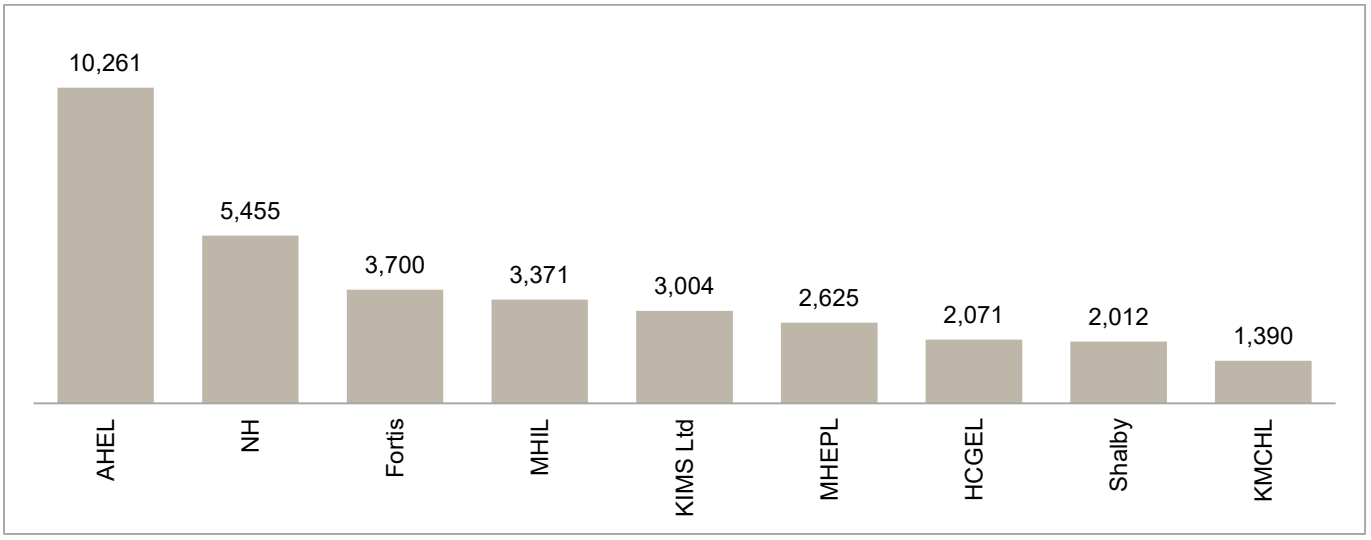
(xxii) KEY OPERATIONAL PARAMETERS OF MAJOR HOSPITAL PLAYERS

Total number of hospitals as of fiscal 2020



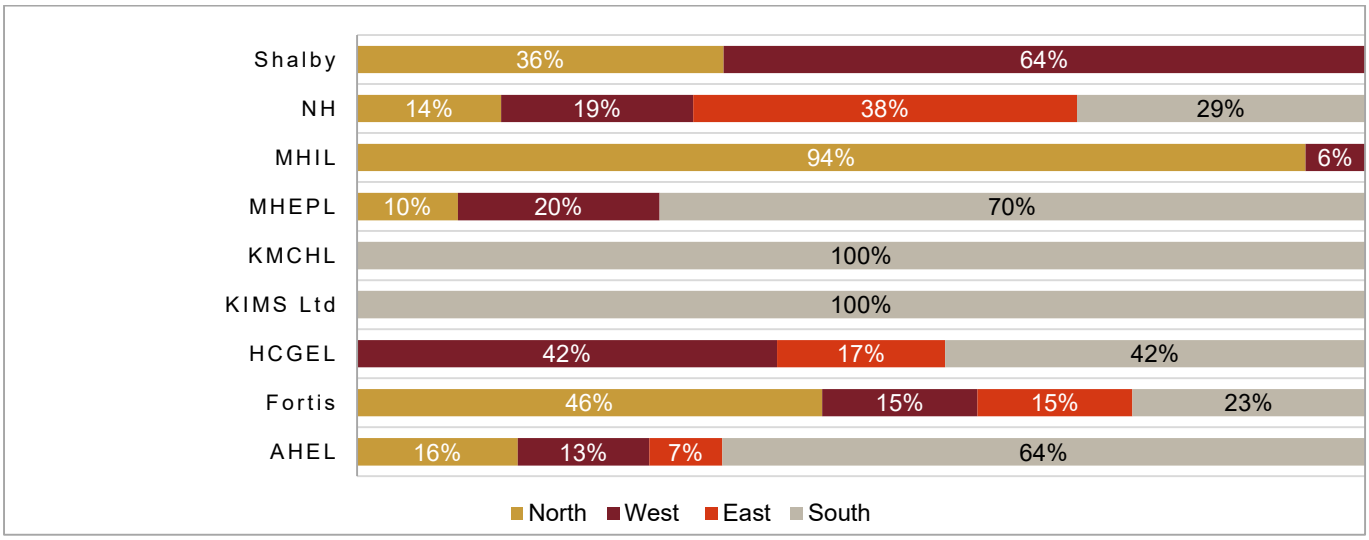
The numbers include only owned and managed hospitals in India; primary healthcare centres and clinics are not considered
Source: Companies' annual reports/investor presentations, secondary research, CRISIL Research

Total number of hospital beds available as of fiscal 2020



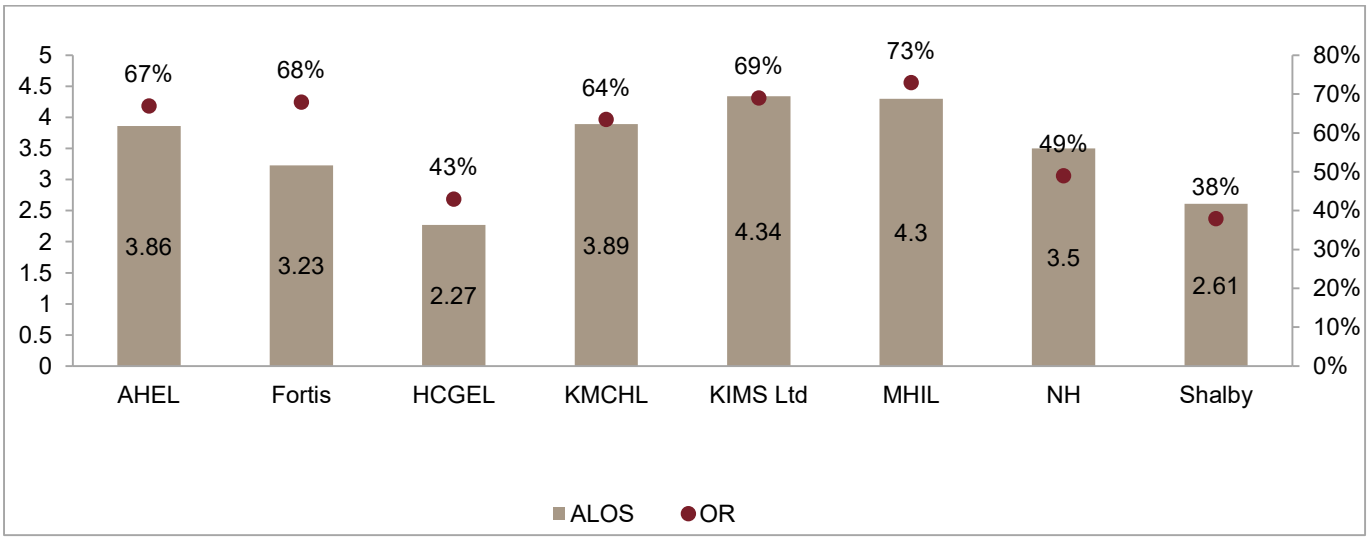
Note: Numbers pertain to owned and managed hospitals only in India; Max Healthcare Institute's figure includes beds in associate trust-owned hospitals
Source: Companies' annual reports/investor presentations, secondary research, CRISIL Research

Geographical split of operations in terms of hospital presence in India as of fiscal 2020



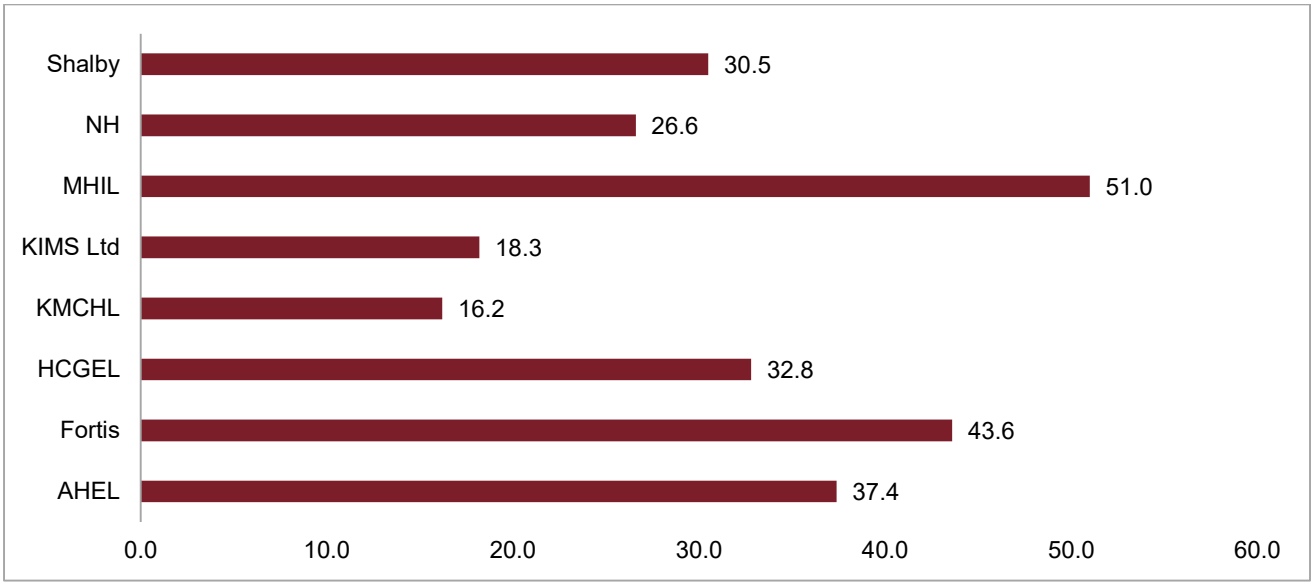
Source: Companies' annual reports/investor presentations, CRISIL Research

Occupancy rate (OR) and ALOS of major hospital players



Note: MHIL figure includes beds in associate trust-owned hospitals
Source: Companies' annual reports/investor presentations, CRISIL Research

ARPOB of major hospital players



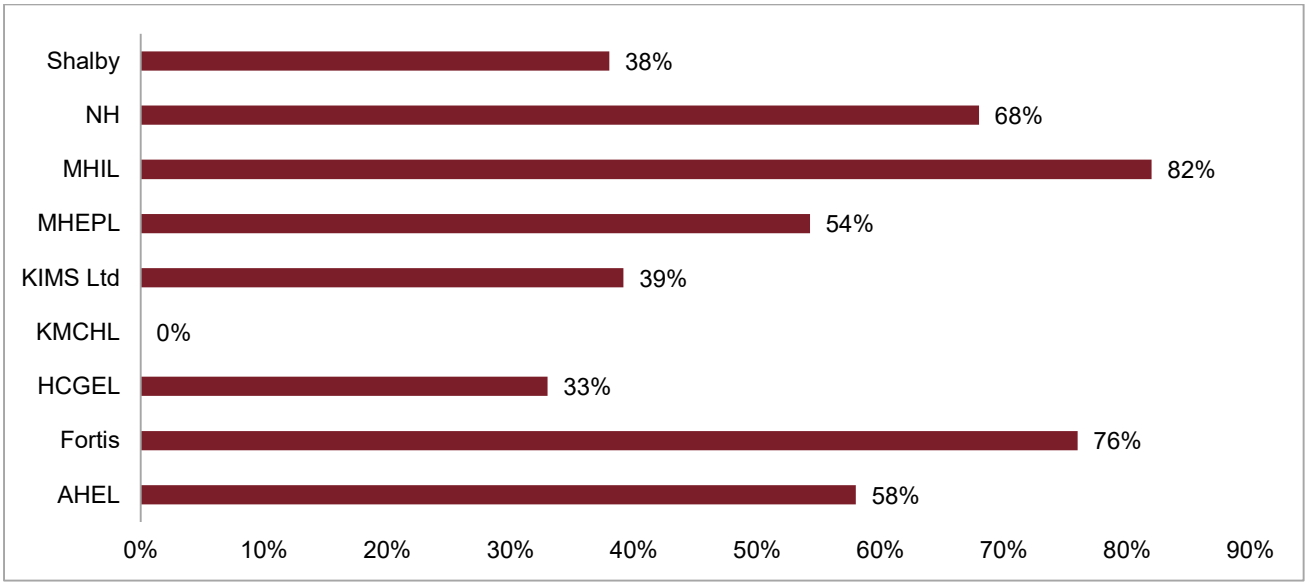
Note: ARPOB in '000 per occupied bed
Source: Companies' annual reports/investor presentations, CRISIL Research

ARPP of major hospital players

Company	ARPP (Rs 000')	% difference wrt KIMS Ltd ARPP
AHEL	**144**	**83%**
Fortis	**141**	**78%**
HCGEL	**74**	**-6%**
KIMS Ltd	**79**	**N a**
KMCHL	**63**	**-20%**
MHIL	**219**	**178%**
NH	**93**	**18%**
Shalby	**80**	**1%**
Average ARPP	**112**	**41%**

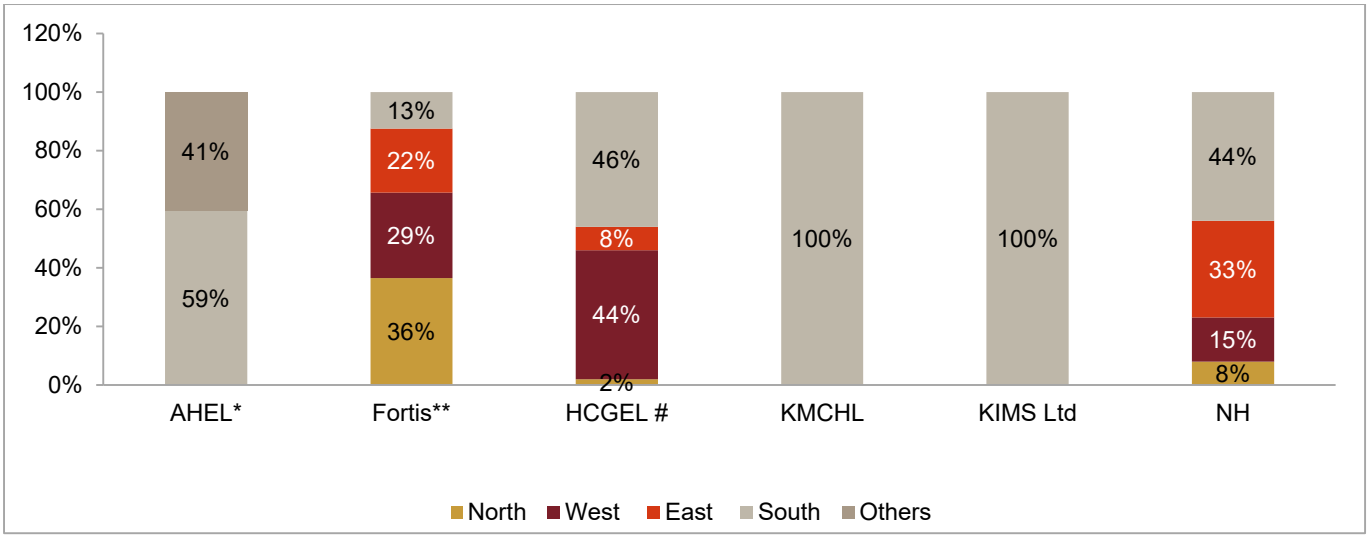
N a: Not applicable
ARPP calculated as ARPOB X ALOS
Source: Companies' annual reports/investor presentations, CRISIL Research

Proportion of bed capacity of key players in key cities



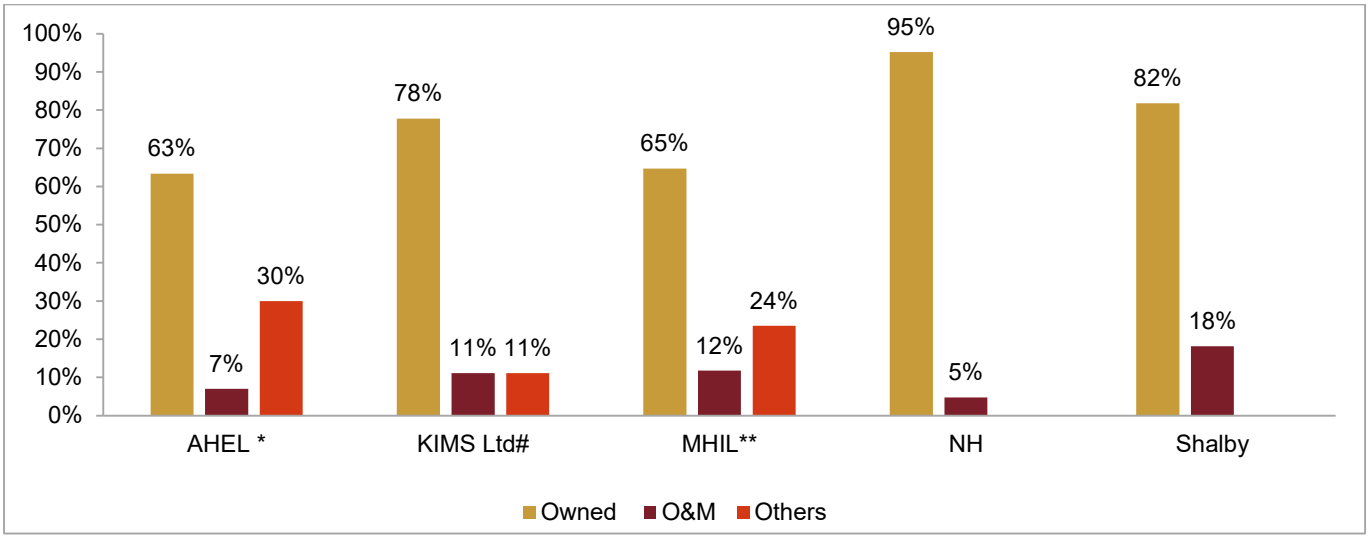
Note: Key cities include NCR, Mumbai Metropolitan Region (Maharashtra), Chennai (Tamil Nadu), Hyderabad (Telangana), Secunderabad (Telangana), Bengaluru (Karnataka), Kolkata (West Bengal) and Ahmedabad (Gujarat); proportion of beds in key cities for Fortis Healthcare and Apollo Hospitals Enterprises is derived from the list of hospitals on their website; MHIL's figure includes beds in associate trust-owned hospitals
Source: Companies' annual reports/investor presentations, CRISIL Research

Regional revenue mix of key players



** For AHEL, 'south region' includes Tamil Nadu, Andhra Pradesh, Telangana and Karnataka and 'others' denotes the rest of the country; 'revenue from significant subs/JVs/associates', as mentioned in the company's earnings update PPT of the fourth quarter of fiscal 2020, includes revenue from Bhubaneswar (Odisha), Bilaspur (Chhattisgarh), Nashik (Maharashtra), Navi Mumbai (Maharashtra), Ahmedabad (Gujarat), Kolkata (West Bengal), Delhi (National Capital Territory of Delhi), Indore (Madhya Pradesh), Assam and Lucknow (Uttar Pradesh).*
*** Fortis healthcare Ltd's revenue excludes that from its international hospitals.*
 # Regional mix mentioned only for HCGEL centres, which include 22 comprehensive cancer centres, 3 multispecialty hospitals, 3 diagnostic centres and 1 multispecialty hospital managed by HCGEL, as of March 31, 2020.
Source: Companies' annual reports/investor presentations, CRISIL Research

Mode of operation of key players as of fiscal 2020



** Others include 11 day-care/ short surgical stay centres with 270 beds and 10 Cradles with 260 beds.*
*** Others include partner healthcare hospitals and medical centres in which the company and subsidiaries provide healthcare services in key specialities for a fee and/or for a share of revenue.*
 # Others include hospital in Kondapur, Hyderabad, Telangana, which is rented.
Source: Companies' annual reports/investor presentations, CRISIL Research

Key observations:

- Among the companies under study, AHEL leads in terms of the number of hospitals (71 as of fiscal 2020)
- Among the key listed companies of the lot, AHEL has the most bed capacity at 10,261 as of fiscal 2020
- Most of the players have more owned hospitals than managed ones
- In fiscal 2020, MHIL registered the highest ARPOB, followed by Fortis Healthcare Ltd and AHEL
- Among the peers compared above as of fiscal 2020, MHIL Ltd registered the highest OR (73%) followed by KIMS Ltd (69%) and Fortis Healthcare Ltd (68%).
- Among the peers compared above the lowest ARPOB was reported by KMCHL (at ~ Rs 16,200) and KIMS Ltd (Rs 18,307) however KIMS Ltd depicted an ROCE of ~ 22% in FY20, highest among the peers considered.
- KIMS Ltd is one of the affordable hospital chains, among the multispecialty hospital chains compared above, with an ARPP of RS 79,526. KIMS Ltd has an ARPP almost 41% lower than the average ARPP depicted by players above.
- KIMS Ltd has better regional presence in the south in terms of revenue mix in fiscal 2020. It has 3,004 beds across nine multispecialty hospitals in Andhra Pradesh and Telangana
- A comparison of capacities of KIMS Ltd and KMCHL, both catering to only the southern region, shows that the former's number of beds is 2.2 times that of the latter (at 1,390 beds)

KEY FINANCIAL PARAMETERS OF MAJOR HOSPITAL PLAYERS

Key financial parameters

Key financials (FY20)	Operating income (Rs million)	3-Year CAGR (Mar 2017 to Mar 2020)	Income from healthcare service # (Rs million)	Y-o-y growth (%)	EBITDA (Rs million)	Y-o-y growth (%)	3-Year CAGR (Mar 2017 to Mar 2020)	PAT (Rs million)	Y-o-y growth (%)	3-Year CAGR (Mar 2017 to Mar 2020)
AHEL	112,530	16%	57,297	17%	9,987**	17%	15%	4,320	116%	49%
Fortis	45,600	0%	36,341	3%	6,398	-8%	-12%	915	140%	-43%

Key financials (FY20)	Operating income (Rs million)	3-Year CAGR (Mar 2017 to Mar 2020)	Income from healthcare service # (Rs million)	Y-o-y growth (%)	EBITDA (Rs million)	Y-o-y growth (%)	3-Year CAGR (Mar 2017 to Mar 2020)	PAT (Rs million)	Y-o-y growth (%)	3-Year CAGR (Mar 2017 to Mar 2020)
HCGEL	10,960	16%	10,076	12%	1,791	35%	16%	-1,250	NA	-276%
KMCHL	7,096	10%	5,174	13%	1,817	27%	12%	945	57%	16%
KIMS Ltd ^	11,226	26%	11,226	22%	2,511	189% $	61% $	1,151	128%^^	57%^^
MHEPL	21,609	16%	21,609	23%	4,588	59%	24%	557	141%	Nm
MHIL	40,236*	NA	40,236*	12%	5,897	66%	NA	NA	NA	NA
NH	31,314	19%	29,623	10%	4,464	45%	23%	1,190	116%	15%
Shalby	4,836	12%*	4,442	5%	948	3%	3%*	253	-9%	22%*

Note: NA: Not applicable; Nm: Not meaningful;
** CAGR over fiscals 2018-2020*
*** EBITDA for healthcare services business only as Annual Report 2019-20*

^ Financials for KIMS Ltd are based on audited financials provided by the company.

^^ PAT growth has been calculated on adjusted PAT (stands at Rs 1,151 for FY20, Rs 505 for FY19, Rs 435 for FY18 and Rs 297 for FY17) which includes exceptional loss/gains (includes loss on account of fair value changes in financial instrument (Rs 871 in FY19, Rs 703 in FY18 and Rs 556 in FY17) and excludes gain on acquisition of control in equity accounted investee (Rs 327.6 Mn in FY18)) as per audited financials.

$ Adjusted EBITDA for KIMS Ltd (stands at Rs 2,511 for FY20, Rs 1,739 for FY19, Rs 2,049 for FY18 and Rs 1,158 for FY17) includes loss on account of fair value changes in financial instrument (Rs 871 in FY19, Rs 703 in FY18 and Rs 556 in FY17) and excludes gain on acquisition of control in equity accounted investee (Rs 327.6 Mn in FY18). Considering adjusted EBITDA for KIMS Ltd the Y-o-Y growth stands at 44% and 3-year CAGR (FY17 to FY20) stands at 29%.# Classification of income from healthcare service revenue for the major listed players:

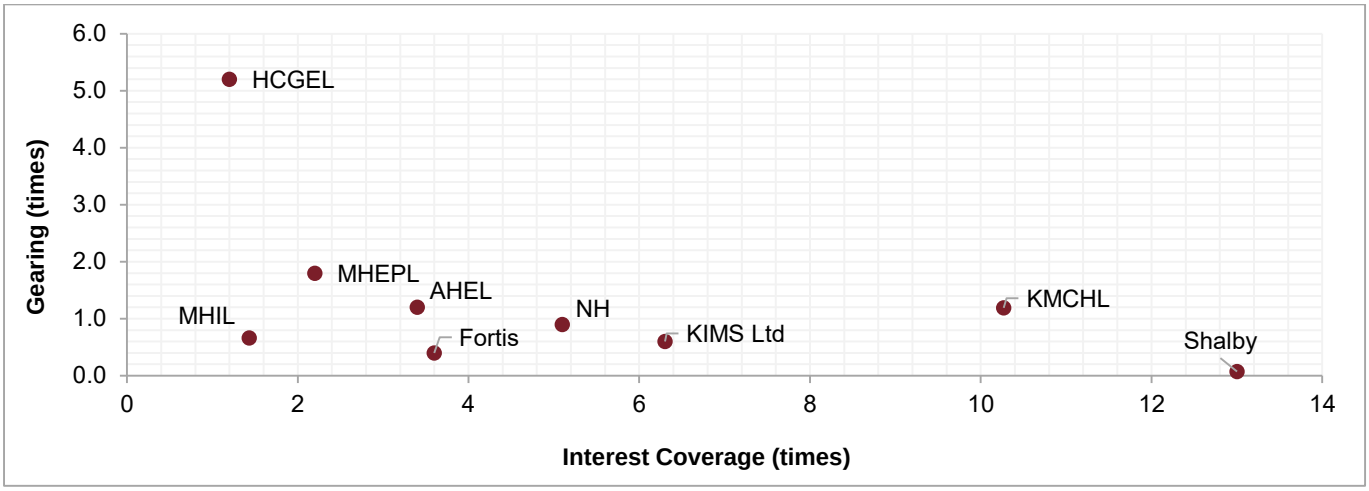
- *For AHEL, the healthcare services income includes revenue from outpatients (physical examinations, treatments, surgeries and tests), inpatients (clinical examinations and treatments, surgeries, and other fees such as room charges, and nursing care), and other operating income*
- ** Max Healthcare's income includes operating income and income from its network healthcare services, which include: i) all hospitals and medical centres owned and operated by MHIL and its subsidiaries; ii) all hospitals and medical centres owned and operated by Radiant Life Care Private Limited (Radiant) and its subsidiaries; iii) managed healthcare facilities (hospitals operated by MHIL and/ or Radiant and their respective subsidiaries under operations and management agreements); and iv) partner healthcare facilities (hospitals and medical centres in which MHIL and its subsidiaries provide healthcare services in key specialities).*
- *Narayana Hrudayalaya's income from medical and healthcare services has been considered (as per annual report). This excludes revenue from sale of medicals and consumables and other operating revenue*
- *For Fortis Healthcare, healthcare service revenue includes that of hospital business as per the company's investor presentation*
- *For HCG, healthcare service revenue includes revenue from medical services (as per its annual report) and excludes sale of medical and non-medical items and other operating revenue*
- *For Shalby, healthcare service revenue comes from 'contracts with customers - sale of services' that includes only inpatient and outpatient discharge revenue. CRISIL Research has excluded revenue from services such as diagnostic services, clinical trials, trainings, events, allied services and other operative income from within 'sale of services'*
- *For Kovai Medical Center, healthcare service revenue is a combination of doctors' fees and fee charged for other healthcare services from both inpatients and outpatients, according to the company's annual report*

Source: Companies' annual reports, CRISIL Research

Key observations

- As of fiscal 2020, AHEL has the highest operating income at ₹ 112,530 million, followed by Fortis Healthcare at ₹ 45,600 million.
- At 26%, KIMS Ltd saw the highest CAGR in operating income over fiscals 2017-2020 as compared to peers.
- KIMS Ltd also posted the highest CAGR in terms of PAT 57% over fiscals 2017-2020 as compared to peers.
- In terms of EBITDA, KIMS Ltd posted the highest y-o-y growth of 189% and a CAGR of 61% over fiscals 2017-2020.
- In terms of revenue from hospital services, KIMS Ltd posted the second highest on-year growth of 22% in fiscal 2020 second to MHEPL which posted a growth of ~23% during the same fiscal.

Gearing and interest coverage of major hospital players



Source: Companies' annual reports, CRISIL Research

Key financial ratios of major hospital players

Key financial ratios (FY20)	EBITDA margin	Net profit margin	ROCE	Asset turnover (times)	Interest coverage (times)	Gearing (times)	EBITDA/bed (Rs million)
AHEL	17.4%*	3.8%	12%*	1.4	3.4	1.2	1.0
Fortis	13.8%	2.0%	9%	0.8	3.6	0.4	1.7
HCGEL	16.2%	-11.4%	1%	0.5	1.2	5.2	0.9
KMCHL	25.2%	13.3%	15%	1.1	10.3	1.2	1.3
KIMS Ltd ^	22.2%	10.3%	22%	1.4	6.3	0.6	0.8
MHEPL	20.9%	2.6%	11%	0.6	2.2	1.8	1.7
MHIL	15.0%#	2.5%	n.a.	-	1.4	0.7	1.7
NH	14.2%	3.8%	16%	1.3	5.1	0.9	0.8
Shalby	19.1%	5.2%	7%	0.6	13.0	0.1	0.5

^ Financials for KIMS Ltd are based on audited financials provided by the company.

Ratios calculated as per CRISIL Research standards as described below:

- *EBITDA margin = EBITDA / total income*
- *Net profit margin = Profit after tax / operating income*
- *RoCE = Profit before interest and tax (PBIT) / [total debt + adjusted net worth + deferred tax liability]*
- *Interest coverage ratio = Profit before depreciation, interest, and tax (PBDIT)/ interest and finance charges*
- *Gearing = Adjusted total debt / adjusted net worth*
- *Asset turnover = Operating income / gross block*

** EBITDA has been calculated only for healthcare services business based on figures available in Annual report 2019-20. ROCE has been calculated only for healthcare services business from earnings presentation Q4 FY 2020 using the formula EBIT (healthcare services total) / capital employed (ROCE healthcare services – mature & new including proton). The capital employed is Pre Ind AS 116.*

#MHIL's operating margin is applicable to its network healthcare facilities, including: i) all the hospitals and medical centres owned and operated by MHIL and its subsidiaries; ii) all hospitals and medical centres owned and operated by Radiant and its subsidiaries; iii) managed healthcare facilities (hospitals operated by MHIL and/or Radiant and their respective subsidiaries under operations and management agreements); and iv) partner healthcare facilities (hospitals and medical centres in which MHIL and its subsidiaries provide healthcare services in key specialities). However, net profit margin, ROCE, interest coverage and gearing is exclusively that of MHIL

CRISIL Research takes into account tangible net worth for calculation of both ROCE and gearing ratio.

Source: Companies' annual reports, CRISIL Research

Pre Ind AS 116 EBITDA and EBITDA margins of players

Pre Ind AS 116 (FY20)	EBITDA (Rs Mn)	EBITDA margin
AHEL *	9,970	17.4%
Fortis	N a	-
HCGEL	1,215	11%
KMCHL	N a	-
KIMS Ltd ^	2,421	21.5%
MHEPL **	4,128	18.8%
MHIL	5,450	12.5%
NH	4,059	12.8%
Shalby	N a	-

^ Financials for KIMS Ltd are based on audited financials provided by the company.

*N a: Not available; * EBITDA for healthcare services business only as per earnings presentation Q4 and 2019-20; ** EBITDA calculated based on disclosures for Ind AS 116 in annual report 2019-20;*
Source: Investor presentations, CRISIL Research

Key observations:

- EBITDA margins of most of the players are in the 10-20% range. Exceptions are KMCHL's margin at ~25% and KIMS Ltd ~22% in fiscal 2020, indicating their strong operating profitability
- PAT margins of most of the players are extremely thin (2-5%). Exceptions are KMCHL's 13.3% and KIMS Ltd 10.3% in fiscal 2020. HCGEL posted a loss in fiscal 2020 with net margin at -11.4%
- KIMS Ltd and AHEL depicted the highest asset-turnover ratio (1.4 times) among the peers, followed by Narayana Hrudayalaya (1.3 times) in fiscal 2020
- Gearing ratio of majority of the companies is lower, with Shalby Ltd's at 0.1 times, followed by Fortis Healthcare (0.4 times) and KIMS Ltd (0.6 times) as of fiscal 2020
- In fiscal 2020, KIMS Ltd enjoyed the highest ROCE at 22% among the peers compared above

Cost structure of major hospital players

Cost structure (FY20)	Material and consumables cost as a % of OI	Power & fuel costs as a % of OI	Employee costs as a % of OI	Other costs as a % of OI
HCGEL	21.5%	2.5%	19.0%	43.4%
KMCHL	31.3%	1.2%	17.6%	25.9%
KIMS Ltd ^	22.6%	2.2%	17.6%	35.7%
MHEPL	22.2%	2.2%	16.2%	39.8%
NH	23.8%	2.6%	21.7%	28.1%
Shalby	25.4%	2.7%	14.0%	41.3%

^ Financials for KIMS Ltd are based on audited financials provided by the company.

Note: OI: Operating income
Source: Companies' annual reports, CRISIL Research

Key observations:

- Material cost and employee cost are two of the largest cost components for the players under study. For most players compared hereby, material cost is in the range of 20-30% and employee cost in 10-20%

- Fortis Healthcare and HCGEL had the lowest material cost as a percentage of operating income at 21.1% and 21.5%, respectively, in fiscal 2020
- At 14%, Shalby Ltd's was the lowest employee cost in fiscal 2020.
- Employee cost for AHEL (16.5%), MHEPL (16.2%), KMCHIL (17.6%), KIMS Ltd (17.6%) and HCGEL (19.0%) stood below 20% during the fiscal 2020.

9 months period (YTD) financials for fiscal 2021

Key financials (9M FY21)	Operating income (Rs million)	Y-o-y growth (%)	Income from healthcare service # (Rs million)	EBITDA (Rs million)	Y-o-y growth (%)	PAT (Rs million)	Y-o-y growth (%)
AHEL	76,921	-8%	34,634	3,672 **	-56%	(331)	-115%
Fortis	27,777	-21%	21,413	2,773	-53%	(1,185)	-189%
HCGEL	7,154	-13%	7,154	998	-30%	(1,073)	NM
KMCHL	4,900	-8%	4,800	1,424	5%	508	-17%
KIMS Ltd	9,714	13%	9,714	2,760	48%	1,469	68%
MHIL *	25,400	-16%	25,400	1,110	-72%	(2,040)	-346%
NH	17,446	-27%	17,446	554	-84%	(823)	-177%
Shalby	2,770	-27%	2,770	612	-28%	319	-29%

Note:

** Income derived from MHIL's network healthcare facilities, including: i) all hospitals and medical centres owned and operated by MHIL and its subsidiaries; ii) all the hospitals and medical centres owned and operated by Radiant and its subsidiaries; iii) managed healthcare facilities (hospitals operated by MHIL and/or Radiant and their subsidiaries under operations and management agreements); and iv) partner healthcare facilities (hospitals and medical centres in which MHIL and its subsidiaries provide healthcare services in key specialties);*

*** EBITDA (post Ind AS 116) for AHEL has been depicted only for healthcare services*

 # Classification of healthcare service revenue of the listed players in the set:

- *In case of AHEL, healthcare services revenue is income from the segment classified as healthcare services in the company's financial report published*
- *In case of Fortis Healthcare, healthcare service revenue covers hospital business as per the company's investor presentation of the third quarter of fiscal 2021 and nine month ended December 31st, 2020*
- *In case of Kovai Medical Center, healthcare services revenue comes from the segment classified as 'healthcare' in the company's financial results of the third quarter of fiscal 2021 and nine month ended December 31st, 2020*

NM: Not meaningful;

Source: Companies' quarterly reports and investor presentations for Q3 FY21, CRISIL Research

Key financial ratios of major listed hospital players

Key financial ratios (9M FY21)	EBITDA margin	Net profit margin	Interest coverage (times)
AHEL	11% *	0%	2.1
Fortis	10%	-4%	2.2
HCGEL	14%	-13%	1.0
KMCHL	29%	10%	6.4
KIMS Ltd	28%	15%	11.0
MHIL	4%	-8%	0.8
NH	3%	-5%	1.0
Shalby	22%	12%	21.6

Ratios calculated as per CRISIL Research's methodology given below:

- *EBITDA margin = EBITDA / operating income*
- *Net profit margin = Profit after tax / operating income*
- *Interest coverage ratio = Profit before depreciation, interest, and tax (PBDIT)/ interest and finance charges*

** EBITDA margin for AHEL has been depicted only for healthcare services using the calculation EBITDA (for healthcare service post Ind AS 116) / Income from healthcare services*

Source: Companies' quarterly reports and investor presentations for Q3 FY21, CRISIL Research

Key observations:

- Revenue of all the players have recovered significantly from the lows of the first quarter of fiscal 2021, when surgeries were deferred due to the pandemic, which resulted in lower occupancy
- In terms of operating income, EBITDA and PAT for the 9m period FY21 (YTD FY21), KIMS Ltd depicted the highest y-o-y growth rate among the peers considered above.

In terms of PAT margins for the 9m period FY21 (YTD FY21), KIMS Ltd stood the highest among peers at 15%.

OUR BUSINESS

*This section should be read in conjunction with sections titled "**Risk Factors**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**" on pages 27, 319 and 233, respectively. In this section, unless the context requires otherwise, any reference to the terms "we", "us" and "our" refers to our Company and its Subsidiaries. Unless otherwise stated, all financial and other data regarding our business and operations presented in this section is on a consolidated basis and are derived from our Restated Financial Statements.*

*Certain information in this section is derived from the report titled "Assessment of the healthcare delivery market in India" dated February 2021 prepared by CRISIL Research pursuant to engagement with our Company (the "**CRISIL Report**"). For risks in relation to commissioned reports, see "**Risk Factors – Internal Risk Factors – This Prospectus contains industry information that has been extracted or derived from an industry report prepared by CRISIL Research, which was commissioned by our Company.**" on page 50.*

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year", "Fiscal" and "Fiscal Year" are to the 12 month period ended March 31 of that fiscal year. All references to a year are to that Fiscal Year, unless otherwise noted.

OVERVIEW

We are one of the largest corporate healthcare groups in AP and Telangana in terms of number of patients treated and treatments offered, according to the CRISIL Report commissioned by us. We provide multi-disciplinary integrated healthcare services, with a focus on primary secondary & tertiary care in Tier 2-3 cities and primary, secondary, tertiary and quaternary healthcare in Tier 1 cities. We operate 9 multi-specialty hospitals under the "KIMS Hospitals" brand, with an aggregate bed capacity of 3,064, including over 2,500 operational beds as of March 31, 2021, which is 2.2 times more beds than the second largest provider in AP and Telangana, according to the CRISIL Report commissioned by us. We offer a comprehensive range of healthcare services across over 25 specialties and super specialties, including cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, organ transplantation, renal sciences and mother & child care.

We have grown from a single hospital to a chain of multi-specialty hospitals through organic growth and strategic acquisitions under the leadership of Dr. Bhaskara Rao Bollineni, our founder and Managing Director, and Dr. Abhinay Bollineni, our Executive Director and CEO. Our first hospital in our network was established in Nellore (AP) in 2000 and has a capacity of approximately 200 beds. Our flagship hospital at Secunderabad (Telangana) is one of the largest private hospitals in India at a single location (excluding medical colleges), according to the CRISIL Report commissioned by us, with a capacity of 1,000 beds as of March 31, 2021. We have significantly expanded our hospital network in recent years through our acquisitions of hospitals in Ongole (AP) in Fiscal Year 2017, Vizag (AP) and Anantapur (AP) in Fiscal Year 2019 and Kurnool (AP) in Fiscal Year 2020. Approximately one-third of our 3,064 beds were launched in the last four years. We have added over 940 beds, in aggregate, in our hospitals in Visakhapatnam (Vizag) (AP), Anantapur (AP), Rajamundry (AP) and Kurnool (AP) in Fiscal Years 2019 and 2021, and improved the overall bed occupancy rate in these hospitals from 71.83% to 78.60% in the same period. We strive to provide quality service to more patients, and we believe we have scope for additional patients and improved occupancy rates. We strategically focus on the southern India healthcare market where we have a strong understanding of regional nuances, customer culture and the mind-set of medical professionals and where there is significant and growing need for quality and affordable healthcare services. Each of our hospitals also has integrated diagnostic services and pharmacies that cater to our patients.

Dr. Bhaskara Rao Bollineni is a renowned cardiothoracic surgeon in India. He has over 27 years of experience in cardiothoracic surgery and has worked in several other leading medical institutions in the country. He started KIMS Nellore in the year 2000 with the vision to create a hospital system for his home state of AP that is capable of attracting top medical talent and providing high-quality care at affordable prices. Under his leadership, and that of Dr. Abhinay Bollineni, who joined KIMS in 2014, we have expanded into nine cities across AP and Telangana through a combination of greenfield, brownfield and acquisition-led expansion. Dr. Abhinay assumed our CEO position in 2019 and played a leadership role in expanding the KIMS' network over the last 5 years, including in the launch of KIMS Kondapur and the acquisitions of our hospitals in Ongole (AP), Vizag (AP), Anantapur (AP) and Kurnool (AP). Today, our current network consists of hospitals strategically located to serve the healthcare needs of AP and Telangana across urban Tier 1 cities such as Secunderabad (Telangana) and Hyderabad (Telangana) and more rural Tier 2-3 areas such as Vizag (AP), Nellore (AP), Rajahmundry (AP), Srikakulam (AP), Ongole (AP), Anantapur (AP) and Kurnool (AP). We believe our hospitals are also situated well to capture patient in-flow across AP and Telangana and from the neighboring states of Karnataka, Odisha, Tamil Nadu and parts of central India. We also believe that affordability and quality of healthcare services provided by us and our track record of building long-term relationships with medical professionals including our doctors, has enabled our growth and helped us build our 'KIMS Hospitals' brand.

We operate and manage all of our hospitals, which provides us with greater control over our facilities and helps us to better deliver high quality and affordable healthcare services. In Fiscal Year 2021, our nine hospitals recorded ARPOB of ₹ 20,609, a bed occupancy rate of 78.60%, and an ALOS of 5.53 days, on an aggregate basis. In Fiscal Year 2021, ARPOB for our hospitals situated in Tier 1 cities was ₹ 39,571 and ARPOB for our hospitals situated in Tier 2-3 cities was ₹ 11,187.

We believe that quality care can be achieved by recruiting excellent medical professionals and clinical teams and retaining them over a long term. We have taken significant efforts to create a culture that nurtures our medical talent and encouraged our doctors

to become stakeholders in the KIMS hospitals where they work. We believe this culture of empowerment and ownership has led to good talent retention and allowed patients to create long-term relationships with our doctors. Since inception in 2000, we have retained over 80% of our doctors.

We have approached our network expansion with financial prudence and have been disciplined with taking on financial leverage for capital investments. All of our significant capital investments are carefully deliberated and approved by our experienced Board. Our ability to keep the capex / bed at these levels has been important to our model of providing quality and affordable healthcare services. In Fiscal Year 2020, our capital expenditure per bed was ₹ 6.35 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities, compared to the industry average of ₹ 5-8 million in Tier 1 cities and ₹ 1-5 million in Tier 2-3 cities, according to the CRISIL Report commissioned by us. We expect to remain disciplined with expansion. In Fiscal Year 2021, our capital expenditure per bed was ₹ 6.91 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities.

Our revenue is diversified across specialties and our doctors. In Fiscal Year 2021, our total income mix was 17.82% from cardiac sciences, 12.55% from neuro sciences, 9.30% from renal sciences, 4.64% from orthopaedics, 5.25% from gastric sciences, 5.71% from oncology, 6.11% from mother & child care, 1.86% from organ transplant, 35.28% from other specialties and 1.48% from other income. In the same year, our top 10 doctors contributed 21.80% of our total income and the top 25 doctors contributed 36.10% of our total income.

Certain of our hospitals, including our flagship hospital at Secunderabad (Telangana), have been accredited by the NABH, achieve NABH standards for emergency care and are "green operating theatre" by Bureau VERITAS. As on January 30, 2021, KIMS Secunderabad is the only hospital in AP and Telangana to have an emergency department complying with NABH standards, according to the CRISIL Report commissioned by us. Our hospitals are equipped with high-quality medical equipment and employ practices and policies which help us provide quality healthcare services to our patients. KIMS Secunderabad was the second hospital in Hyderabad (Telangana) to install the 4-Arm HD da Vinci robotic surgical system, which facilitates complex surgeries that are virtually scarless. KIMS Vizag was one of the first hospitals in AP to have (i) an Endoscopic Ultrasound System with Radial & Linear Scopes; (ii) a 2T scope to perform high end endoscopy procedures such as ESG & therapeutic procedures; and (iii) a Power Spiral Endoscopy for performing end to end enteroscope through motorized scope. We continue to invest in improving our technological capabilities, training our doctors and other healthcare professionals, increasing day-to-day operational efficiencies, and finding new ways to engage and retain patients.

We also conduct medical education programs through our affiliations with state medical boards and universities, for various broad and super specialties at our hospitals in Telangana at Secunderabad and Kondapur, including for DNB and post-doctoral fellowship programs. As of March 31, 2021, there were 230 students enrolled in our DNB and post-doctoral fellowship programs. We also offer post-graduate, undergraduate and diploma programs that are affiliated with Kaloji Narayana Rao University of Health Sciences and the Telangana Para Medical Board.

	As of and for the year ended March 31,			2019-2021 CAGR
	2021	2020	2019	
Bed Capacity	3,064	3,004	2,804	4.53%
Bed occupancy rate[(1)] (%)	78.60%	80.49%	71.83%	-
Inpatient Volume	116,592	140,676	111,382	2.31%
Outpatient Volume	830,211	1,137,560	900,043	(3.96)%
Total Income (₹ in millions)	13,401.02	11,287.28	9,238.69	20.44%
Profit/(loss) before tax expense (₹ in millions)	2,790.15	1,405.26	(153.81)	-
Adjusted Profit Before Tax Expense (₹ in millions) [(2)]	2,790.15	1,405.26	837.47	82.53%
Profit/(loss) for the year (₹ in millions)	2,054.79	1,150.72	(488.07)	-
Adjusted EBITDA (₹ in millions) [(2)]	3,810.48	2,510.79	1,739.51	48.00%
Adjusted EBITDA Margin[(2)]	28.43%	22.24%	18.83%	-

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

*(2) Adjusted EBITDA, Adjusted EBITDA Margin, adjusted profit before tax expense are non-GAAP measures. These non-GAAP measures are not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Other Financial Information—Non-GAAP financial measures**" on page 311. Please see, "**Risk Factors - This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.**" on page 50.*

We experienced a negative CAGR of (3.96)% for our outpatient volume from 2019 to 2021 mainly due to COVID-19 related lockdown, quarantines and other travel related restrictions, which resulted in fewer people traveling to our hospitals to seek outpatient treatment. Our negative outpatient volume CAGR was offset by 2.31% growth of inpatient volume, which resulted in growth of total income, as a large proportion of our inpatients during the COVID-19 pandemic were critical and complex cases with longer stays as well as multiple procedures and treatments being administered throughout the patient's hospitalization.

COMPETITIVE STRENGTHS

Our principal competitive strengths are:

Regional leadership driven clinical excellence and affordable healthcare

We are one of the largest corporate healthcare groups in AP and Telangana in terms of number of patients treated and treatments offered, according to the CRISIL Report commissioned by us. We had total income of ₹ 11,287.28 million and Adjusted EBITDA of ₹ 2,510.79 million for Fiscal Year 2020, which were the highest in AP and Telangana, according to the CRISIL Report commissioned by us. For Fiscal Year 2021, our total income was ₹ 13,401.02 million and our Adjusted EBITDA was ₹ 3,810.48 million. We have 3,064 beds across nine multi-specialty hospitals in AP and Telangana as of December 31, 2020, which is 2.2 times more beds than the second largest provider in AP and Telangana, according to the CRISIL Report commissioned by us.

We have over 20 years of expertise in AP and Telangana since opening our first hospital in Nellore (AP) in 2000. We strategically focus on the southern India healthcare market where we have a strong understanding of regional nuances, customer culture and the mind-set of medical professionals and where there is significant and growing need for quality and affordable healthcare services. For more information, see "–***Well positioned to consolidate in India's large, unorganized yet rapidly growing and underserved affordable healthcare market***". For these reasons, we believe that the "KIMS Hospitals" brand is well recognized in the region among patients, doctors, other healthcare professionals and vendors.

Our leadership in AP and Telangana are driven by (i) our clinical excellence and (ii) our affordable pricing.

- **Clinical excellence:** We believe that we deliver clinical excellence through quality healthcare services, supported by a combination of top medical talent, strong clinical and patient safety protocols and investments in new medical technology. We provide treatment for complex and chronic diseases covering primary, secondary, tertiary and quaternary healthcare. In addition to providing core medical, surgical and emergency services, we provide complex and advanced quaternary healthcare in various specialties.

  We believe that the quality of care improves when multiple specialties and the resources to support them are brought together under one roof. All of our hospitals provide comprehensive healthcare services across a range of specialties and super-specialties. These include cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, organ transplantation, renal sciences and mother & child care. We are a leader in some of these specialties. According to the CRISIL Report commissioned by us, we had the largest cardiac and cardiothoracic surgery and cardiology treatments programs in AP (in terms of patients treated in 2018), with an 18.20% share of cardiology treatments. We also ranked first in genito urinary surgeries performed, neurosurgery and poly trauma treatments and first among private hospitals (second overall) in nephrology treatments in AP in 2018, according to the CRISIL Report commissioned by us. We also have one of the largest neurosciences programs for epilepsy among private hospitals in India, according to the CRISIL Report commissioned by us. We believe our ability to provide multi-specialty treatments in our hospitals has improved the quality of care towards our patients.

  We hire doctors, some of whom have been trained in premier medical institutions and have received accolades and awards for their work in their respective fields. We are accredited by the National Board of Examination and operate our DNB student program, which provides a deep pool of doctors to support our hospitals. Our continuous investment in medical technology and equipment has enabled us to offer advanced healthcare services that few other hospitals in India can match. For example, KIMS Secunderabad was the second hospital in Hyderabad (Telangana) to install 4-Arm HD da Vinci robotic surgical system, which facilitates complex surgeries that are virtually scarless. KIMS Vizag was one of the first hospitals in AP to have (i) an Endoscopic Ultrasound System with Radial & Linear Scopes; (ii) a 2T scope to perform high end endoscopy procedures such as ESG & therapeutic procedures; and (iii) a Power Spiral Endoscopy for performing end to end enteroscope through motorized scope. Our investment in advanced medical technology and our training programs, as well as the breadth of our multi-specialty network and our strong patient volumes, also help us to recruit doctors, and these resources provide our doctors the tools they need to perform novel and complex procedures.

  Our hospitals at Secunderabad (Telangana), Rajahmundry (AP) and Kondapur (Telangana) are NABH accredited, and others are in the accreditation process. Our facilities have obtained quality certifications from various accreditation agencies, including ISO certification and Green OT certification at KIMS Secunderabad. Our hospitals follow defined quality and patient safety protocols and adhere to accepted clinical standards in patient handling and care.

- **Affordable pricing**: We strive to offer our quality healthcare services at affordable prices, regardless of the markets, specialty or service type. We have successfully implemented our affordable pricing model in our hospitals in both Tier 1 and Tier 2-3 markets, even though hospitals in different markets face different competitive landscapes and pricing pressures, serve patients from different economic backgrounds and offer a different mix of specialty offerings. In Fiscal Year 2020, our capital expenditure per bed was ₹ 6.35 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities, compared to the industry average of more than ₹ 10 million in Tier 1 cities (tertiary/quaternary care hospitals) and between ₹ 1 million and ₹ 5 million in Tier 2-3 cities (secondary care hospitals) according to the CRISIL Report commissioned by us. In Fiscal Year 2021, our capital expenditure per bed was ₹ 6.91 million for hospitals in Tier

1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities. In Tier 1 cities, our prices across medical procedures are on average 20% to 30% lower than other private hospitals in India, according to the CRISIL Report commissioned by us. In Fiscal Year 2020, our ARPP is ₹ 79,526, which is 41% lower than the industry average of ₹ 112,000, according to the CRISIL Report commissioned by us.

To sustain our affordable pricing while still generating strong returns, we rationalize our doctor, procurement and other administrative costs. We manage our doctor costs by using a mix of fixed and variable compensation arrangements, based on patient volumes, costs and other factors at each of our hospitals. We also believe that we are able to encourage doctors to join and stay with our hospitals at reasonable costs due to our brand and reputation, the quality of our facilities and equipment and the comprehensive expertise and resources that we possess as a multi-specialty hospital network. As a result, we are also able to hire selectively while effectively controlling our recruiting spending, even though the lateral doctor market remains expensive in India. We also have access to a deep pool of doctors from our DNB student programs and nursing staff through our affiliations with in-house nursing schools and colleges. We have standardized protocols for medical and operating procedures to ensure an optimal number of employees and medical support staff per bed and achieve optimal utilization of resources. We have streamlined and centralized supply chain operations, vendor management, compliance and administrative functions. This allows us to leverage our scale and secure favorable pricing from vendors for medical equipment and consumables. Due to our strong brand and reputation and our high percentage of walk-in patients, we are also able to control our operating costs.

We right-size our hospitals and manage our capital expenditures according to the needs of each market. Due to our disciplined approach to expansion, our hospitals are located in markets that we have been able to support high patient volumes, which are vital to the success of our affordable pricing model. We have sought to purchase land at attractive prices by entering markets early, and we have acquired land on long-term, low-cost terms to avoid high fixed rental costs, such as the land for our hospital in Secunderabad (Telangana), which we hold on a perpetual lease basis, and our KIMS Vizag hospital under an operation and maintenance arrangement without traditional lease fees. With only one hospital (KIMS Kondapur) on traditional lease, we have generally minimized lease expenses and lease renewal risks that often drive up costs in our industry. As a result, we have an overall ROCE[1] of 26.90% across high-priced Tier 1 markets and lower priced Tier 2-3 markets in Fiscal Year 2021.

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

We maintain our standard of high quality healthcare by consistently employing a diverse pool of talented doctors, nurses and paramedical professionals. Our multi-disciplinary approach, combined with our affordable cost for treatment, a high-volume tertiary care model, and our focus on teaching and research, has helped us attract and retain high quality doctors and other healthcare professionals. Many of our specialists, physicians and surgeons have been trained in premier medical institutions across the world and have received accolades and awards. For example, Dr. Raghuram was conferred Officer of the British Empire by Her Excellency Queen Elizabeth II in December 2020. Further, recently, the Indian Academy of Neurology has instituted the "Dr. Surath Mohan Das Award" from 2021 for the "Best paper in Autoimmune Disorders" to be awarded at the annual conference of Indian Academy of Neurology.

We have taken significant efforts to create a culture that nurtures our medical talents and encouraged our doctors to become stakeholders in the KIMS hospitals where they work. We believe this culture of empowerment and ownership has encouraged learning and training in our hospitals, and led to good talent retention and allowed patients to create long-term relationships with our doctors. Since inception in 2000, we have retained over 80% of our doctors. Our doctors have been involved in the growth of our hospitals by actively participating in the equity ownership in our Company and Subsidiaries.

In a market where demand for physicians and paramedical staff is high and supply is scarce, we meet a portion of our continuing need for quality human resources through the strong academic and learning environment we have created for prospective doctors, nurses and paramedical staff. We are accredited by the National Board of Examination to enroll students in a number of specialty-specific DNB courses, which serves as a training ground for a number of our doctors and medical support staff and helps us contribute to the availability of skilled doctors for recruitment. As of March 31, 2021, we had 230 doctors in our DNB and post-doctoral fellowship programs. We continuously endeavor to undertake initiatives to ensure that the attrition rates for our doctors remain low. We have also taken certain premises on lease for the purpose of allotting residential accommodation to our nurses.

Track record of strong operational and financial performance

We have grown from a single, approximately 200-bed hospital at Nellore (AP) in 2000 to a leading multi-disciplinary integrated private healthcare service provider with nine multi-specialty hospitals and over 3,000 beds today. We believe that we have consistently delivered strong operational and financial performance through strong patient volumes, cost efficiency and diversified revenue streams across medical specialties. We have achieved healthy profitability in both Tier 1 and Tier 2-3 markets by

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[1] *ROCE as EBIT /Capital Employed = ₹ 3,115.12 million/ ₹11,578.29 million x 100% = 26.90%*
EBIT=Earnings before interest and tax = Profit/(loss) before tax expense + finance costs = ₹ 2,790.15 million + ₹ 324.97 million = ₹ 3,115.12 million
Capital Employed=Total assets − Current liabilities = ₹ 14,361.54 mllion - ₹ 2,783.25 million = ₹ 11,578.29 million

identifying markets with significant underserved healthcare demand and delivering quality healthcare services at affordable prices, which in turn drives patient volumes. Our hospitals in Tier 1 markets provide higher margin services such as organ transplants, oncology and neuro-critical care, resulting in higher ARPOB and EBITDA as summarized in the following table:

	ARPOB		**EBITDA** [(2)]	
	(₹. per day)		(₹ in millions)	
	hospitals in Tier 1 markets [(1)]	hospitals in Tier 2-3 markets	hospitals in Tier 1 markets	hospitals in Tier 2-3 markets
Fiscal Year 2021	39,571	11,187	2,852.41	994.30

[(1)] Include revenue from KIMS Vijaywada and PET CT.

*[(2)] EBITDA is a non-GAAP measure. This non-GAAP measure is not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measure presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For each hospital, EBITDA is calculated based on its respective revenue. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Other Financial Information—Non-GAAP Measures**" on page 311. Please see, "**Risk Factors - This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.**" on page 50.*

Our multispecialty healthcare platform has resulted in diversified revenue streams, with no single specialty accounting for more than 25% of our total income in any of the last three years. As of December 31, 2020, our debt-to-Adjusted EBITDA ratio was 0.95x and our gearing ratio was 0.37x compared to the industry range of 0.1 to 5.2, according to the CRISIL Report commissioned by us. As of March 31, 2021, our debt-to-Adjusted EBITDA ratio was 0.71x and our gearing ratio was 0.31x. We have achieved strong free cash flow levels, in terms of our cash flows from operations relative to our capital expenditures, by effectively managing our capital expenditures as our business and hospital network have grown, resulting in attractive cash flow conversion, in terms of free cash flow compared to Adjusted EBITDA. We are one of only three hospitals in India that are rated AA by CRISIL.

The following table sets forth selected operating and financial data for our healthcare services for the years indicated:

	As of and for the year ended March 31,			**2019-2021 CAGR**
	2021	**2020**	**2019**	
Bed capacity	3,064	3,004	2,804	4.53%
Bed occupancy rate[(1)] (%)	78.60%	80.49%	71.83%	-
Inpatient volume	116,592	140,676	111,382	2.31%
Outpatient volume	830,211	1,137,560	900,043	(3.96)%
Total income (₹ in millions)	13,401.02	11,287.28	9,238.69	20.44%
Profit/(loss) before tax expense (₹ in millions)	2,790.15	1,405.26	(153.81)	-
Adjusted profit before tax expense (₹ in millions) [(2)]	2,790.15	1,405.26	837.47	82.53%
Profit/(loss) for the year (₹ in millions)	2,054.79	1,150.72	(488.07)	-
Adjusted EBITDA (₹ in millions) [(2)]	3,810.48	2,510.79	1,739.51	48.00%
Adjusted EBITDA Margin[(2)]	28.43%	22.24%	18.83%	-

[(1)] Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

*[(2)] Adjusted profit before tax expense, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. These non-GAAP measures are not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For each hospital, adjusted profit before tax expense, Adjusted EBITDA, Adjusted EBITDA Margin are calculated based on its respective revenue. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Other Financial Information—Non-GAAP financial measures**" on page 311. Please see, "**This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry.**" on page 50.*

We experienced a negative CAGR of (3.96)% for our outpatient volume from 2019 to 2021 mainly due to COVID-19 related lockdown, quarantines and other travel related restrictions, which resulted in fewer people traveling to our hospitals to seek outpatient treatment. Our negative outpatient volume CAGR was offset by 2.31% growth of inpatient volume, which resulted in growth of total income, as a large proportion of our inpatients during the COVID-19 pandemic were critical and complex cases with longer stays as well as multiple procedures and treatments being administered throughout the patient's hospitalization.

Well positioned to consolidate in India's large, unorganized yet rapidly growing and underserved affordable healthcare market

The healthcare industry in India is poised for growth. The Indian healthcare delivery industry is expected to grow at a 17-18% CAGR (2020 - 2024E) and reach ₹ 7.07 trillion by 2024, according to the CRISIL Report commissioned by us. In Fiscal Year 2020, 68% of hospital treatments, in terms of the treatment value, were carried out in private hospitals, and the number is expected to reach 72% in Fiscal Year 2024, according to the CRISIL Report commissioned by us.

There is a significant and growing need for quality and affordable healthcare services across the country, particularly in AP and Telangana where our hospital network is concentrated. In Fiscal Year 2020, AP is among the top-ranking states in terms of GSDP growth, according to the CRISIL. AP and Telangana also ranked among the top three in terms of overall health index score, according to the CRISIL Report commissioned by us. AP is also a leading state in terms of doctors per person in 2018, and has been attracting doctors and patients seeking treatments, according to the CRISIL Report commissioned by us. Health insurance penetration in India stood at only 37% as of March 31, 2018, according to the CRISIL Report commissioned by us. According to

the CRISIL Report commissioned by us, AP and Telangana also stand as one of the underpenetrated states in terms of health insurance, with a penetration rate of 4% and 12%, respectively, in Fiscal Year 2020. We believe that government-backed schemes in AP and Telangana also help to set the stage for future growth.

According to the CRISIL Report commissioned by us, demands from patients and doctors for high quality facilities, modern technologies, and multi-disciplinary care are the key factors driving healthcare industry consolidation. Larger hospital brands typically have stronger financial disciplines and negotiating power with suppliers, better ability to attract medical talent, and greater capital and administrative resources to meet these needs over standalone hospitals. In addition, consolidation of hospital brands in India's Tier 2-3 cities in the last few years have formed regional clusters that provide a base for further expansion and consolidation.

Given our leading position in AP and Telangana as a provider of quality and affordable healthcare services, as well as our track record of growth, we believe that we are well positioned to be a consolidator in the region. We have grown from a single, approximately 200-bed hospital at Nellore (AP) in 2000 to a leading multi-disciplinary integrated private healthcare services provider with nine multi-specialty hospitals and over 3,000 beds today. Between Fiscal Year 2017 and Fiscal Year 2020, we completed four significant hospital acquisitions, namely KIMS Ongole, KIMS Vizag, KIMS Anantapur and KIMS Kurnool, to consolidate the healthcare market in AP, growing at a pace much faster than our competing brands, in terms of year-on-year revenue growth in Fiscal Year 2020 and operating margin from Fiscal Years 2017-2020, according the CRISIL Report commissioned by us. For more information, see "—***Disciplined approach to acquisitions resulting in successful inorganic growth***".

Disciplined approach to acquisitions resulting in successful inorganic growth

We have a successful history of sourcing, executing and integrating acquisitions. We have a disciplined, low-leverage approach to acquisitions that has enabled us to maintain our affordable pricing model as we have grown in both Tier 1 and Tier 2-3 markets.

Since Fiscal Year 2017, we have expanded our hospital network primarily through acquisitions of other hospitals. In Fiscal Year 2017, we acquired our hospital in Ongole (AP), a 350-bed multispecialty hospital founded by local doctors, through a slump sale by Ongole Arogya Hospitals Private Limited. We expanded our hospital network to add KIMS Vizag, a 434-bed multispecialty hospital in April 2018 by entering into a service agreement. In addition, we acquired a 250-bed hospital in Anantapur (AP) in October 2018 and a 200-bed hospital in Kurnool (AP) in April 2019, which solidified our presence in southern AP and adjoining areas of Karnataka.

When we acquire a new hospital, we generally seek to purchase the land where our hospital is proposed to be located and construct our own hospital building instead of acquiring buildings on lease. We seek to identify markets and purchase land early in order to manage our costs. In cases where we are not able to purchase the underlying land, we have acquired land rights on long-term, low cost terms to avoid high fixed rental costs, such as the land for our hospital in Secunderabad (Telangana), which we hold on a perpetual lease basis, and our KIMS Vizag hospital under an operation and maintenance arrangement without traditional lease fees. With only one hospital (KIMS Kondapur) on traditional lease, we have generally minimized lease expenses and lease renewal risks that often drive up costs in our industry. As a result, in Fiscal Year 2020, our capital expenditure per bed was ₹ 6.35 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities, compared to the industry

average of ₹ 5-8 million in Tier 1 cities and ₹ 1-5 million in Tier 2-3 cities, according to the CRISIL Report commissioned by us. In Fiscal Year 2021, our capital expenditure per bed was ₹ 6.91 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities. With our low capital expenditure per bed, we were able to improve our Adjusted EBITDA from ₹ 1739.51 million in Fiscal Year 2019 to ₹ 3,810.48 million in Fiscal Year 2021.

We seek to acquire hospitals that can fit into our hospital network and match our existing hospital profile in terms of specialties, technologies and healthcare professionals. We have encouraged doctors at the hospital we acquire to stay with us, participate in the equity ownership of the hospital and contribute to the hospital's future growth. Many of the doctors at the hospitals that we acquire remain with us after the hospitals are integrated into our network. See "—***Ability to attract, train and retain high quality doctors, consultants and medical support staff***".

Experienced senior management team with strong institutional shareholder support

We benefit from an experienced senior management team which has made significant contributions to our growth and has a long and proven track record in the healthcare services industry. We believe that a professionally managed team with a commitment to patient care and ethical standards enables us to operate our facilities efficiently while at the same time providing quality affordable healthcare to our patients.

Our senior management team has extensive healthcare industry experience and is led by Dr. Bhaskara Rao Bollineni and Dr. B Abhinay, the Managing Director and CEO of our Company, respectively. Dr. Bhaskara Rao Bollineni is a renowned cardiothoracic surgeon with over 27 years of experience in cardiothoracic surgery. Dr. Abhinay Bollineni was named to Businessworld's BW 40 Under 40 list in 2019 and since joining in 2014 has led our Company's growth initiatives, including setting up our KIMS Kondapur facility and our acquisitions in Vizag, Anantapur, Kurnool and Ongole in AP. Dr. Abhinay is also responsible for our strategy,

growth, marketing and operations. Mr. Vikas Maheshwari, our CFO, has over two decades of experience in finance and accounting and has worked in leading companies across different sectors. Others on our senior management team have over 15-years of experience in their relevant fields, covering various aspects of our operations from information technology to biomedical services.

Our largest shareholder, General Atlantic, is a leading global growth investor with a track record of providing strategic, practical, and impactful support to high-growth companies in India and globally. General Atlantic has a 40-year history of identifying emerging companies with strong fundamental performance and organic growth that can accelerate their expansion and scale. General Atlantic has more than $40 billion in assets under management across five global sectors: healthcare, life sciences, technology, consumer and financial services.

We believe our senior management team and strong shareholder support have been key to driving our business strategy and financial growth through the efficient rollout of our greenfield hospitals, the integration of our hospital acquisitions and the successful execution of our affordable healthcare model in Tier 1 and Tier 2-3 markets.

OUR STRATEGIES

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

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

Strengthen our existing hospitals and specialties

We intend to strengthen our existing hospitals by further balancing our specialty mix and deepening our expertise in select specialties. We have identified cardiac sciences, neurosciences, gastric sciences, orthopaedics, renal sciences, interventional pulmonology, palliative care, immunology and palliative care as specialties that we intend to further strengthen and grow. In the area of organ transplantation, we recently expanded our clinical team in Secunderabad (Telangana) to provide heart and lung transplants in addition to other organ transplant services (liver and kidney, among others). We intend to offer organ transplantation services in more of our hospitals in the future. We also aim to strengthen our oncology services by adding radiation and surgical services and introducing oncology services at more of our hospitals. We plan to continue to focus on, and expand our ability to provide, complex and advanced quaternary healthcare in various specialties, and to launch mother & child care services in more of our hospitals.

We also plan to focus on developing complicated specialist-skill driven clinical areas of organ transplant, mother & child care and oncology, to enhance our brand name particularly at hospitals where we observe strong growth inpatient volumes.

As demand for healthcare services in AP and Telangana grows in the future, we will also periodically evaluate whether to increase the bed capacity of our existing hospitals. As part of our hospital development and acquisition strategy, we select sites for our hospitals that have sufficient land area and basic infrastructure to support a flagship-sized hospital, even if we have more limited development plans for the hospital in the short term. As a result, we believe that we have sufficient capacity across our hospital network to add additional beds through a mix of brownfield and greenfield projects if demand for quality and affordable healthcare services significantly increases in the future.

Strategically grow our presence in adjacent markets

We plan to expand our hospital network into markets that are adjacent to our core markets of AP and Telangana, initially focusing on the following areas:

- Karnataka (Bangalore and greater Karnataka) – We believe there is potential for Bangalore and greater Karnataka to support new hospitals that offer quality and affordable healthcare. We have observed both cash patients and insurance patients traveling from the districts of AP bordering Karnataka (Anantapur, Kurnool and Chittoor) to seek treatment at larger hospitals in Bangalore (Karnataka). Karnataka is a natural growth market for us because a sizeable portion of the state speaks Telugu, which is the main language spoken in our core markets of AP and Telangana.

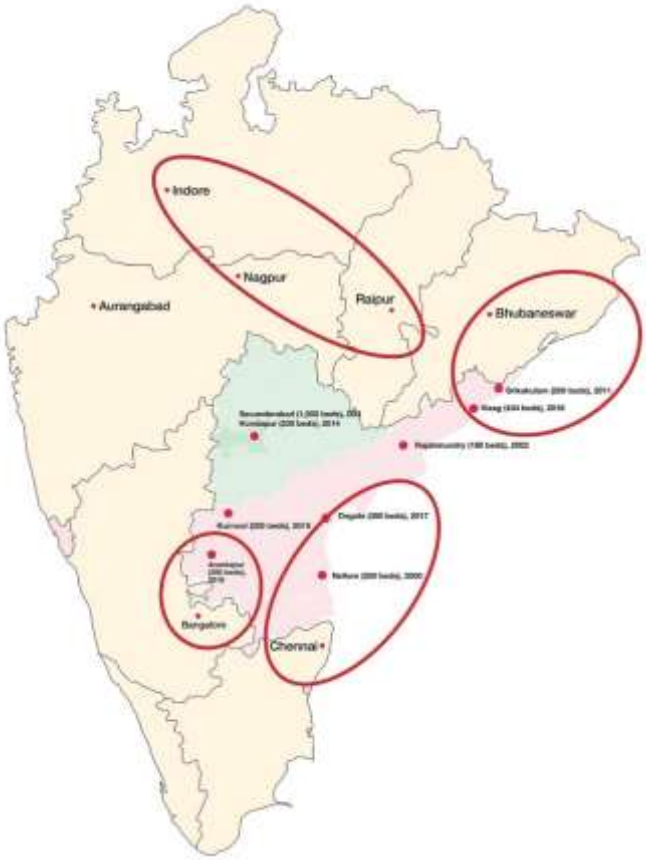
- Odisha (Bhubaneswar) – Bhubaneswar is a natural extension of our existing hospital network northward given the state's proximity to our hospitals in Vizag and Srikakulam in northern AP that already serve a significant number of patients traveling from south Odisha for treatment.

- Tamil Nadu (Chennai) – Chennai is a major city on the border of Tamil Nadu and AP that already attracts patients from AP's four southern border districts of Chittoor, Kadapa, Nellore and Ongole and has a large Telugu-speaking population. We have acquired a parcel of land in Chennai for construction of a new facility in the future.

- Central India (Indore, Aurangabad, Nagpur and Raipur) – Our flagship hospital KIMS Secunderabad in Hyderabad (Telangana) attracts patients in need of complex care, as well as doctors seeking to develop their career, from across central India, which we believe has further raised the familiarity with our KIMS brand among patients from the region. As a result,

we believe there is strong KIMS brand awareness in the region that can support smaller, KIMS-branded hospital units in the future.

Set forth below is a map showing potential target markets around the current locations of our hospitals in AP and Telangana:



Note: Map not to scale

We believe that, as we enter into these new markets, our strong existing brand recognition among patients in these regions can accelerate the growth of new hospitals that we establish or acquire. We intend to leverage our acquisition experience to successfully identify, execute and integrate new opportunities that may arise in the future, including by entering into O&M arrangements with third party healthcare service providers. We also intend to explore opportunities for expansion via asset-light models or models involving no ownership of assets. These may include revenue sharing arrangements, management fee-based arrangements or acquisition of other players in the healthcare sector undertaking operation and management of hospitals. We may also penetrate these geographies by partnering with well-known doctors who practice in these regions.

Implementation of initiatives to improve existing operational efficiencies

We believe that maximizing operating efficiencies across our network is critical to maintaining and improving the affordability of our healthcare services and, ultimately, our profitability.

We aim to improve our occupancy rates and the utilization of key equipment and operating theatres by expanding delivery of tertiary care services, growing our preventive healthcare and health screening programs and increasing community outreach programs. We monitor our costs of pharmacy and consumables, human resources costs and other administrative costs very closely. We have a dedicated business intelligence team that works closely with key departments to monitor and optimize our operational costs. The same team also monitors turnaround time of key metrics such as patient admissions, waiting and discharges, as well as other lab and pharmacy metrics.

We intend to undertake initiatives that help us to improve our daily ARPOB and minimize ALOS at our hospitals. We focus on reducing ALOS at our hospitals and increasing our patient turnover rate in order to drive revenue growth because a significant portion of in-patient revenues are derived from medical services provided in the initial two to three days of a patient‘s stay in the hospital. To do this, we plan to improve our patient management and discharge processes, expand our home care offerings, implement time- and cost-saving medical technologies and perform more minimally-invasive surgeries.

We target to further centralize and optimize our procurement costs by leveraging on our growing scale. We intend to continue emphasizing training of our employees in best practices and implementing programs to provide incentives for performance. Our initiatives will encourage our doctors and patient care team to be more involved in administrative matters such as scheduling surgeries and in the management of the hospitals as we believe that this will help to improve clinical outcomes and our service standards. We have launched a number of special initiatives, with a focus on energy efficiency and cost reduction, including our energy cost saving projects aimed at reducing energy and water consumption, while continuing to invest in technology-enabled operating procedures to increase operational and management efficiencies and ensure quality patient care.

Invest in digital health care and technology

We are focused on developing a healthcare ecosystem that utilizes digital healthcare technologies to offer patients a fully integrated approach to manage their journey towards health and wellness. We believe that incorporating new technologies into our operations and expanding our digital capabilities will improve patient care, expand the scope of treatments that we offer and lead to greater affordability, efficiency and cost savings.

We believe that there is growing interest in digital health platforms that enable patients to manage their own personal health and wellness journeys, access their medical records and get prescriptions online and obtain online consultations, particularly for routine and minor consultations. Digital health technology can also help better understand and manage the patient journey and enable clinical improvement and intervention. This technology can allow us and our patients to monitor their health and recovery, identify deviations or setbacks and determine when follow-up consultations or inpatient admissions are advisable.

We also intend to invest in the infrastructure and technology necessary to perform technology-enabled operating procedures in our hospitals. For example, greater adoption of robotics technology in our hospitals can improve our diagnostic services and enable our doctors to perform more complex procedures. We also believe that investing in the latest technologies for medical equipment and procedures is necessary to serve the increasing demand for sophisticated clinical care and procedures and attract and retain skilled doctors. Greater integration of technology in operations can reduce our costs by streamlining our processes and allow us to use human interventions with patients more selectively, while also providing patients with around-the-clock access to care. Currently, we are in the process of adopting and enhancing end-to-end automation in our key operational procedures such as outpatient registration, billing, admissions and discharge. On the clinical side, we are piloting a new digital nursing portal to better optimize time and resource allocation at nursing stations and enhance patient care satisfaction.

CORPORATE STRUCTURE

The following chart sets forth our corporate structure as of date of this Prospectus:



MAJOR EVENTS AND MILESTONES

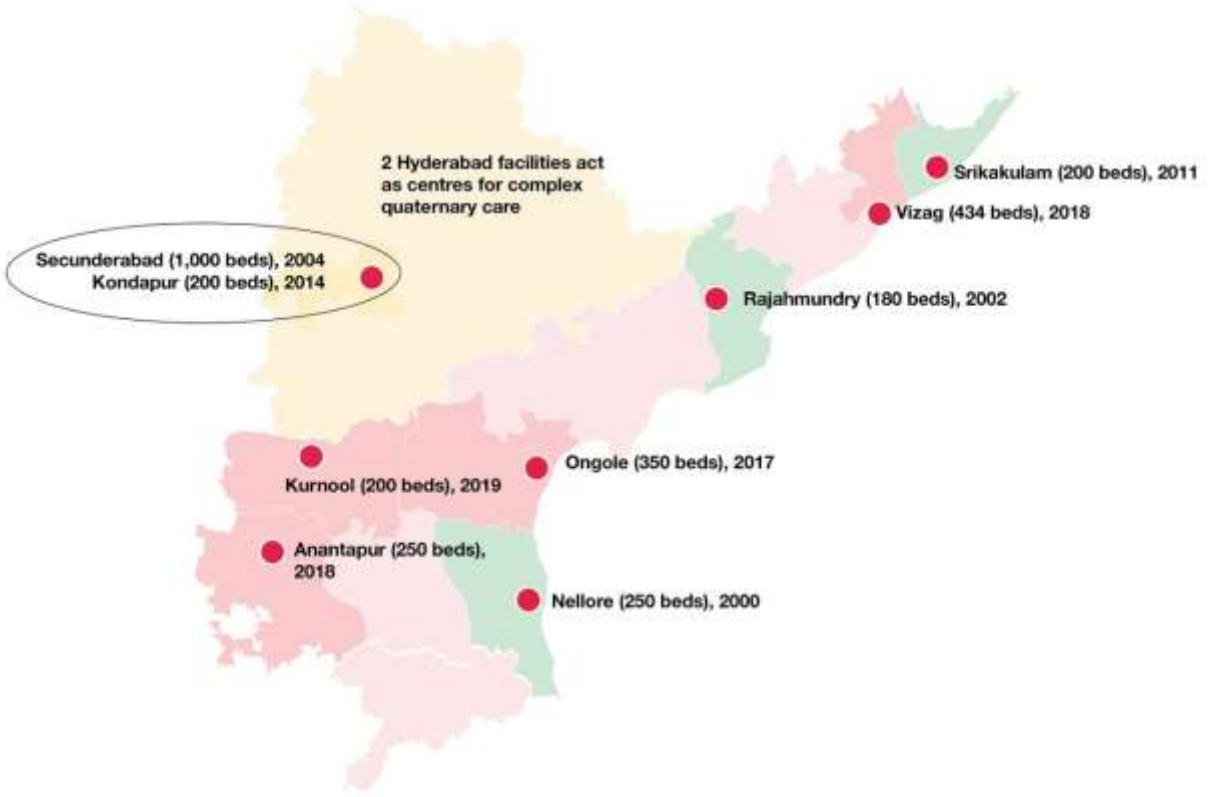
See "***History and Certain Corporate Matters - Major events and milestones of our Company***" on page 199.

For a list of our awards and accreditations, see "***History and Certain Corporate Matters - Awards and Accreditations***" on page 200.

OUR HOSPITALS

We own, operate and manage a network of nine multispecialty hospitals across AP and Telangana. Most of our hospitals provide a broad range of specialties, including cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, organ transplantation, renal sciences, mother & child care, laboratory services, radiology and imaging, general surgery as well as diagnostic and critical care services and on-site pharmacies. We also provide outpatient services, including consultation for a range of ailments and preventive health screenings.

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



Note: Map not to scale

We have also been awarded the rights to develop affordable healthcare facilities in partnership with the Government of Odisha, and the terms of the concession agreement are being finalized.

Key Financial and Operational Metrics

The following table sets out certain key highlights and operational parameters for each of our hospitals as of and for the year ended March 31, 2021.

	Secunderabad[7]	*Nellore*	*Rajahmundry*	*Srikakulam*	*Kondapur*	*Ongole*	*Vizag*	*Anantapur*	*Kurnool*
Ownership %	100.00%	100.00%	100.00%	57.83%	86.32%	100.00%	51.00%	80.00%	55.00%
Bed capacity	1,000	250	180	200	200	350	434	250	200
Operational beds[1]	885	250	180	150	150	246	314	215	200
Bed occupancy rate (%)[2]	66.22%	88.67%	82.78%	63.78%	82.24%	96.68%	88.64%	97.65%	64.01%
ALOS (days)[3]	4.97	5.13	4.76	4.87	3.89	8.21	6.16	6.02	4.58
ARPOB (₹ per day)[4]	38,478	13,563	15,035	11,445	44,965	8,915	11,897	10,785	12,380
Inpatient volume	35,818	13,571	10,477	6,455	9,269	9,925	11,238	10,654	9,185
Outpatient volume	253,174	124,126	47,265	37,787	78,535	88,400	85,803	58,298	56,823
Hospital revenue (₹ in millions)[5]	6,844.80	943.74	749.55	359.67	1,619.75	726.70	823.57	691.90	520.59
Revenue from inpatients (₹ in millions)	5,758.69	602.02	475.10	238.46	1,323.28	483.11	661.13	526.60	412.24

	Secunderabad[7]	*Nellore*	*Rajahmundry*	*Srikakulam*	*Kondapur*	*Ongole*	*Vizag*	*Anantapur*	*Kurnool*
Revenue from outpatients (₹ in millions)	1,086.11	341.72	274.46	121.21	296.47	243.59	162.44	165.30	108.35
EBITDA (₹ in millions) [6]	2,433.18	277.60	195.77	52.76	419.23	230.09	139.11	60.11	38.85
EBITDA margin[6]	34.75%	29.38%	26.10%	14.47%	25.59%	31.63%	16.66%	8.65%	7.41%

(1) Includes census and non-census beds.

(2) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

(3) "ALOS" means average of length of stay, which is the total length of stay days for a year divided by inpatients volume for such year. Length of stay day is based on daily midnight bed count.

(4) "ARPOB" means average revenue per occupied bed, which is hospital revenue divided by the total length of stay days.

(5) "Hospital revenue" for each of our hospitals is revenue from operations excluding income from academic courses. "Hospital revenue" for our Company on a group basis is hospital revenue from each of our hospitals, usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020, excluding revenue from non-operating entities and consolidation eliminations.

*(6) EBITDA and EBITDA Margin for our Company on a consolidated basis are Adjusted EBITDA and Adjusted EBITDA Margin. EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA margin are non-GAAP measures. These non-GAAP measures are not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For each hospital, EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA margin are calculated based on its respective revenue. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Other Financial Information—Non-GAAP financial measures**" on page 311. Please see, "**This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry**" on page 50.*

(7) Includes usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020.

The following table sets out certain key highlights and operational parameters for each of our hospitals as of and for the year ended March 31, 2020.

	Secunderabad[7]	*Nellore*	*Rajahmundry*	*Srikakulam*	*Kondapur*	*Ongole*	*Vizag*	*Anantapur*	*Kurnool*
Ownership %	100.00%	100.00%	100.00%	57.83%	75.26%	100.00%	51.00%	80.00%	55.00%
Bed capacity	1,000	250	120	200	200	350	434	250	200
Operational beds[1]	885	250	120	150	150	150	314	215	200
Bed occupancy rate (%)[2]	79.43%	79.97%	93.31%	76.50%	96.59%	95.74%	70.44%	83.53%	72.58%
ALOS (days)[3]	4.70	3.45	3.40	4.86	3.55	3.65	5.20	5.28	4.56
ARPOB (₹ per day)[4]	26,225	15,155	19,302	10,322	33,388	13,548	7,622	10,621	8,560
Inpatient volume	45,402	18,191	11,019	7,762	11,909	11,489	14,046	10,394	10,464
Outpatient volume	3,72,900	1,39,577	60,334	48,863	1,25,891	1,12,293	1,27,208	72,505	77,989
Hospital revenue (₹ in millions)[5]	5,595.74	951.12	723.15	389.11	1,412.58	568.12	556.53	582.88	408.19
Revenue from inpatients (₹ in millions)[6]	4,446.88	752.40	494.66	327.40	1,191.99	361.69	417.84	434.86	371.69
Revenue from outpatients (₹ in millions)	1,148.87	198.72	228.49	61.72	220.59	206.43	138.68	148.02	36.50
EBITDA (₹ in millions) [6]	1,598.03	240.54	164.52	72.63	351.74	94.08	(17.62)	49.93	(10.26)
EBITDA margin[6]	27.94%	25.20%	22.74%	18.46%	24.73%	16.43%	(3.15%)	8.53%	(2.50%)

(1) Includes census and non-census beds.

(2) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

(3) "ALOS" means average of length of stay, which is the total length of stay days for a year divided by inpatients volume for such year. Length of stay day is based on daily midnight bed count.

(4) "ARPOB" means average revenue per occupied bed, which is hospital revenue divided by the total length of stay days.

(5) "Hospital revenue" for each of our hospitals is revenue from operations excluding income from academic courses. "Hospital revenue" for our Company on a group basis is hospital revenue from each of our hospitals, usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020, excluding revenue from non-operating entities and consolidation eliminations.

*(6) EBITDA and EBITDA Margin for our Company on a consolidated basis are Adjusted EBITDA and Adjusted EBITDA Margin. EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA margin are non-GAAP measures. These non-GAAP measures are not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For each hospital, EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA margin are calculated based on its respective revenue. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Other Financial Information—Non-GAAP financial measures**" on page 311. Please see, "**This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry**" on page 50.*

(7) Includes usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020.

The following table sets out certain key highlights and operational parameters for our hospitals by vintage for the periods indicated. The vintage of our hospitals established or operational more than four years ago (i.e. prior to January 1, 2017) comprises our hospitals at Secunderabad (Telangana), Nellore (AP), Rajahmundry (AP), Srikakulam (AP) and Kondapur (Telangana). The vintage of our hospitals operational within the last four Fiscal Years comprises our hospitals at Ongole (AP), Vizag (AP), Anantapur (AP) and Kurnool (AP).

In hospitals established/operational more than 4 Fiscal Years ago

Year	Bed Capacity[1]	Operating beds	Bed occupancy rate[2]	Inpatient Volume	Outpatient Volume	ALOS[3]	ARPOB[4]	Hospital revenue[5]*	Revenue from inpatients[6]*	Revenue from outpatient*
2019	1,770	1,555	78.19%	87,161	674,668	4.31	21,475	8,065.87	6,410.31	1,655.55
2020	1,770	1,555	81.94%	94,283	747,565	4.17	23,048	9,071.71	7,213.34	1,858.39
2021	1,830	1,615	72.89%	75,590	540,887	4.83	28,833	10,517.50	8,397.55	2,119.97
2019-2021 CAGR	-	-	-	(6.87)%	(10.46)%	-	-	14.19%	14.46%	13.16%

In hospitals operational within last 4 Fiscal Years

Year	Bed Capacity[1]	Operating beds	Bed occupancy rate[2]	Inpatient Volume	Outpatient Volume	ALOS[3]	ARPOB[4]	Hospital revenue[5]*	Revenue from inpatients[6]*	Revenue from outpatients*
2019	1,034	654	57.50%	24,221	225,375	5.06	8,705	1,066.93	766.20	300.72
2020	1,234	879	78.00%	46,393	389,995	4.69	9,727	2,115.71	1,586.08	529.63
2021	1,234	975	87.55%	41,002	289,324	6.82	9,881	2,762.76	2,083.08	679.68
2019-2021 CAGR	-	-	-	30.11%	13.30%	-	-	60.92%	64.88%	50.34%

Group

Year	Bed Capacity[1]	Operating Beds	Bed Occupancy rate[2]	Inpatient Volume	Outpatient Volume	ALOS[3]	ARPOB[4]	Hospital Revenue[5]*	Revenue from inpatients[6]*	Revenue from outpatients*
2019	2,804	2,209	71.83%	111,382	900,043	4.47	18,334	9,132.80	7,176.52	1,956.27
2020	3,004	2,434	80.49%	140,676	1,137,560	4.34	18,307	11,187.42	8,799.42	2,388.02
2021	3,064	2,590	78.60%	116,592	830,211	5.53	20,609	13,280.26	10,480.63	2,799.65
2019-2021 CAGR	-	-	-	2.31%	(3.96)%	-	-	20.59%	20.85%	19.63%

* ₹ *in millions*

(1) *Includes census and non-census beds.*

(2) *Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.*

(3) *"ALOS" means average of length of stay, which is the total length of stay days for a year divided by inpatients volume for such year. Length of stay day is based on daily midnight bed count.*

(4) *"ARPOB" means average revenue per occupied bed, which is hospital revenue divided by the total length of stay days.*

(5) *"Hospital revenue" for each of our hospitals is revenue from operations excluding income from academic courses. "Hospital revenue" for our Company on a group basis is hospital revenue from each of our hospitals, usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020, excluding revenue from non-operating entities and consolidation eliminations. Please see "**Other Financial Information—Non-GAAP financial measures**" on page 311 and "**This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry**" on page 50.*

(6) *Includes usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020.*

We experienced a negative CAGR of (3.96)% for our outpatient volume from 2019 to 2021 mainly due to COVID-19 related lockdown, quarantines and other travel related restrictions, which resulted in fewer people traveling to our hospitals to seek outpatient treatment. Our negative outpatient volume CAGR was offset by 2.31% growth of inpatient volume, which resulted in growth of total income, as a large proportion of our inpatients during the COVID-19 pandemic were critical and complex cases with longer stays as well as multiple procedures and treatments being administered throughout the patient's hospitalization.

KIMS Secunderabad

Our flagship hospital at Secunderabad (Telangana) is one of the largest private hospitals in India at a single location (excluding medical colleges), according to the CRISIL Report commissioned by us, with a capacity of 1,000 beds, including 885 operational beds, as of March 31, 2021. KIMS Secunderabad commenced operations in 2004. It occupies five acres of land and is strategically located and easily accessible from within the city of Secunderabad, Telangana. In Fiscal Years 2021 and 2020, KIMS Secunderabad had 35,818 and 45,402 aggregate admissions, primarily in the areas of cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, organ transplantation, renal sciences and mother & child care. During Fiscal Year 2021, our doctors performed 44 kidney transplants and 22 liver transplants and 33 heart and lung transplant. KIMS Secunderabad was the second hospital in Hyderabad (Telangana) to install an 4-Arm HD da Vinci robotic surgical system on its premises, according to the CRISIL Report commissioned by us.

KIMS Secunderabad has 216 dedicated ICU beds, 31 operation theatres, two catheterization laboratories, six ECMO, two MRIs, two CT scan units, three linear accelerators, one PTF scan, one spyglass, one spiro-enteroscope and one endosono. In Fiscal Year 2021, we performed a monthly average of 164 neuro surgeries, 25 paediatric CT surgeries, 74 adult CT surgeries, 116 urological surgeries, 84 gastro surgeries, 89 orthopaedic surgeries and 94 oncological surgeries, respectively. Doctors at KIMS Secunderabad performed India's first successful double lung transplant on a COVID patient in 2020. Our KIMS paediatric cardiac surgeons have also performed "Double Switch operations", a rare and complex cardiac surgery, on a 12 year old girl and a 6 year old boy.

KIMS Secunderabad is NABH accredited, NABL accredited and ISO 9001:2008 certified. It was recently awarded as the Best Super-Specialty Hospital in Telangana by the National Quality Excellence Awards, 2019, and it was also recognized as the "Energy Efficient Unit" at the National Award by Excellence in Energy Management in 2019. As of January 30, 2021, KIMS Secunderabad is the only hospital in AP and Telangana that has an emergency department in compliance with the NABH standards, according to the CRISIL Report commissioned by us. See ***"—Awards and Accreditations***" for more information on awards received by KIMS Secunderabad and our other hospitals. Our Doctors have also received awards and accolades. For example, Dr. Raghuram was conferred Officer of the British Empire by Her Excellency Queen Elizabeth II in December 2020. Further, recently, the Indian Academy of Neurology has instituted the "Dr. Surath Mohan Das Award" from 2021 for the "Best paper in Autoimmune Disorders" to be awarded at the annual conference of Indian Academy of Neurology.

Set forth below are certain key operational parameters for KIMS Secunderabad: Our EBITDA margin has increased in recent years as we have kept our employee, land, maintenance and utility costs relatively stable while our hospital business has expanded.

	Fiscal year 2021	***Fiscal year 2020***	***Fiscal year 2019***
Inpatient admissions	35,818	45,402	43,036
Outpatient	253,174	372,900	358,234
ARPOB (₹ per day)	38,478	26,225	24,317
ALOS (days)	4.97	4.70	4.79
Occupancy (%)[(1)]	66.22%	79.43%	76.69%
Revenue (₹ in millions)[(2)]	7,000.97	5,719.93	5,126.61
% of group revenue	51.94%	50.44%	55.28%
EBITDA (₹ in millions)	2,433.18	1,598.03	1,085.31
EBITDA Margin	34.75%	27.94%	21.17%

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.
(2) Includes usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020.

KIMS Nellore

Our hospital at Nellore (AP) is a multispecialty hospital that commenced operations in 2000. KIMS Nellore is among the top three hospitals in Nellore (AP) in terms of bed capacity, according to the CRISIL Report commissioned by us. It had 250 patient beds, all of which are operational beds, as of March 31, 2021. In Fiscal Years 2021 and 2020, KIMS Nellore had 13,571 and 18,191 aggregate admissions, primarily in the areas of cardiac sciences, renal sciences, neuro sciences, gastric sciences, mother & child and orthopaedics. It is equipped with six laminar flow operation theatres, one catheterization laboratory, six advanced intensive care units with 112 ICU beds, 24-hour MRI scan unit, a CT scan unit, a diagnostic lab and ambulance and pharmacy services.

Set forth below are certain key performance statistics for KIMS Nellore.

	Fiscal year 2021	***Fiscal year 2020***	***Fiscal year 2019***
Inpatient admissions	13,571	18,191	16,899
Outpatient	124,126	139,577	118,469
ARPOB (Rs per day)	13,563	15,155	13,791
ALOS (days)	5.13	3.45	3.63
Occupancy (%)[(1)]	88.67%	79.97%	78.17%
Revenue (₹ in millions)	944.88	954.52	846.62
% of group revenue	7.01%	8.42%	9.13%
EBITDA (₹ in millions)	277.60	240.54	188.86
EBITDA Margin	29.38%	25.20%	22.31%

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

KIMS Rajahmundry

Our hospital at Rajahmundry (AP) is a multispecialty hospital that commenced operations in 2002. KIMS Rajahmundry is the largest private hospital in Rajahmundry (AP) in terms of bed capacity in January 2021, according to the CRISIL Report commissioned by us. This hospital had a total of 180 beds, all of which were operational beds, as of March 31, 2021. In Fiscal Years 2021 and 2020, KIMS Rajahmundry had 10,477 and 11,019 aggregate admissions, primarily in the areas of in cardiac sciences, renal sciences, neuro sciences and orthopaedics at this hospital, respectively. KIMS Rajahmundry is equipped with three operation theatres, an advanced intensive care unit with 76 ICU beds, one catheterization laboratory, one CT scan unit, an acute medical care unit, a department of casualty, diagnostic and laboratory services and ambulance and pharmacy services.

Set forth below are certain key performance statistics for KIMS Rajahmundry:

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
Inpatient admissions	10,477	11,019	9,148
Outpatient	47,265	60,334	55,889
ARPOB (in Rs per day)	15,035	19,302	18,922
ALOS (days)	4.76	3.40	3.90
Occupancy (%)[(1)]	82.78%	93.31%	88.86%
Revenue (₹ in millions)	749.97	723.57	677.32
% of group revenue	5.56%	6.38%	7.30%
EBITDA (₹ in millions)	195.77	164.52	166.41
EBITDA Margin	26.10%	22.74%	24.57%

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

KIMS Ongole

Our hospital at Ongole (AP) is a multispecialty hospital that commenced operations in April 2017. It has a total of 350 beds, including 246 operational beds, as of March 31, 2021. In Fiscal Years 2021 and 2020, KIMS Ongole had 9,925 and 11,489 aggregate admissions, primarily in the areas of cardiac sciences, renal sciences, neuro sciences, gastric sciences, mother & child care and orthopaedics. KIMS Ongole is equipped with nine operation theatres, an advanced intensive care unit with 83 ICU beds, one catheterization laboratory, one CT scan unit, one MRI unit, an acute medical care unit, a department of casualty, diagnostic and laboratory services and ambulance and pharmacy services.

Set forth below are certain key performance statistics for KIMS Ongole:

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
Inpatient admissions	9,925	11,489	9,314
Outpatient	88,400	112,293	94,811
ARPOB (in Rs per day)	8,915	13,548	12,247
ALOS (days)	8.21	3.65	4.21
Occupancy (%) [(1)]	96.68%	95.74%	89.52%
Revenue (₹ in millions)	727.42	572.58	483.32
% of group revenue	5.40%	5.05%	5.21%
EBITDA (₹ in millions)	230.09	94.08	40.10
EBITDA Margin	31.63%	16.43%	8.30%

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

KIMS Srikakulam

Our hospital at Srikakulam (AP) is a multispecialty hospital that was established by our Subsidiary, AHPL, and became operational in 2011. KIMS Srikakulam is the largest private hospital in Srikakulam (AP) in terms of bed capacity in January 2021, according to the CRISIL Report commissioned by us. KIMS Srikakulam had 200 patient beds, 150 of which were operational beds, as of March 31, 2021. This hospital is strategically located to serve patients in Srikakulam (AP) as well as from the neighboring state of Odisha. In Fiscal Years 2021 and 2020, KIMS Srikakulam had 6,455 and 7,762 admissions in aggregate, primarily in the areas of renal sciences, cardiac sciences, orthopaedics, neuro sciences and mother & child. KIMS Srikakulam is equipped with five operation theatres, an advanced intensive care unit with 47 ICU beds, a catheterization laboratory, one CT unit and diagnostic, laboratory, pharmacy and ambulance services.

Set forth below are certain key performance statistics for KIMS Srikakulam:

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
Inpatient admissions	6,455	7,762	7,814
Outpatient	37,787	48,863	46,964
ARPOB (in Rs per day)	11,445	10,322	8,609
ALOS (days)	4.87	4.86	5.32
Occupancy (%) [(1)]	63.78%	76.50%	84.36%
Revenue (₹ in millions)	364.68	393.46	365.76
% of group revenue	2.71%	3.47%	3.94%
EBITDA (₹ in millions)	52.76	72.63	71.35
EBITDA Margin	14.47%	18.46%	19.51%

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

KIMS Kondapur

KIMS Kondapur is a multispecialty hospital that commenced operations in 2014. It largely caters to India's IT belt of Kondapur (Telangana), Hitech City and Gachibowli areas of Hyderabad (Telangana). With a large population predominantly working in the IT sector, we believe this region has huge potential for future growth. Our hospital at Kondapur (Telangana) had a total of 200 beds, including 150 operational beds, as of March 31, 2021. KIMS Kondapur is NABH accredited. In Fiscal Years 2021 and 2020, KIMS Kondapur had 9,269 and 11,909 aggregate admissions, primarily in the areas of mother & child (KIMS Cuddles Program), cardiac sciences, renal sciences, gastric sciences, neuro sciences, orthopaedics and oncology. This hospital is equipped with five dedicated operation theatres, an advanced intensive care unit with 53 ICU beds, one catheterization laboratory, a CT unit, an MRI unit and pharmacy. Our doctors at KIMS Kondapur strive to provide quality services with advanced medical procedures and techniques. For example, KIMS Kondapur has performed a robotic surgery on a 60-year-old patient and performed a complex surgery on a 6-year-old girl with congenital scoliosis. Our mother & child care unit, KIMS Cuddles, is a dedicated unit for catering to obstetrics, gynaecology and children-related medical service, with two OT units for obstetrics, 26 adult beds and seven NICU beds.

Set forth below are certain key performance statistics for KIMS Kondapur. Our EBITDA margin has increased in recent years as we have kept our employee, land, maintenance and utility costs relatively stable while our hospital business has expanded.

	Fiscal year 2021	***Fiscal year 2020***	***Fiscal year 2019***
Inpatient admissions	9,269	11,909	10,264
Outpatient	78,535	125,891	95,112
ARPOB(in ₹ per day)	44,965	33,388	37,993
ALOS(days)	3.89	3.55	3.02
Occupancy (%) [(1)]	82.24%	96.59%	70.75%
Revenue (₹ in millions)	1,638.05	1,422.43	1,184.71
% of group revenue	12.15%	12.54%	12.77%
EBITDA (₹ in millions)	419.23	351.74	283.22
EBITDA Margin	25.59%	24.73%	23.91%

[(1)] *Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.*

KIMS ICON Super Specialty Hospital (Vizag (AP))

KIMS ICON Super Specialty Hospital is a multispecialty hospital situated in the harbor city of Visakhapatnam, AP. This hospital offers a wide range of medical services in over 25 specialties, including cardiac sciences, neuro sciences, gastro sciences, renal sciences, ortho sciences, oncological sciences and mother & child care. As of March 31, 2021, KIMS ICON Super Specialty Hospital had 434 patient beds, including 314 operational beds. In Fiscal Years 2021 and 2020, KIMS ICON Super Specialty Hospital (Vizag, AP) had 11,238 and 14,046 aggregate admissions, primarily in the areas of mother & child, cardiac sciences, renal sciences, neuro sciences, orthopaedics, gastric sciences, organ transplant. KIMS ICON Super Specialty Hospital is equipped with a full spectrum of medical facilities including 12 operation theatres, an advanced intensive care unit with 95 ICU beds, one catheterization laboratory, one CT scan, one MRI, an endosono unit, a spyglass system, a spiral enteroscope system, a fibroscan unit, a ECMO, a blood bank, 24x7 emergency care, facilities for medical and therapeutic procedures and diagnostic and laboratory services. KIMS Vizag was one of the first hospitals in AP to have (i) an Endoscopic Ultrasound System with Radial & Linear Scopes; (ii) a 2T scope to perform high end endoscopy procedures such as ESG & therapeutic procedures; and (iii) a Power Spiral Endoscopy for performing end to end enteroscope through motorized scope.

We operate KIMS ICON Super Specialty Hospital (Vizag, AP) under an operation and maintenance arrangement with the Milk Producers and Employees Educational Health and Medical Trust, which is a milk producer's and employees education health and medical welfare trust in AP. Under this arrangement, KIMS Vizag is required to reserve about 100 beds, and provide medical services at subsidized rates to certain classes of patients pursuant to the service agreement entered into among us, IIMSL and the Milk Producers and Employees Educational Health and Medical Trust. Under this arrangement, no traditional lease fee is charged to us and we operate the remaining beds as normal.

Set forth below are certain key performance statistics for KIMS ICON Super Specialty Hospital.

	Fiscal year 2021	***Fiscal year 2020***	***Fiscal year 2019***
Inpatient admissions	11,238	14,046	10,861
Outpatient	85,803	127,208	94,811
ARPOB (in ₹ per day)[(1)]	11,897	7,622	5,775
ALOS (days)	6.16	5.20	5.72
Occupancy (%) [(2)]	88.64%	70.44%	59.92%
Revenue (₹ in millions)	834.78	559.43	360.80

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
% of group revenue	6.19%	4.93%	3.89%
EBITDA (₹ in millions)	139.11	(17.62)	(74.54)
EBITDA Margin	16.66%	(3.15%)	(20.66%)

(1) We have entered into an operation and management arrangement with the Milk Producers & Employees Educational Health & Medical Welfare Trust, pursuant to which we operate this hospital and 100 of the hospital's 434 beds are reserved for patients reserved by the trust. This arrangement contributes to a slightly lower ARPOB at KIMS Vizag as compared to our other hospitals. Excluding the 100 beds reserved for the trust, our ARPOB at KIMS Vizag would have been ₹ 15,148, ₹ 12,867 and ₹ 11,698 for Fiscal Years 2021, 2020 and 2019.

(2) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

KIMS Saveera Super Specialty Hospital (Anantapur (AP))

KIMS Saveera Super Specialty Hospital is a multispecialty hospital that commenced operations in 2018. This hospital is situated in Anantapur, AP. It had 250 patient beds, of which 215 were operational beds, as of March 31, 2021. KIMS Anantapur is equipped with seven operation theatres, one catheterization laboratory, one CT scan unit, one MRI unit, 101 advanced intensive care beds, 26 dialysis beds, facilities for medical and therapeutic procedures and diagnostic and laboratory services. According to the CRISIL Report commissioned by us, KIMS Saveera has the largest critical care unit and the largest dialysis centre in Anantapur (AP), in terms of bed capacity as of January 2021. KIMS Saveera has entered into an agreement with KIA Motors India Private Limited for running a medical center at KIA Motors Plant in Anantapur (AP). In Fiscal Years 2021 and 2020, KIMS Saveera Super Specialty Hospital (Anantapur, AP) had 10,654 and 10,394 aggregate admissions, primarily in the areas of cardiac sciences, orthopaedics, renal sciences, neuro sciences, mother & child and gastric sciences.

Set forth below are certain key performance statistics for KIMS Saveera Super Specialty Hospital.

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
Inpatient admissions	10,654	10,394	4,046
Outpatient	58,298	72,505	35,753
ARPOB (in ₹ per day)	10,785	10,621	10,740
ALOS (days)	6.02	5.28	5.25
Occupancy (%)[(1)]	97.65%	83.53%	32.31%
Revenue (₹ in millions)	694.72	585.10	229.36
% of group revenue	5.15%	5.16%	2.47%
EBITDA (₹ in millions)	60.11	49.93	3.74
EBITDA Margin	8.65%	8.53%	1.63%

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

KIMS Kurnool

KIMS Kurnool was acquired by us as a mother & child care hospital in Fiscal Year 2020. Since our acquisition of KIMS Kurnool in Fiscal Year 2020, we have grown KIMS Kurnool to a multi-specialty hospital with a total of 200 beds, all of which were operational beds, as of March 31, 2021. In Fiscal Years 2021 and 2020, KIMS Kurnool had 9,185 and 10,464 aggregate admissions, primarily in the areas of mother & child, cardiac sciences, renal sciences, gastric sciences, orthopaedics, neuro sciences. This hospital is equipped with five operation theatres, one catheterization laboratory, one CT scan unit, an advanced intensive care unit that has 74 ICU beds provides cardiac intensive care, cardiothoracic intensive care, advanced critical care and surgical intensive care, 24x7 emergency care services, diagnostic lab, physiotherapy, a child development unit and pharmacy services. Since our acquisition of KIMS Kurnool, it has focused on cardiac sciences, renal sciences, gastro sciences and neuro sciences to increase patient volumes, and have performed a number of complex surgeries and treatments.

Set forth below are certain key performance statistics for KIMS Kurnool. Data for KIMS Kurnool is only provided for years and periods after Fiscal Year 2020, which was KIMS Kurnool's first full year of operations in our hospital network after our acquisition of KIMS Kurnool in Fiscal Year 2020.

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
Inpatient admissions	9,185	10,464	-
Outpatient	56,823	77,989	-
ARPOB (in ₹ per day)	12,380	8,560	-
ALOS (days)	4.58	4.56	-
Occupancy (%) [(1)]	64.01%	72.58%	-
Revenue (₹ in millions)	524.46	409.82	-
% of group revenue	3.89%	3.61%	-
EBITDA (₹ in millions)	38.85	(10.26)	-

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
EBITDA Margin	7.41%	(2.50%)	-

(1) Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.

Key Specialties

A few of our key specialties are described below.

Cardiac sciences: We have a large, well-established cardiac science program. We provide a comprehensive range of cardiac services to treat cardiovascular disorders, ranging from preventive programs to complicated surgeries, including heart transplants. We provide a range of diagnostic and therapeutic services and offer sophisticated interventional cardiac procedures such as coronary bypass operations, heart valve repairs and replacements, angioplasties, cardiac catheterizations, as well as implantation of cardiac assist devices. In addition, we also have a thoracic and cardiovascular surgery department. We are also able to provide early detection and management of cardiac disorders for our patients. In Fiscal Year 2021, we had 24,940 inpatients and 143,064 outpatients in our cardiac sciences department. In Fiscal Year 2020, we had 28,233 inpatients and 184,930 outpatients. In Fiscal Years 2021 and 2020, we generated ₹ 2,402.54 million and ₹ 2,379.06 million revenue from our cardiac science program, accounting for 17.82% and 20.98% respectively, of our group revenue in such years.

Neurosciences: We have one of the largest neuro science programs for epilepsy among private hospitals in the country, according to the CRISIL Report commissioned by us. The neurology department at KIMS Secunderabad was ranked third in India by the Neurology India Journal in terms of number of epilepsy surgeries carried out in the year 2016 (until July 31, 2016). We provide comprehensive care to patients with neurological disorders, including brain, spinal cord and peripheral nerve disorders. Equipped with neuro-imaging and monitoring technology, we offer specialized care for patients with a range of neurological diseases, including Alzheimer's disease and related dementia, Parkinson's disease and other movement disorders, multiple sclerosis, stroke, amyotrophic lateral sclerosis, neuromuscular diseases, epilepsy and brain tumors. In Fiscal Year 2021, we had 11,575 inpatients and 98,757 outpatients in our neuro sciences department. In Fiscal Year 2020, we had 13,534 inpatients and 128,880 outpatients. In Fiscal Years 2020, we generated ₹ 1,691.35 million and ₹ 1,663.29 million revenue from our neurosciences program, accounting for 12.55% and 14.67%, respectively, of our group revenue in such years.

Organ Transplantation: We provide multidisciplinary care for patients who require organ transplantation, including heart, lung, liver, pancreas and kidney transplants. We provide patient-focused outpatient services, endoscopy, gastro-intestinal manometry services and treatment of complex and advanced liver and pancreatobiliary diseases. We are capable of handling complex organ transplantation cases and we believe that we have maintained patient and graft survival rates that meet national benchmarks. Our kidney transplant team, led by Padmashri Dr. Sahariah, has performed over 1,000 kidney transplant surgeries. In 2020, we further strengthened our multidisciplinary organ transplant practice by adding a heart and lung transplant team led by Dr. Sandeep Attawar. Our organ transplantation specialty is a regional leader in the specialty. In Fiscal Years 2021 and 2020, we had 139 and 93 inpatients, respectively, in our organ transplantation program. Further, in 2020, we performed India's first successful double-lung transplant operations on a COVID-19-positive patient. In Fiscal Years 2021 and 2020, we generated ₹ 250.56 million and ₹ 95.35 million revenue from our organ transplantation program, accounting for 1.86% and 0.84%, respectively, of our group revenue in such years.

Oncology: We offer a range of oncology treatments, including medical oncology, surgical oncology and radiation oncology. Our surgical oncology programmes offers modern, multidisciplinary treatment of primary and metastatic tumors in collaboration with different departments, with a specialization in detecting and treating prostate gland cancers, ovarian cancers, brain cancers and other rare types of cancers and malignancies with techniques such as 'True Beam STX', robotic procedures and new nuclear medicinal treatments. We also supplement our cancer treatment services with radiation oncology technology. We have adopted intensity modulated and image guided radiation treatment, known as 'IMRT' and 'IGRT', which delivers painless and precise doses to the tumor, minimizing any radiation deposited on the surrounding healthy tissue for improved overall outcomes. We also offer other radiation treatments, applied alone or in combination with chemotherapy or surgery. In Fiscal Year 2021, we had 7,544 inpatients and 19,564 outpatients in our oncology program. In Fiscal Year 2020, we had 9,465 inpatients and 24,679 outpatients. In Fiscal Years 2021 and 2020, we generated ₹ 769.08 million and ₹ 792.06 million revenue from our oncology program, accounting for 5.71% and 6.98%, respectively, of our group revenue in such years.

Orthopaedics: We provide comprehensive care in major areas of orthopaedics, including sports injuries, spine procedures, trauma and joint, knee, and hip replacements. Our surgeons combine surgical expertise with pioneering clinical and basic research in areas such as stimulation of bone and tissue repair and total joint reconstruction. We also strive to provide high quality and timely treatment for paediatric orthopaedics, common and rare injuries to the neck, spine, hip joints, and spine and disc problems. In Fiscal Year 2021, we had 6,270 inpatients and 52,262 outpatients in our orthopaedics program. In Fiscal Year 2020, we had 8,613 inpatients and 77,271, outpatients. In Fiscal Years 2021 and 2020, we generated ₹ 625.83 million and ₹ 864.71 million revenue from our orthopaedics program, accounting for 4.64% and 7.62%, respectively, of our group revenue in such years.

Renal sciences: We provide a complete range of consultative, diagnostic and treatment services for patients with kidney diseases. The scope of care encompasses all stages of kidney diseases, from earliest detectable changes in kidney function through end stage kidney diseases. The patient care services that we provide under this specialty area include care for preventive nephrology, acute

kidney injury, glomerulonephritis, vasculitis, electrolyte and acid base disorders, hypertension, genetic kidney diseases, renal complications of pregnancy, kidney stone disease, chronic kidney disease, kidney transplantation, haemodialysis, peritoneal dialysis and renal osteodystrophy. We provide primary care to patients with end stage renal disease treated with haemodialysis and we also have a peritoneal dialysis programmes. In Fiscal Year 2021, we had 19,881 inpatients and 71,577 outpatients in our renal sciences program. In Fiscal Year 2020, we had 24,130 inpatients and 96,988 outpatients. In Fiscal Years 2021 and 2020, we generated ₹ 1,253.13 million and ₹ 1,122.67 million revenue from our renal sciences program, accounting for 9.30% and 9.90%, respectively, of our group revenue in such years.

Gastric sciences: We provide services for the prevention, diagnosis, and treatment of diseases of the gastrointestinal system. We offer care in both medical and surgical gastroenterology with the use of modern, specialized equipment and advanced intensive care units. We treat diseases of the oesophagus, stomach, small intestine, colon and rectum, pancreas, gallbladder, bile ducts and liver and also help evaluate early stages of cancer. In Fiscal Year 2021, we had 6,156 inpatients and 52,256 outpatients in our gastric sciences program. In Fiscal Year 2020, we had 8,852 inpatients and 68,929 outpatients. In Fiscal Years 2021 and 2020, we generated ₹ 707.66 million and ₹ 779.56 million revenue from our gastric sciences program, accounting for 5.25% and 6.87%, respectively, of our group revenue in such years.

Mother & child care: We offer a wide range of medical and surgical specialties with a focus on medical care services for women and children, including obstetrics, gynaecology and paediatrics. We have a single specialty woman and child division within our hospital at Kondapur (Telangana) with 26 beds under the "KIMS Cuddles" brand. Our KIMS Cuddles Program focuses on providing high-quality maternity and paediatric care across a wide range of specialties, including obstetrics, gynaecology, paediatrics, neonatology and foetal medicine. In addition, the Institute for Reproductive Science at KIMS offers individually designed treatment including intrauterine insemination (IUI), in vitro fertilization (IVF), ICSI, blastocyst transfer, preimplantation genetic diagnosis (PGD), egg or embryo cryopreservation, or egg donation. We also offer comprehensive care to children of all ages, from treatment of simple fevers to intense care for paediatric cancer and cystic fibrosis. In Fiscal Year 2021, we had 12,835 inpatients and 90,365 outpatients in our mother & child care program. In Fiscal Year 2020, we had 20,839 inpatients and 135,676 outpatients. In Fiscal Years 2021 and 2020, we generated ₹ 823.93 million and ₹ 988.05 million revenue from our mother & child care program, accounting for 6.11% and 8.71%, respectively, of our group revenue in such years.

Our Doctor's Equity Participation

We have taken significant efforts to create a culture that nurtures our medical talent and encouraged our doctors to become stakeholders in the KIMS hospitals where they work. Our doctors have been involved in the growth of our hospitals by actively participating in the equity ownership in our Company and its Subsidiaries. We also encourage doctors at the hospitals we acquired to stay with us, participate in the equity ownership of the hospital and contribute to the hospital's future growth. As of March 31, 2021, our doctors, and in the case of KIMS Anantapur with the management team of its predecessor, held stakes of 45%, 49%, 39%, 20% and 0.46%, in our hospitals at Kurnool (AP), Vizag (AP), Srikakulam (AP), Anantapur (AP) and Kondapur (Telangana), respectively, which are the hospitals that we hold through our Subsidiaries. In addition, as of March 31, 2021, our doctors held an aggregate stake of 6.92% of our Company, which directly owns our hospitals at Secunderabad (Telangana), Nellore (AP), Rajahmundry (AP) and Ongole (AP).

Set forth below is a tabular representation of the ownership of our doctors in the Company and the various Subsidiaries of our Company which run our hospitals:

Sl. No.	Name of Company/ Subsidiary	Name of hospital run by the Company/ such Subsidiary	Shareholding percentage of the Company in the Subsidiary	Shareholding percentage of doctors in the Company/Subsidiary (as of March 31, 2021)
1.	KIMS	KIMS Secunderabad, KIMS Nellore, KIMS Rajahmundry and KIMS Ongole*	NA	6.92%
2.	KHKPL	KIMS Kurnool	55.00%	45.00%
3.	ICIMSPL	KIMS Vizag	51.00%	49.00%
4.	AHPL	KIMS Srirakulam	57.83%	39.16%
5.	SIMSPL	KIMS Anantapur	80.00%	20.00%**
6.	KHEPL	KIMS Kondapur	86.32%	0.46%

* KIMS Secunderabad, KIMS Nellore, KIMS Rajahmundry and KIMS Ongole are directly owned by our Company.
** Includes the shareholding of the management team of the predecessor of KIMS Anantapur."

Payment for our services

Our patients pay for our inpatient and outpatient services through a mix of out-of-pocket payments and credit arrangements, including through third-party payers such as public sector undertakings and other central and state government programs and private and public insurers. Central and state government programs include schemes such ECHS, CGHS, EHS and Aarogyasri Scheme, which provide coverage for patients who are eligible as per government schemes

The table below summarizes our inpatient, outpatient and total income collections by type of payer for Fiscal Years 2021, 2020 and 2019.

	Fiscal year 2021	*Fiscal year 2020*	*Fiscal year 2019*
Inpatient revenue			
Out-of-pocket	55.09%	45.55%	42.14%
Insurers	20.01%	20.50%	20.69%
PSUs (including ECHS, CGHS, EHS and ESI)	11.78%	18.50%	21.29%
Aarogyasri Scheme	13.13%	15.45%	15.89%
Outpatient revenue			
Out-of-pocket	93.31%	91.80%	92.55%
Insurers	0.10%	0.13%	0.19%
PSUs (including ECHS, CGHS, EHS and ESI)	5.78%	7.12%	6.72%
Aarogyasri Scheme	0.81%	0.95%	0.54%
Total income			
Out-of-pocket	62.90%	55.50%	52.90%
Insurers	15.94%	16.11%	16.31%
PSUs (including ECHS, CGHS, EHS and ESI)	10.55%	16.05%	18.18%
Aarogyasri Scheme	10.61%	12.33%	12.61%

Our revenue is primarily generated in the form of out-of-pocket payments directly from patients. These patients are non-insurance customers who settle amounts owed entirely in cash. Out of pocket payments are made by patients immediately following treatment or after an invoice is sent to the patient. Our revenue from out-of-pocket payments has increased since Fiscal Year 2019 due to our increased marketing and branding effort, which attracted more patients seeking quality, affordable medical services.

Each third party payer agreement typically specifies the services covered, as well as any exclusion, the approved tariffs for each of the services covered and the terms of payment. The fees charged to private and public insurance companies for inpatient services vary depending on the services provided to the patient and negotiations with each insurance company.

Our hospitals are affiliated with national and international insurance companies and have direct billing links with the insurance companies. Contracts for specific procedures are invoiced immediately after the service is provided or when the patient is discharged. Payment is made by the insurance companies by cheque or bank transfer. Payment terms range between 15-30 days, depending upon the terms of the contract. We may also collect cash from patients with insurance coverage, for example, if their treatments are not covered by insurance companies or are in excess of insured amounts, or if a co-payment is due under the terms of the insurance policy. Private insurance companies typically review and revise their rates on an annual basis or once in two to three years, depending on the scale, quality of medical services and reach of the healthcare provider.

Fees charged to public sector undertakings are typically at a discount to the fees payable by cash paying patients. Public sector undertakings typically review and revise their rates once in three to four years.

We also generate income from the retail sales to our patients in the pharmacies we operate at our hospitals. We also generate revenue from PET CT machines installed at other hospitals. Revenue generated from PET CT machines in Fiscal Years 2021, 2020 and 2019 was ₹ 35.00 million, ₹ 37.25 million and ₹ 30.34 million, respectively.

We have also entered into a contract for the installation and maintenance of medical equipment in the radiology and cardiology department of a hospital in Ahmedabad, Gujarat, which is managed by a charitable trust. Under the terms of this contract, we are entitled to receive, amongst others, a portion of the revenue derived from the usage of the medical equipment installed by us.

Supplies and sourcing

We have a dedicated purchase department which undertakes centralized purchase of our supplies (including medicines) and equipment for our hospitals. Our purchase department pre-approves and rates our vendors by considering various factors including resources, price and status of trial orders. For medical equipment, the technical committee evaluates technical aspects of the equipment and the purchase department evaluates quotations on commercial and non-technical terms. The purchase of medical equipment is thereafter undertaken after due internal approval process.

We have focused on standardizing medical and other consumables used across hospitals in our network, which allows us to optimize our supplier network and reduce our procurement costs. We have also implemented straightforward usage guidelines for medical and other consumables across different medical procedures and business segments.

We seek to maintain high service standards by sourcing most of our medical and non-medical supplies and equipment, manufactured by reputable companies, a wide range of suppliers with reputations for high quality products. Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability, and we accord approval

for such purchase in consultation with the relevant medical departments. Our supplies of most medicines and consumables are obtained locally and provided by registered agents representing major pharmaceutical companies.

We seek to manage supply risks by maintaining adequate inventories and building strong relationships directly with our suppliers. With our large regional network of operations, we believe we are able to negotiate with many of our suppliers for favorable terms. To minimize costs and leverage our economies of scale, to the extent possible, we standardize the type of medical and other consumables used across our network, which helps to optimize our procurement costs.

While we purchase most medical equipment, certain laboratory equipment is provided to us on the reagent rental model which is common in the healthcare industry. Under this model, the vendor installs and maintains the laboratory equipment installed in our facilities throughout the tenure of the arrangement at the vendor's cost and in return we are required to purchase a certain quantity of reagents from the vendor.

We entered into service contracts with various third party contractors for collecting and testing medical samples and other clinical laboratory services. We have also entered into maintenance and service contracts for most of our medical equipment for the maintenance of medical and laboratory equipment, which cover, among others, regular inspection and maintenance of such equipment.

Sales, Marketing and Branding

We have invested and expect to continually invest in sales and marketing activities. We have a dedicated marketing team that coordinates our sales and marketing activities to promote our brand and our hospitals in India and internationally. We engage with doctors, coordinate and host free medical camps at districts to screen patients who need further tertiary health care. We also operate information centers in select countries in Africa and the Middle East to engage with potential patients and promote our brand.

We conduct health talks about common ailments and undertake ergonomic sessions for corporates, including IT companies. We have established collaborative relationships with various companies, including multi-national corporations, whereby we provide periodic health check-ups for their employees. We also have tele-health centers at select corporate offices where patients can directly consult with our doctors through video conferencing for a preliminary diagnosis.

We undertake branding campaigns through radio, television and newspapers. We also work closely with digital media agencies to optimize our website and promote our digital outreach through social media such as Facebook, Twitter, Instagram and YouTube. We conduct Facebook Live programs with our doctors to spread awareness on various ailments and their treatment options. We promote the rare surgeries that we complete and we hold "talk health days" for community outreach and education. Digital channels offer more targeting and measurement options than traditional approaches and by focused content marketing and video testimonials, we are able to reach patients looking for solutions online. We also host and participate in various conferences and awareness campaigns. In particular, we are involved in Pink Ribbon Walks, a breast cancer awareness initiative, in collaboration with certain other organisations, and Mrs. Mom contest for pregnant women under our KIMS Cuddles Program.

Research and development

We conduct research and development activities through KFRC. Pursuant to a MoU dated January 1, 2016, KFRC conducts research in association with us and has access to our facilities and services for the purposes of research and establishing research-related educational facilities. KFRC was set up in 2010 to, among other things, conduct research in the field of medicine, science and technology and has been recognized by the Department of Scientific and Industrial Research, Government of India. It conducts innovative research by focusing on medical needs and collaborating with national and international organizations, in various fields including regenerative medicine, cancer biology and molecular genetics. Through KFRC, we have published clinical papers in international medical journals. KFRC also publishes a quarterly journal titled, Journal of Medical and Scientific Research, with content ranging from original research, review articles, case reports to editorials and medical news.

Medical education programmes

We conduct medical education programmes through our affiliations with state medical boards and universities, for various broad and super specialties at our hospitals in Telangana at Secunderabad and Kondapur, including for DNB and post-doctoral fellowship programmes. As of March 31, 2021, we had 230 doctors in our DNB and post-doctoral fellowship programs. Set forth below are the details of the medical education programmes that we offer.

Diplomate of National Board

Specialties	
Otorhinolaryngology (ENT)	Cardiology
Orthopaedics	Neurology
Cardiac Anaesthesia	Neuro Surgery
Microbiology	Medical Gastroenterology
Clinical Immunology and Rheumatology	Surgical Oncology

Specialties	
Pathology	Endocrinology
Obstetrics & Gynaecology	Medical Oncology
Vascular Surgery	Cardio Vascular & Thoracic Surgery
Paediatrics	Urology
Ophthalmology	Nephrology
Radiation Oncology	Critical Care Medicine
Surgical Gastroenterology	

We are also offering post-doctoral fellowship course (affiliated to Kaloji Narayana Rao University of Health Sciences), in cardiac anesthesia and urogynaecology specialties for the academic year 2020-2021. We also offer undergraduate programmes (affiliated to Kaloji Narayana Rao University of Health Sciences), including, Bachelor of Physiotherapy, B.Sc Nursing, B.Sc Medical Laboratory Technology and Post Basic B.Sc Nursing (affiliated to Indira Gandhi National Open University). Furthermore, we also offer diploma programmes (affiliated to Telangana Para Medical Board) in 14 disciplines, including Diploma in Medical Lab Technician, Diploma in Ophthalmic Assistant, Diploma in Optometry Technician and Diploma in Dialysis Technician.

Employees and Recruitment

As of March 31, 2021, 2020 and 2019, we had 10,454, 10,176 and 8,398 employees, including employees of our Subsidiaries.

The table below sets out details of our employees by function for the years indicated.

	As of March 31,		
	2021	**2020**	**2019**
Resident Doctors [(1)]	490	469	384
Nursing staff	3,207	3,289	2,399
Consultant doctors	647	575	514
Paramedical personnel	1,648	1,555	1,404
Administrative personnel	2,880	2,671	2,377
Contract staff	1,582	1,617	1,320
Total	**10,454**	**10,176**	**8,398**

[(1)] *Including DNB and post-doctoral fellowship program students*

Recruitment and training

We seek to recruit highly skilled, experienced and motivated healthcare professionals. We are committed to ensuring the recruitment and selection of employees is undertaken in an efficient manner. We consider a wide range of criteria, including job requirements, skill mix, educational qualification and experience, when short listing candidates for interviews. We also conduct pre-employment checks and enter into employment contracts wherever required.

Our compensation structure comprises a monthly salary, performance based compensation and annual bonus, and remuneration is negotiated based on an individual basis within a framework of pre-set criteria, depending on the specific job category in which the employee works. Our employees serve on a full-time fixed salary contract basis. Compensation for an individual doctor or a healthcare professional varies based on seniority, specialty, reputation and work experience. Annual increments of compensation are tied to multiple assessment factors including number of patients treated, patient satisfaction, patient complaints and quality of medical care delivered. We believe that we offer a competitive compensation structure for our doctors. We also gather feedback from exit interviews, which provide valuable insights into how to improve recruitment, induction and retention of new employees. We also offer our doctors the opportunity to become stakeholders in our hospitals through equity participation. Please see ‘‘— *Our Doctor's Equity Participation*’’ for details.

We believe that training of our doctors and other medical staff is essential to maintain the quality of our services. We regularly organize conferences and workshops for our doctors and medical staff, as well as for healthcare professionals outside our hospital network.

The table below sets forth some of the major conferences and workshops we held:

Calendar Year	Details
2015	Organized a cancer summit in association with the Association of Surgeons of India, Indian Menopause Society and the Obstetric & Gynaecological Society of Hyderabad
2015	Organized a live epilepsy surgery workshop and symposium in association with the Neurological Society of India and the Brain and Spine Society of India
2016	Organized an international symposium on hepatology advances in liver transplants in association with the Indian National Association for Study of the Liver
2017	Hosted the 8th Annual Conference of ECMO Society of India and ECMO Training Program
	Hosted the 4th Biennial Conference on India Motility and Functional Diseases
2018	Hosted the Indo Japan Neurological CME
2019	Hosted the International Conference for Urogynaecology in 2019

Technology and Innovation

Our hospitals are equipped with modern medical technology and equipment. We have also installed robotic equipment that provides minimal invasive techniques and has the following benefits:

- patient comfort due to smaller incisions;
- reduced length of stay and due to faster recovery;
- enhanced precision, flexibility and control for the surgeon;
- minimal complications during and after surgery; and
- less pain and blood loss.

Since implementation, our doctors have been performing robotic surgeries in multiple specialties, including colorectal, gynaecologic, urologic, ENT and general surgeries.

Below is the description of certain other equipment we use:

- *4-Arm HD da Vinci Robotic Surgical System*: Our robotic surgical system, the 4-Arm HD da Vinci Robot technology, offers improved safety and effectiveness for the patient and control and predictability to the doctor. This system has been designed to facilitate complex surgeries that are virtually scar less.
- *Novalis Tx Linear Accelerator*: Novalis Tx Linear Accelerator is a machine used for radiosurgery and radiotherapy. This machine is used for treating cancer patients and uses high-energy particles, such as x-rays, gamma rays, electron beams, or protons, to destroy or damage cancer cells.
- *O-Arm Scanner*: The O-Arm Scanner is a multi-dimensional surgical imaging platform optimized for use in spine, orthopaedic, and trauma-related surgeries. It helps improve surgical precision and reduce patients' length of hospital stay. The machine reduces x-ray exposure and increases safety for both medical staff and as well as the patients.
- *3 Tesla MRI*: The 3 Tesla MRI is non-invasive diagnostic imaging technique which uses a strong magnetic field to produce high-quality pictures of soft tissue inside a patient’s body. As compared to the 1.5 MRI, it performs faster scans and gives improved diagnostic sensitivity and specificity.
- *4D Ultrasound scan for pregnancy:* 4D Ultrasound E8 Voluson machine helps acquire images with more precision than regular 3D machines. It dynamically applies transparency to rendered structures for a more comprehensive view of anatomy from a solid surface structure to developing internal anatomy and illuminates foetal anatomy with up to three independent light sources of variable intensity to focus on even the tiniest of structures.
- *ECMO Machine:* ECMO is a respiratory-cardiac machine used in critical heart & lung situations. ECMO pumps and oxygenates a patient's blood outside the body, "bypassing" patients' hearts and lungs, allowing these organs to rest and heal. ECMO is deployed for patients who need organ transplants, as ECMO acts as a “bridge” till the patients receive transplantation.
- *Linear Accelerator:* A medical linear accelerator (LINAC) customizes high energy x-rays or electrons to conform to a tumor's shape and destroys cancer cells with minimum impact on the surrounding normal tissue. It features several built-in safety measures to ensure delivery of dose as prescribed.
- *Spy Glass:* Spy Glass allows doctors to observe patients' biliary duct system and other tiny ducts in the pancreas, with a 6,000-pixel fiber-optic probe attached to a tiny camera. It's a state-of-the-art add-on to endoscopic retrograde cholangiopancreatography (ERCP). It eliminates additional testing procedures after ERCP, minimizing patients' testing procedures and wait time.
- *Fibroscan:* FibroScan is a specialized non-invasive diagnostic ultrasound-based device. It measures fibrosis (scarring) and steatosis (fatty change) caused by different liver diseases.
- *EBUS:* Endobronchial ultrasound (EBUS) is a minimally invasive but highly effective procedure used to diagnose lung cancer, infections, and other diseases causing enlarged lymph nodes in the chest.
- *Gamma Camera:* A Gamma Camera is a device that produces functional scans of brain, lungs, thyroid, livers, skeletons, gallbladder and kidneys. It is a painless, minimally invasive way to obtain a complete image.

- *EP lab:* An electrophysiology (EP) lab is a designated space where electrophysiology studies (EPS) are conducted. EP procedures are conducted in EP labs to monitor and map the electrical systems of the heart as well as treat heart rhythm problems (arrhythmias)

- *HDR Brachytherapy:* HDR (high dose rate) brachytherapy is a form of internal radiation therapy, where a single radioactive source is temporarily placed inside or adjacent to a tumor for a short duration of time and then removed. HDR brachytherapy is conducted with an HDR afterloader, also known as a remote afterloading system to, carry the radiation source. A computerized treatment planning programme calculates precisely how long the source stays and radiates at the so-called dwell positions before being driven back into the safe.

IT and data management systems

Our patient records are maintained in electronic form on our integrated IT system, which allows these records to be quickly securely transmitted within one of our hospitals, throughout our hospital network and to offsite locations as needed for quick diagnoses and treatment. We store client and patient medical information at data centers that employ monitored security systems. We have internal rules requiring our employees to maintain the confidentiality of our clients' medical information.

We use a third party hospital information management software system to assist us with various functions including managing our financial accounting, stock management, sales and human resource functions. We monitor and coordinate procurement, stocking, billing, housekeeping, staffing and patient treatments through our integrated IT system. Our integrated IT system simplifies scheduling and billing for our patients and doctors, improves our inventory management and results in efficiencies across our operations. We are in the process of implementing SAP in our Hospitals, which will help us to have seamless access to financial, operational & MIS data and also help us to have a robust financial controls.

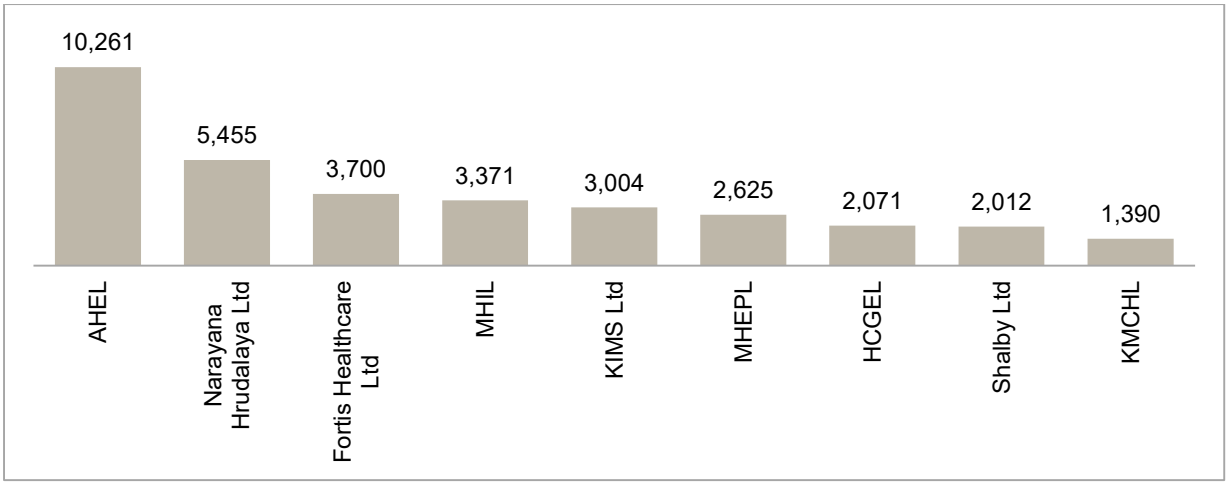
Data security and access: We have a firewall system from a reputable provider to protect our patient records, servers and data networks. Each data end points is protected with a kernel level security layer, which provides additional security at the last point in the IT infrastructure. No external or unauthorized access to data in our network is allowed. Only authorized personnel can physically access the data centre, which is monitored 24/7 with CCTV cameras. Authorization of access is granted only through our approval process. When anyone needs access to the data centre or the servers, an email request/approval mechanism is in place for record purposes.

All the data on our servers are periodically backed up to prevent loss of data, and we properly store our backup data at an offsite location to be used in case of any disasters.

Competition

We face regional competition from players which operate in the same region and localities as us. We face competition mainly from other providers who offer secondary and tertiary healthcare services across specialties. Our principal competitors in India include international and national players with multiple facilities, such as Apollo Hospitals, Fortis Healthcare, Narayana Health and Care Hospitals, as well as regional or standalone hospitals. In addition, some of the hospitals that compete with us are owned by Government agencies or non-profit entities supported by endowments and charitable contributions.

The charts below sets forth the bed capacity of us and our major competitors as of March 31, 2020, according to the CRISIL Report commissioned by us.



We believe that we have been able to compete effectively due to our affordable healthcare model and our regional leadership in AP and Telangana. We strategically focus on the southern India healthcare market where we have a strong understanding of regional nuances, customer culture and the mind-set of medical professional and where there is significant and growing need for

quality and affordable healthcare services. We have consistently delivered strong operational and financial performance through strong patient volumes, cost efficiency and diversified revenue streams across medical specialties. We have successfully implemented our affordable pricing model in our hospitals in both tier 1 and tier 2-3 markets, even though hospitals in different markets face different competitive landscapes and pricing pressures, serve patients from different economic backgrounds and offer a different mix of specialty offerings. To sustain our affordable pricing while still generating strong returns, we rationalize our doctor, procurement and other administrative costs. We right size our hospitals and manage our capital expenditures according to the needs of each market. We have taken great effort to create a culture that nurtures our medical talent and encouraged our doctors to become stakeholders in the KIMS hospitals where they work. We believe this culture of empowerment and ownership has encouraged learning and training in our hospitals, and led to good talent retention and allowed for patients to create long-term relationships with KIMS doctors.

Intellectual Property

Our Company has made 11 applications in various classes for the registration of certain trademarks, including our corporate logo, 'KIMS HOSPITALS' , 'KIMS – THE FUTURE OF HEALTH' ,'KIMS HOSPITALS', and 'KIMS Krishna Institute of Medical Science' Opposition and objection applications have been filed against all of our trademark applications before the Registrar of Trade Marks, Chennai. For details of these opposition proceedings, see '***Risk Factors - We may fail to protect our intellectual property rights and may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation***' on page 37.

Our Company has a copyright on our logo 'KIMS – THE FUTURE OF HEALTH' .

We have applied for registration of copyrights in two artistic works, 'KIMS HOSPITALS' and .

For further details of our intellectual property approvals and their approval status, please see "***Government and Other Approvals – Intellectual property related approvals***" on page 360 of this Prospectus."

Insurance

We maintain insurance policies customary for our industry to cover certain risks, including, among other, money insurance, standard fire and special perils insurance, errors and omissions insurance, burglary first loss insurance, public liability, management liability (directors' and officers' liability) insurance, fire loss of profit policy, employee compensation insurance, professional indemnity insurance, electronic equipment insurance, and workmen's' compensation.

We maintain errors and omissions insurance for our hospitals and medical staff and our corporate entities, as well as public liability insurance. We consider our current insurance coverage to be adequate. We are subject to lawsuits, claims and legal actions by patients in the ordinary course of business. For further details, refer to section "***Outstanding Litigation and Material Developments***" on page 351.

Risk Management and Internal Controls

We have a comprehensive risk management system covering various aspects of the business, including strategic, operations, financial reporting and compliance.

We identify and monitor risks at regular intervals. The risk management and monitoring mechanisms that we have in place include process walkthroughs, concurrent auditing and risk-based internal audit reviews, with a focus on identifying, rectifying and monitoring the effectiveness of our internal process and any possible process gaps. Our assessment of risk is based on risk perception surveys, business environment scanning and inputs from various internal and external stakeholders. We seek to control our risks through (i) our internal audit mechanism where we review the financial aspects of all transactions in details, (ii) risk-based internal audit reviews, conducted on a quarterly basis, and (iii) our need-based special reviews, conducted when we identify a potential risk which needs analysis and mitigation. After identifying any risks, we assess its priority level and formulate mitigation plans based on: (i) the likelihood of its occurrence, (ii) nature of controls already in place, and (iii) the magnitude of its impact. We also monitor the implementation and effectiveness of our risk mitigation plans, and we take additional steps when necessary.

We have a dedicated internal audit team at each KIMS hospital, each of which reports to our central management, who then closely works with them on all the internal control issues to ensure their timely and effective resolution.

Corporate Social Responsibility

The CSR Committee was constituted by a resolution of our Board dated March 13, 2014 and last reconstituted pursuant to a circular resolution approved by our Board on March 29, 2019 in compliance with Section 135 of the Companies Act, 2013.

We have adopted a corporate social responsibility ("**CSR**") policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by Central Government and as modified from time to time. The objective of our CSR policy is to undertake activities that have a positive impact on education, environment, genetic research and new drug discovery initiatives, in primary and secondary health-care.

In Fiscal Years 2021 and 2020, our Corporate Social Responsibility expenditure was ₹ 25.58 million and ₹ 16.34 million, respectively, which were primarily applied towards literacy and quality education through Teach for Change trust and towards medical research through KFRC, respectively.

Health, Safety and Environmental

We are subject to extensive health, safety and environmental laws, regulations and government-prescribed operating procedures and environmental technical guidelines which govern our services, processes and facilities. See '***Key Industry Regulations and Policies***' on page 190. In compliance with these requirements, we have adopted certain policies to address, among others, the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous bio-medical materials and waste, waste water discharges and workplace conditions.

Properties

Our registered office is located at D. No. 1-8-31/1, Minister's Road, Secunderabad - 3, Telangana, 500 003. The land on which our registered office is located is under a perpetual lease. The following table sets forth facilities owned by us and our Subsidiaries, as of the date of this Prospectus:

Name of corporate entity	Location	Hospital properties owned/leased	Period of lease
Krishna Institute of Medical Sciences Limited	Secunderabad (Telangana)	Lease	Perpetual
	Nellore (AP) (OP Building)	Owned	N/A
	Nellore (AP) (Main hospital building)	Leased	30 years
	Ongole (AP)	Owned	N/A
	Chennai (Tamil Nadu)	Owned	N/A
	Rajahmundry (AP) (Main hospital building)	Owned	N/A
	Rajahmundry (AP) (IP Block II)	Leased	Three years
	Rajahmundry (AP) (OP Block II)	Leased	Two years
KIMS Hospital Enterprises Private Limited	Kondapur (Telangana) (Block I)	Leased	10 years and extendable for a further period of five years
	Kondapur (Telangana) (Block II)	Leased	Nine years and extendable for a further period of six years
KIMS Hospital Kurnool Private Limited	Kurnool (AP)	Owned	N/A
Iconkrishi Institute of Medical Science Limited	Vishakapatnam (AP)	Service Agreement entered wherein the infrastructure is held by Milk Producers & Employees Educational Health and Medical Welfare Trust	30 years and extendable for a further period of 30 years
Saveera Institute of Medical Science Private Limited	Anantapur (AP)	Owned	N/A
Arunodaya Hospitals Private Limited	Srikakulam (AP)	Owned	N/A

In addition to the above mentioned list of hospital properties, our Company and certain of our Subsidiaries, namely, KHEPL, ICIMSPL, KHKPL, SIMSPL and AHPL have entered into lease deeds with various vendors for, amongst others, staff accommodation and nursing hostels. The tenure and other terms and conditions of the lease deeds vary from vendor to vendor.

In addition, pursuant to a lease agreement dated May 10, 2017 entered into by one of our Subsidiaries, KHPL with a third party i.e., P Vijaya Lakshmi, it holds a vacant land for a period of 43 years and five months extendable for a further period of 49 years, leased for developing hospital project. Pursuant to sale deed entered into by one of our Subsidiaries, AHPL with certain third parties: (i) on February 12, 2019 with Paidi Ramachandra Rao, Paidi Venkakasathya Narayana and Paidi Venugopal Kishna; (ii) on December 19, 2020 with Pappale Dali Naidu, Pappale Babu Rao and Pappale Sri Nivasa Rao; and (iii) on December 30, 2020 with Mavuru Venkat Rao, AHPL holds vacant freehold land parcels, purchased for establishing medical institutions. Further, pursuant to sale deed dated January 29, 2021, entered into by our Company with one of our Group Companies i.e., BSCPL Infrastructure Limited, our Company holds vacant freehold land parcel, purchased for the purpose of green field project.

KEY INDUSTRY REGULATIONS AND POLICIES

We provide multi-disciplinary integrated private healthcare services in southern India, through a chain of multi-specialty hospitals. We are regulated by a number of central and state legislations. Additionally, our functioning requires the sanction of concerned authorities, at various stages, under relevant legislations and local by-laws. The following is an overview of certain sector specific relevant laws, regulations and policies in India which are applicable to our operations. The information available in this section has been obtained from publications available in public domain. The description of laws and regulations set out below may not be exhaustive and is only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by subsequent legislative actions, regulatory, administrative, quasi-judicial, or judicial decisions.

Industry Specific Legislations

National Medical Commission Act, 2019 ("NMC Act")

The NMC Act, 2019 provides for, amongst others, a medical education system that improves access to quality and affordable medical education, ensures availability of adequate and high quality medical professionals across the country, encourages medical professionals to adopt latest medical research and enforces high ethical standards in medical service. The National Medical Commission, constituted under the NMC Act, is entrusted with the exercise of powers and functions under the NMC Act, including prescribing policies for quality medical education and assessing healthcare requirements. Further, through the NMC Act, it has also been proposed to hold a common final year undergraduate medical examination, known as the National Exit Test, for granting licences to practise medicine as medical practitioners and for enrolment in the state medical register or the national medical register. No person other than a person who is enrolled in the state or national medical register shall be allowed to practice medicine as a qualified medical practitioner and doing so is punishable with a fine or imprisonment or both.

Indian Nursing Council Act, 1947 ("Nursing Act")

Under the Nursing Act, nurses, midwives or health visitors are required to hold recognised qualifications (provided in the Schedule to the Nursing Act) for enrolment in the state register. Further, states are entitled to establish state councils to regulate the registration of nurses, midwives or health visitors in the relevant state. The Nursing Act also empowers the executive committee of the Indian Nursing Council, constituted under the Nursing Act, to appoint inspectors to inspect any institution which is recognised as a training institution granting any recognised qualification or recognised higher qualification under the Nursing Act.

AP Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 ("APMCE Act") and the rules thereunder

The APMCE Act provides for the registration and regulation of all private medical care establishments in the state of AP. All private medical care establishments operating in AP are required to obtain a certificate of registration under the APCME Act. Such certificate is valid for a period of five years, following which it may be renewed for a further period of five years at a time. Under the APMCE Act, operating or establishing a private medical care establishment, without a valid registration or for immoral purposes, comprises an offence punishable with imprisonment or fine or both.

The AP Allopathic Private Medical Care Establishments (Registration and Regulations) Rules, 2007 ("**APMCE Rules**"), notified under the APMCE Act, provide that a private medical care establishment offering services in multiple specified categories would require to obtain separate registration for each category. These categories include clinics/consultation rooms for solo practitioners, diagnostic centres, hospital/nursing homes and dental clinics. However, a diagnostic centre being run as part of a hospital does not require separate registration.

The Government of Telangana, *vide* its order dated December 29, 2015, has adopted the APMCE Act and the APMCE Rules, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to AP with Telangana.

AP Transplantation of Human Organs Act, 1995 ("THO Act")

The THO Acts were enacted to regulate the removal, storage and transplantation of human organs for therapeutic purposes and to prevent commercial dealings in human organs. No hospital can provide services relating to the removal, storage or transplantation of any human organ for therapeutic purposes unless such hospital is duly registered under the THO Acts. Further, no registered medical practitioner can undertake the removal or transplantation of human organs unless he has explained all possible effects and complications connected with such procedure. In the event a hospital provides the aforesaid services without a valid registration, the company operating the hospital, along with the persons responsible for the conduct of the business of the company, may be punished with a fine or imprisonment. Further, the removal of human organs without authority or the commercial dealing in human organs is punishable with both a fine and imprisonment.

The Government of Telangana, *vide* its order dated May 25, 2016, has adopted the THO Act, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to AP with Telangana.

Medical Termination of Pregnancy Act, 1971 ("MTP Act") and the rules thereunder

The MTP Act regulates the termination of pregnancies by registered medical practitioners and permits termination of pregnancy only on specific grounds. It stipulates that medical termination of pregnancies can be carried out only in certain stipulated circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing such termination and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Failure to comply with the requirements of Section 7 of the MTP Act is punishable with a fine up to one thousand rupees. Under the Medical Termination of Pregnancy Rules, 2003 framed pursuant to the MTP Act, private clinics can receive their authorisation only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

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.

Registration of Births and Deaths Act, 1969 ("RBD Act")

The RBD Act was enacted to regulate the registration of births and deaths in India. Pursuant to the RBD Act, the Government of AP has notified the AP Registration of Births and Deaths Rules, 1999 ("**AP RBD Rules**"). Under the RBD Act and AP RBD Rules, the medical officer of a hospital is required to notify births and deaths occurring in the hospital to the Registrar appointed under the RBD Act. If the Registrar refuses to register any birth or death, he may be punishable with a fine under the RBD Act. Further, in certain cases, the medical practitioner who attended to the deceased person during his last illness may be required to issue a certificate as to the cause of death.

The Government of Telangana, *vide* its order dated February 6, 2016, has adopted the AP RBD Rules, with effect from June 2, 2014 for implementation in the state of Telangana, replacing references to AP with Telangana.

Drugs and Cosmetics Act, 1940 ("Drugs Act"), the Drugs and Cosmetics Rules, 1945 ("Drugs Rules") and the New Drugs and Clinical Trials Rules, 2019 ("Clinical Trials Rules")

The Drugs Act regulates the import, manufacture, distribution and sale of drugs and prohibits the manufacture and sale of certain drugs and cosmetics which are misbranded, adulterated or spurious. The Drugs Act and the Drugs Rules specify the requirement of a license for the manufacture, sale, import or distribution of any drug or cosmetic. 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. Violations of various provisions of the Drugs Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents are punishable with a fine, or imprisonment or both.

Under the Drugs Rules, human clinical trials for drugs are regulated. The Drugs Rules provide for obtaining of registration of the ethics committee by the licensing authority and provides for a phase wise application procedure for the conduct of clinical trials. Every clinical trial will have to be registered with the Clinical Trials Registry – India before enrolling the first patients for study. A detailed scheme for compensating patients participating in such clinical trials, in case of death or injury, has also been provided for under the Drugs Rules. Annual status reports on each clinical trial, including whether it is on-going, completed or terminated, are required to be submitted to the licensing authority.

Further, under the Clinical Trials Rules, the ethics committee is required to register itself with the central licensing authority in order to conduct any clinical trial, bioavailability study or bioequivalence study. The Clinical Trials Rules further provide for the composition and functions of the ethics committee and its period of validity. The Clinical Trials Rules further mandate the maintenance of records for a period of five years after completion of the clinical trial or bioavailability study or bioequivalence study, as the case may be.

Drugs (Prices Control) Order, 2013 ("DPCO")

Promulgated pursuant to the Essential Commodities Act, 1955, the DPCO, amongst others, sets out procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drugs for existing manufacturers of scheduled formulations, method of implementation of prices fixed by government and penalties for contravention of its provisions. The DPCO also authorises the government to prescribe a ceiling price for formulations listed in the National List of Essential Medicines, 2015

- as declared by the Ministry of Health and Family Welfare, GoI and modified from time to time. Further, where an existing manufacturer of a drug with dosages and strengths as specified in the National List of Essential Medicines, 2015 launches a /new drug, it must seek prior price approval of such drug from the government.

Pharmacy Act, 1948 and Pharmacy Practice Regulations, 2015

Under the Pharmacy Act, 1948, pharmacists are required to be registered with the Pharmacy Council of India. Only registered pharmacists are permitted to vend medicines and drugs from pharmacies. The Pharmacy Practice Regulations, 2015 impose certain obligations on the owners of pharmacy businesses. For instance, names of the owner of the pharmacy business, and the registered pharmacist must be mandatorily displayed in the premises where the business is being carried on and in compliance with the various conditions stipulated thereunder. A registered pharmacist also is required to be appointed to be in compliance with the aforementioned requirement. Under the Pharmacy Act, 1948, if pharmacists falsely claim to be registered, or dispense medicines without being registered, they are punishable with fine or imprisonment or both.

Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act") and the Narcotic Drugs and Psychotropic Substances Rules, 1985("NDPS Rules")

The NDPS Act regulates the possession and use of drugs falling within the definition of "narcotic drug" and "psychotropic substances". A number of drugs used in the treatment of human beings are regulated by the NDPS Act. Under the NDPS Rules, a licence will need to be obtained from the licensing authority under the NDPS Act, for a hospital to purchase and administer such drugs to patients. The licence will also provide for the quantity of drugs licenced thereunder and the conditions subject to which the hospital is permitted to possess and administer narcotic drugs. The NDPS Act also provides for penalties for contravention, which includes imprisonment and fine.

Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes, 1997 ("HBM Guidelines")

The HBM Guidelines, issued by the GoI, authorise the Indian Council of Medical Research ("**ICMR**") to set up a committee for consideration of proposals relating to import of biological materials, such as blood samples, for commercial purposes. Pursuant to these guidelines, ICMR has issued the "Guidance on Transfer of Human Biological Material for Commercial Purposes" ("**ICMR Guidance**"). In accordance with the ICMR Guidance, applications for import of blood samples are required to be made to the ICMR for onward consideration by a committee. Applicant companies are required to comply with, amongst others, the Guidance on Regulations for the Transport of Infectious Substances (2013-2014) and Laboratory Biosafety Manual – 2004, issued by the World Health Organization, United Nations, class (6.2) specifications for packing instructions, and the Environment Protection Act, 1986, along with the rules framed thereunder.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 ("Ethics Regulations")

The Ethics Regulations impose a number of requirements on medical practitioners, including good practices, record maintenance requirements, duties to patients, advertising regulations and a framework for punishment and disciplinary action for misconduct and violation of the Ethics Regulations. Oversight and enforcement of the Ethics Regulations have been vested with the relevant Medical Councils. If, upon enquiry, the medical practitioner is found guilty of violating norms prescribed in the Ethics regulations, the appropriate Medical Council may award such punishment as deemed necessary, including a direction towards removal of such medical practitioner's name from the State and/or Indian Medical Registers, either permanently or for a limited period. Further, the Indian Medical Council (Professional Conduct, Etiquette and Ethics) (Amendment) Regulations, 2020, has enabled the practice of telemedicine, specifying that consultation through telemedicine by registered medical practitioners shall be permissible in accordance with the Telemedicine Practice Guidelines, provided in the appendix to the Ethics Regulations. However, the Ethics Regulations are not an exhaustive code of conduct for medical practitioners. The Indian Medical Council and the State Medical Councils are not precluded by the Ethics Regulations from considering or dealing with any other form of professional misconduct not covered in the Ethics Regulations.

National Ethical Guidelines for Biomedical and Health Research Involving Human Participants, 2017 ("ICMR Code")

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must only be carried out after due consideration of all alternatives and the use of human participants is considered to be essential for the proposed study. The ICMR Code lays down the requirement of ensuring privacy and confidentiality along with ensuring that such studies are conducted in a transparent and environmentally friendly manner.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted independent and impartial institutional ethics committee to safeguard the welfare and the rights of the participants. The committee should preferably have seven to 15 persons while maintaining a balance between medical and non-medical/ technical and non-technical members, depending upon the needs of the institution.

These ethics committees are entrusted with the initial review of research proposals prior to their initiation, and also have a continuing responsibility to regularly monitor the approved research to ensure ethical compliance during the conduct of research. Such an on-

going review has to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization.

The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research, if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be provided. However, the ethics committee is entrusted to ensure that payments should not be so large or the medical services so extensive as to make a prospective participant's consent readily to enrol in research against their better judgment, which would then be treated as undue inducement.

Atomic Energy Act, 1962 as amended ("AE Act")

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 GoI to, prohibit the manufacture, possession, use, and transfer, export and import, 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 atomic energy. Violation of various provisions of the AE Act is punishable fine or imprisonment, or both. Further, the GoI, 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. Our Company is required to obtain licenses from the AERB for the use of radioactive substances and disposal of radioactive waste.

Atomic Energy (Radiation Protection) Rules, 2004 ("Radiation Rules")

The Radiation Rules require that no person shall, without a license issued by the Atomic Energy Regulatory Board ("**AERB**"), establish a radiation installation for siting, design, construction, commissioning or operation. Such license is valid for a period of five years. The Radiation Rules also require a license for a person to handle radioactive material or operate a radiation generating equipment. A registration will be required under the Radiation Rules, for sources and practices associated with medical diagnostic x-ray equipment including therapy, simulator and analytical x-ray equipment used for research.

Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987 ("Radioactive Waste Rules")

Under the Radioactive Waste Rules, an authorisation is necessary for any person to dispose of radioactive waste, and the waste may only be disposed of in the terms of such authorisation. A Radiological Safety Officer is required to be appointed to assist in the safe handling and disposal of radioactive waste. Further, records are required to be maintained of all disposals and handling of radioactive waste and the persons carrying it out.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 ("Surveillance Procedures")

The Surveillance Procedures provide for safety requirements and procedures to be complied with in connection with operating a radiation generating equipment. The Surveillance Procedures require that a radiology safety officer, whose appointment is approved by the AERB, be appointed with respect to the operation of radiation generating equipment.

Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (the "X-Ray Safety Code")

The AERB issued the X-Ray Safety Code intended to govern radiation safety in design, installation and operation of X-ray generating equipment for medical diagnostic purposes. The X-Ray Safety Code stipulates that all medical X-ray machines are required to be operated in accordance with the requirements stipulated therein and that it is the responsibility of the owner or user of medical X-ray installation equipment to ensure compliance with the statutory provisions. The X-Ray Safety Code mandates that only the medical X-ray machines approved by the AERB can be installed for use in compliance with the specific requirements of the X-Ray Safety Code, including in relation to location and layout. Additionally, under the X-Ray Safety Code, the owners of medical X-ray installations in India are required to be registered with AERB and conduct quality assurance performance test of the X-ray unit.

Safety Code for Nuclear Medicine Facilities, 2011 ("Nuclear Medicine Facilities Code")

The AERB issued the Nuclear Medicine Facilities Code in order to govern the operations of a Nuclear Medicine facility from the stage of setting up a facility to its decommissioning. Nuclear Medicine is a specialty which utilises radio-pharmaceuticals to investigate disorders of anatomy, physiology and patho-physiology, for diagnosis or treatment of diseases or both. The Nuclear Medicine Facilities Code stipulates that a nuclear medicine facility can be commissioned, decommissioned or re-commissioned only with the prior approval of the AERB. The Nuclear Medicine Facilities Code further stipulates that radioactive material can only be procured after obtaining a license from the AERB. In addition to this, the Nuclear Medicines Facilities Code stipulates the responsibilities of employers, licensees, nuclear medicine physicians or technologists.

Draft Digital Information Security in Healthcare Act ("DISHA")

The DISHA has been drafted to provide for the establishment of national and state eHealth authorities and health information exchanges, to standardise and regulate the processes related to collection, storing, transmission and use of digital health data and to ensure reliability, data privacy, confidentiality and security of digital health data. The DISHA enumerated the rights of the owners of digital health data and the purposes for which health data can be collected, stored, transmitted and used. A violation of the provisions of the DISHA attracts punishment with a fine or imprisonment. However, the DISHA is still in draft form and is yet to be notified.

Environmental Legislation

Environment Protection Act, 1986 (the "EP Act"), Environment Protection Rules, 1986 (the "EP Rules") and Environmental Impact Assessment Notification, 2006 ("EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment and empowers the government to take measures in this regard. It is in the form of an umbrella legislation designed to provide a framework for GoI to coordinate the activities of various central and state authorities established under previous laws. Further, the EP Rules specifies, amongst other things, the standards for emission or discharge of environmental pollutants, and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form including hospitals, nursing homes and clinics. Our Company is required to obtain an 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 proving training to health care workers and others involved in handling bio-medical waste. We 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.

Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") and Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which amongst other things include the preservation of the quality of air and control of air pollution. The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The objective of this legislation is to ensure that domestic and industrial pollutants are not discharged into rivers and lakes without adequate treatment. Our Company is required to obtain consents to operate under the Air Act and the Water Act authorising us to, amongst others, operate our chimneys keeping within the prescribed emission standards and discharge effluents from outlets up to a maximum limit and in accordance with the conditions specified. A violation of the provisions of the Air Act and Water Act is punishable with a fine and/or imprisonment.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")

The Hazardous Waste Rules, read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of hazardous wastes have been provided in the schedules in the Hazardous Waste Rules. Our Company is required to obtain authorisations for the generation, processing, treatment, package, storage, transportation, use, collection, destruction, transfer or the like of the hazardous waste from the concerned state pollution control board.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification dated March 24, 1992. The owner or handler is also required to take out one or more insurance policies insuring against liability under the legislation and renew the same periodically. The Public Liability Act also provides for the establishment of the Environmental Relief Fund, which shall be utilised towards payment of relief granted under the Public Liability Act and a violation of the provisions of the Public Liability Act is punishable with fine or imprisonment or both.

The rules made under the Public Liability Act mandate that the employer has to contribute towards the Environment Relief Fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

Labour Law Legislation

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

i. Contract Labour (Regulation and Abolition) Act, 1970

ii. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

iii. Factories Act, 1948

iv. Employees' State Insurance Act, 1948

v. Minimum Wages Act, 1948

vi. Payment of Bonus Act, 1965

vii. Payment of Gratuity Act, 1972

viii. Payment of Wages Act, 1936

ix. Maternity Benefit Act, 1961

x. Industrial Disputes Act, 1947

xi. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

xii. Employees' Compensation Act, 1923

xiii. Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.

xiv. The Code on Wages, 2019*

xv. The Occupational Safety, Health and Working Conditions Code, 2020**

xvi. The Industrial Relations Code, 2020***

xvii. The Code on Social Security, 2020****

**The GoI enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2),42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

***The GoI enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

****The GoI enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.*

*****The GoI enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

Building and Planning Legislation

The AP Fire Service Act, 1999 and the Telangana Fire Services Act, 1999, and rules framed thereunder, along with local municipal laws governing building and planning, regulate the construction and occupancy of buildings, including high rise buildings, in the states of AP and Telangana, respectively. Prior to the construction of high-rise buildings meeting certain stipulated criteria, the owners are required to obtain a provisional no-objection certificate of occupancy ("**Provisional NOC**") from the respective state's fire service departments. Upon receipt of the Provisional NOC, the owner must apply for approval of the building plan to be obtained from respective municipal corporations, post which construction of a building can commence. Upon completion of construction of the building, the owner/ occupier must then apply for a final no-objection certificate of occupancy ("**Final NOC**") from the appropriate authorities. The Final NOC so obtained, along with a 'completion certificate' from a licensed engineer/ architect, is then submitted to the respective municipal corporations, following which an 'occupancy certificate' is granted.

Occupancy certificates are granted under the respective building and planning related laws in force in the jurisdictions where our hospitals operate. For instance, the Greater Hyderabad Municipal Corporation Act, 1955 and building rules notified thereunder prescribe that no person shall occupy or allow any other person to occupy any building or a part thereof unless such building has been granted an 'occupancy certificate'. Failure to obtain the occupancy certificate could lead to the occupier being asked to vacate the building, or portion thereof, for which the occupancy certificate has not been obtained.

Further, in the event that the owner/ occupier has not obtained necessary building plan sanction, the building may be 'removed, altered or pulled down'; with the expenses thereof payable by the persons who erected such a building without an approved building plan. The failure to obtain a Provisional NOC or Final NOC could lead to fine or imprisonment.

Intellectual Property Legislation

The Copyright Act, 1957 and the Copyright Rules, 2013, issued under the Copyright Act, 1957, protect literary and dramatic works, musical works, artistic works including photographs and audio visual works (cinematograph films and video). While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration constitutes prima facie evidence of the particulars entered therein and may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Rules, 2013 lays down the procedure for registration of copyright, including artistic, musical and literary works. The Trade Marks Act, 1999 ("**Trade Marks Act**") provides for 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. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

Other Applicable Law

Consumer Protection Act, 2019 ("COPRA, 2019")

COPRA, 2019 has replaced the earlier Consumer Protection Act, 1986, seeking to provide better protection to the interests of consumers, especially in the digital age and to establish competent authorities for timely and effective administration and settlement of consumer disputes. COPRA, 2019 provides for establishment of a Central Consumer Protection Authority to regulate, amongst other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of public and consumers. The key features of the COPRA, 2019 include wider definition of "consumer", enhancement of pecuniary jurisdiction, flexibility in e-filing complaints, imposition of product liability, wider definition of unfair trade practices, and provision for alternative dispute resolution. COPRA, 2019 provides for penalties for, amongst others, manufacturing for sale or storing, selling or distributing or importing products containing adulterants and for publishing false or misleading advertisements. The Consumer Protection (E-Commerce) Rules, 2020, issued under the COPRA, 2019 apply to, amongst other things, goods and services bought or sold over digital or electronic networks, all models of e-commerce and all forms of unfair trade practice across e-commerce models. They specify the duties of sellers, e-commerce entities and inventory e-commerce entities and the liabilities of marketplace e-commerce entities.

Government Schemes

Central Government Health Scheme ("CGHS")

This scheme covers identified categories of Central Government employees in cities covered by the CGHS. The CGHS is currently operative in 71 cities in India, including Hyderabad. Eligible employees and their dependants who have been duly enrolled to the CGHS can avail cashless treatment for procedures covered by the CGHS, which include procedures under allopathic, homoeopathic and Indian streams of medicine. The Central Government has fixed package rates applicable from time to time for different procedures. Hospitals empanelled with the CGHS raise bills directly with the Central Government for treatment provided to patients covered by the scheme.

Employee Health Scheme ("EHS")

The EHS was formulated by the states of AP and Telangana to provide cashless treatment to the serving and retired employees of the state of AP and Telangana, and their dependant family members, with additional benefits such as post-operative care and treatment of chronic diseases, which do not require hospitalisation and treatment in empanelled hospitals. However, those individuals who are covered under the CGHS (amongst other schemes) are excluded from the coverage of the EHS. In Telangana, the total cost of treatment will be borne by the state government, and there is no contribution from the employee/pensioner, whereas in AP, 60% of the cost will be borne by the state government and 40% by the employee/pensioner. The EHS is implemented by the Aarogyasri Healthcare Trust under the supervision of the respective state government.

Aarogyasri Scheme

Aimed at improving access of families below the poverty line to medical care, this scheme provides universal coverage to BPL families in AP and Telangana for all identified diseases, with respect to hospitalisation and follow-up medication. All expenses are borne by the government, ensuring that the beneficiaries can avail cashless treatment for diseases covered under the Aarogyasri Scheme. The scheme is administered by the Aarogyasri Health Care Trust. Network hospitals empanelled under the scheme are required to meet certain minimum requirements pertaining to, amongst other things, infrastructure, equipment and manpower. In the event of any non-compliance with infrastructure, equipment, manpower or service norms, the Aarogyasri Health Care Trust may, upon the recommendation of the Empanelment and Disciplinary Committee, initiate disciplinary proceedings against the defaulting network hospital.

Jeevandan Scheme for Cadaver Organ Transplantation ("Jeevandan Scheme")

In order to facilitate and regulate cadaver transplantation, the states of AP and Telangana launched the Jeevandan Scheme. The Jeevandan Scheme in AP provides for, amongst other things, the registration of hospitals as organ transplant centres ("**OTCs**") and non-transplantation organ harvesting centres ("**NTOHCs**") with the appropriate authority prescribed by the government. In order to be able to register as OTCs and NTOHCs, hospitals must meet certain minimum requirements pertaining to equipment and manpower requirements, including professional staffing norms. Similarly, the Jeevandan Scheme in Telangana provides for a list of registered hospitals along with the specific organs that the said hospitals are registered to conduct transplantations of. The Jeevandan Scheme also lays down the procedure for allocation of organs harvested from deceased persons, to prospective recipients.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

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

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and certain of his family members, who together owned the entire shareholding of our Company. On February 15, 2003, acting in pursuance of the Takeover MoU, certain of our Promoters, namely Dr. Bhaskara Rao Bollineni and BRMH, along with certain other individuals and entities, acquired the entire equity share capital of our Company (then 'Jagjit Singh and Sons Private Limited'). For details of the Takeover MoU, see '- ***Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years*** on page 201.

We have not been able to trace the complete set of documents pertaining to corporate, accounting, financial, legal and other statutory records, including any supporting documents and/or RoC filings for the period prior to the Takeover MoU. Therefore, we are unable to conclusively ascertain, amongst others, all amendments to the Memorandum of Association of our Company until February 2003. Further, we do not have any supporting documents to ascertain whether our Company had at any point of time prior to February 2003 entered into any arrangement or scheme of amalgamation, acquired any business or undertaking, undertaken revaluation of its assets, carried out a public offering of debt securities, experienced strikes, lock-outs or time/cost overruns, defaulted on or rescheduled its borrowings from financial institutions or banks or changed its name or registered office. For further details, see '***Risk Factors - We have limited knowledge and records of documents relating to corporate actions undertaken by our Company prior to February 2003***' on page 53.

Changes in the Registered Office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change	Details of change in the Registered Office	Reasons for change
February 21, 2003	Change of registered office to D. No. 1-8-31/1, Minister's Road, Secunderabad – 3, Telangana 500 003, India	Operational convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. To establish, construct, erect, maintain, run, manage, develop, own, acquire, purchase, undertake, improve, equip, promote, initiate, encourage, subsidise and organise, hospitals, dispensaries, clinics, diagnostic centers, polyclinics, pathology laboratories, research centers, operation theatres, chemist shops, blood banks, eye banks, kidney banks, nursing homes, physiotherapy centers, investigation centers and other similar establishments for providing treatment and medical relief in all its branches by all available means to public at large on suitable fees, concessional fees or on free of charge basis.

2. To buy, sell, import, export and to act as purchasing and selling agents for the aforesaid business for any educational and research institutions, medical colleges, hospitals, dispensaries, societies, persons or other authorities in India or elsewhere and to manufacture, deal in and process all kinds of medical and surgical instruments and appliances, industrial instruments including meters, weighing machines and devices for indicating, recording and regulating pressure, temperature, rate of flow, weights and levels, scientific instruments, etc. and to set up blood banks and undertake all allied activities connected therewith.

3. To conduct and to carry on experiments and to provide or receive funds for research works and for scholarship, stipend, remuneration and or other payments or aid to any person or persons engaged in research work or work connected with or conducive to research and to encourage and to improve knowledge of persons who are engaged or likely to be engaged in any medical or related profession so as to make available medical relief to the public at large.

4. To carry on the business in India or elsewhere to manufacture, produce, export, buy, sell, fabricate, discover, develop, design, process, investigate, store, formulate, install, repair, maintain, recondition, turn to account, exchange, sponsor, distribute or otherwise to deal in all sorts of medicines, pharmaceuticals, chemicals, injections, drugs, formulations,

apparatus, instruments, accessories, natural and artificial human body parts, dead bodies and other allied goods and articles and to do all incidental acts and things necessary for the attainment of the objects under these presents.

5. To encourage and develop biological and pharmacological standardisation of indigenous medical plants and to work and act as examiners of pharmaceuticals, medicines and drugs manufactured by the manufacturers and others including government and semi-government bodies and also to carry on the profession of pathologists and examinees of soils, materials and to encourage the discovery of new medical and \ or surgical management of diseases and afflictions and to investigate and make the nature and merits of investigation and findings and research in the said field and \ or to acquire any patent and licenses or other protective devises relating to the result of any discovery, investigations, findings or researches and to acquire any processes upon such terms as may seem expedient and to improve the same and to undertake the manufacture of any product developed, discovered or improved and \ or to give licenses for the manufacture of the same to others on such terms as the company may deem it fit to do.

6. To establish, promote, subsidise, encourage, provide, maintain, organise, undertake, manage, build, construct, equip, develop, recondition, operate, conduct and to run in India or abroad educational institutions like schools, colleges, tutorials, study circles, boarding, teaching classes for primary, secondary and higher education in the fields of science, medical, pharmacy and allied activities connected therewith.

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholder's resolution/ Effective date	Particulars
February 15, 2013	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 100,000,000, divided into 10,000,000 Equity Shares of ₹ 10 to ₹ 150,000,000, divided into 15,000,000 Equity Shares of ₹ 10 each.
November 11, 2014	Clause III (A) of the Memorandum of Association was amended to reflect change in the objects of the Company.
August 19, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 150,000,000, divided into 15,000,000 Equity Shares of ₹ 10 each to ₹ 200,000,000, divided into 20,000,000 Equity Shares of ₹ 10 each.
January 20, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 200,000,000, divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 710,000,000, divided into 71,000,000 Equity Shares of ₹ 10 each.
October 27, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 710,000,000, divided into 71,000,000 Equity Shares of ₹ 10 each to ₹ 750,000,000, divided into 75,000,000 Equity Shares of ₹ 10 each.
March 21, 2017	Clause V of the Memorandum of Association was amended to reflect the increase in Authorised Share Capital of the Company from ₹ 750,000,000, divided into 75,000,000 Equity Shares of ₹ 10 each to ₹ 950,000,000, divided into 95,000,000 Equity Shares of ₹ 10 each.

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Fiscal Year	Events
2000	KIMS Nellore established by BRMH. The business division of BRMH, including the hospital, was transferred to our Company pursuant to the 2012 Scheme.
2004	KIMS Secunderabad established by our Company
2010	Investment by Milestone Private Equity Fund ("**MPEF**") in our Company
2014	KIMS Kondapur established by KHEPL, our Subsidiary*
	Acquisition of 57.83% of the equity shareholding of Arunodaya Hospitals Private Limited
2015	Investment by India Advantage Fund ("**IAF**") and Emerging India Fund ("**EIF**") and exit of MPEF from our Company pursuant to the share purchase agreement dated June 23, 2014 entered into between, amongst others, IAF, EIF and MPEF
2017	Acquisition of KIMS Ongole by way of slump sale agreement
2019	Acquisition of 51% of the equity shareholding of ICIMSPL
2019	Acquisition of 80% of the equity shareholding of SIMSPL
2019	Investment by General Atlantic in our Company and exit of IAF and EIF from our Company pursuant to the share purchase agreement dated June 14, 2018 entered into between, amongst others, General Atlantic, IAF and EIF
2020	Acquisition of 55% of the equity shareholding of KHKPL

** KHEPL became a Subsidiary of our Company in Fiscal 2017-18*

Awards and Accreditations

Calendar Year	Details
2008	KIMS Secunderabad received its first ISO 9001-2008 certification from AQA International LLC
2011	KIMS Secunderabad received its first accreditation from NABH
2015	KIMS Secunderabad was awarded the 'Healthcare Excellence Award' by the Indo Global Healthcare Summit and Expo
	KIMS Secunderabad was awarded 'Nursing Excellence' award by AHPI
	KIMS Secunderabad was accredited with ISO 9001:2015 certification
2016	The neurology department at KIMS Secunderabad was ranked third in India by the Neurology India Journal in terms of number of epilepsy surgeries carried out in the year 2016 (until July 31, 2016)
2017	KIMS Secunderabad was awarded by AHPI as a 'Patient Friendly Hospital'
	KIMS Secunderabad became laureate of the Asia Pacific Society of Infection Control CSSD Center of Excellence Silver Award 2015-2016
	KIMS Secunderabad was awarded 'Best Hospital of the Year' in the multispecialty hospital category in Hyderabad and eight other specialities by Times Healthcare Achievers Awards
2019	KIMS Secunderabad received certificate of excellence in the category of 'Best Super-Speciality Hospital in Telangana' at the National Quality Excellence Awards, 2019 hosted by Praxis Media Institute
	KIMS Secunderabad was awarded 'Best Hospital to Work For' from AHPI Global Conclave
	KIMS Secunderabad was recognised as the 'Energy Efficient Unit' at the 20th National Award for Excellence in Energy Management 2019, hosted by CII
	KIMS Secunderabad was accredited by NABL
	KIMS Secunderabad was issued ISO 22000:2005 certificate for receipt, storage, preparation cooking, hold and serving of food items (vegetarian and non-vegetarian) within the hospital by TUV NORD Cert GmbH
	KIMS Kondapur was awarded by the MOHFW under the Kayakalp Guidelines established by MOHFW for its efforts towards excellence in promoting cleanliness, hygiene and infection control in the hospital for the year 2019-20
	KIMS Nellore was issued a certificate of accreditation by NABH for being compliant with NABH pre-accreditation entry level hospital requirements
2020	KIMS Secunderabad ranked the third best hospital in Hyderabad by The Week magazine
	KIMS Secunderabad was issued a certificate of accreditation for being compliant with the 'NABH Standards for Emergency Department in Hospitals' by the National Accreditation Board for Hospitals and Healthcare Providers
	KIMS-Livlife Centre ranked third in Bariatrics Category (Hospitals) in Hyderabad at the Times Excellence Award 2019-20 Hyderabad
	KIMS Kondapur was accredited with a certificate of assessment for exhibition of its intent and commitment towards ensuring safety and hygiene at workplace by IRClass Systems and Solutions Private Limited
2021	The cardiology, emergency and trauma, nephrology and neuroscience departments of KIMS Hyderabad were ranked first in the Hyderabad Multi Speciality category in the Times of India, Hyderabad, All India Critical Care Hospital Ranking Survey, 2021
	The oncology, paediatrics, gastroenterology and hepatology and urology departments of KIMS Hyderabad were ranked second in the Hyderabad Multi Speciality category in the Times of India, Hyderabad, All India Critical Care Hospital Ranking Survey, 2021
	The emergency and trauma and nephrology departments of KIMS Hyderabad were ranked second in the South Multi Speciality Category in the Times of India, Hyderabad, All India Critical Care Hospital Ranking Survey, 2021

Our Holding Company

As of the date of this Prospectus, our Company does not have a holding company.

Our Joint Venture and Associate

As of the date of this Prospectus, our Company does not have a joint venture or an associate company.

Significant financial and strategic partnerships

As of the date of this Prospectus, our Company does not have any significant financial and strategic partnerships.

Time/cost overrun

There have been no time and cost over-runs in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Capacity/facility creation, location of hospitals

For details regarding capacity/facility creation and location of the hospitals of our Company and our Subsidiaries, see "***Our Business***" on page 165.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "***Our Business***" and "- ***Major Events and Milestones of our Company***" on pages 165 and 199, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as disclosed below, our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Scheme of arrangement between BRMH, Bollineni Heart Center Limited ("BHCL") and our Company

The High Court of Judicature of Andhra Pradesh at Hyderabad, through its order dated December 27, 2012 ("**High Court Order**"), sanctioned a scheme of arrangement under section 394, read with sections 391-393 of the Companies Act, 1956 for the (i) amalgamation of BHCL with our Company; and the (ii) demerger of the business undertaking of BRMH and vesting of the same in our Company ("**2012 Scheme**"). The 2012 Scheme came into effect from February 15, 2013 (being the date of filing of the High Court Order with the Registrar of Companies, Hyderabad).

The rationale of the 2012 Scheme was, amongst others, to increase the healthcare service capability of our Company, and to enable optimum utilisation of available resources. Pursuant to the 2012 Scheme, the hospital business division of BRMH, including all assets and liabilities thereof, was transferred to and vested in our Company on a going concern basis, with effect from the appointed date, i.e. April 1, 2011. In consideration of the amalgamation of the hospital business with our Company, our Company was required to issue and allot, without any payment, six Equity Shares to the shareholders of BRMH, for every 13 equity shares in BRMH held by them. Further, under the terms of the 2012 Scheme, with effect from April 1, 2011, BHCL was amalgamated into our Company, along with all the assets, properties, debts, liabilities, duties, responsibilities and obligations of BHCL. In consideration of the aforestated transfer, our Company was required to issue and allot, without any payment, nine Equity Shares to the shareholders of BHCL, for every 131 equity shares held by them in BHCL.

Upon the 2012 Scheme becoming effective, the authorised share capital of our Company stood enhanced by adding the authorised share capital of BHCL (i.e., ₹ 50,000,000) to that of our Company, causing our Company's revised authorised share capital to increase to ₹ 150,000,000. BHCL stood dissolved with effect from April 1, 2011.

Slump sale agreement with OAHPL (2016)

On October 25, 2016, our Company entered into a slump sale agreement with OAHPL ("**Slump Sale Agreement"**), to acquire OAHPL's rights, title and interest in its business division ("**Sale Properties**") for a total consideration of ₹ 527.80 million. The Sale Properties included, amongst others, OAHPL's current, immovable and movable assets; permits and licences for carrying on business; intellectual property rights; investments and liabilities, except for certain specifically excluded liabilities, such as all unpaid staff dues, taxes and contingent liabilities of OAHPL as on the date on which our Company officially opens the hospital ("**Closing Date**"). Under the terms of the Slump Sale Agreement, the Sale Properties were deemed to have been transferred to and vested in our Company as on the Closing Date. Further, the transaction contemplated under the Slump Sale Agreement comprised of the sale and purchase of the Sale Properties on a going concern basis by way of a slump sale, such that no specific part of the consideration could be allocated to any specific asset or right(s).

Our Company acquired equity shares of ICIMSPL, SIMSPL and KHKPL, pursuant to which ICIMSPL, SIMSPL and KHKPL, became subsidiaries of our Company. Details of acquisition of equity shares by our Company is as follows:

Name of the subsidiary	Date of share purchase agreement	Details of equity shares acquired	
		No. of equity shares	Percentage of total equity holding (%)
ICIMSPL	May 5, 2018	5,100	51.00
SIMSPL	September 5, 2018	8,000	80.00
KHKPL	April 1, 2019	3,300,000	55.00

Additionally, our Company has also entered into shareholders agreement with the other shareholders of ICIMSPL, SIMSPL and KHKPL.

Our Company has acquired equity shares of KHEPL pursuant to allotment on February 20, 2013 and pursuant to various share transfer transactions between June 26, 2014 to December 5, 2020. For details of shareholding of our Company in KHEPL as on the

date of this Prospectus, see "***Our Subsidiaries - KIMS Hospital Enterprises Private Limited***". Pursuant to acquisition of 6,00,000 equity shares of KHEPL by our Company on March 30, 2018, KHEPL became a Subsidiary of our Company.

Our Company has acquired equity shares of AHPL pursuant to allotment on November 27, 2011 and pursuant to various share transfer transactions between September 2, 2013 to May 20, 2015. For details of shareholding of our Company in AHPL as on the date of this Prospectus, see "***Our Subsidiaries - KIMS Hospital Enterprises Private Limited***". Pursuant to acquisition of 244,325 equity shares of AHPL by our Company on March 28, 2014, AHPL became a Subsidiary of our Company.

Guarantees given by our Promoter Selling Shareholders

Except as disclosed below, as on the date of this Prospectus, no guarantee has been issued by our Promoter Selling Shareholders, offering its Equity Shares in the Offer for Sale.

(i) a personal guarantee issued by Dr. Bhaskara Rao Bollineni dated December 27, 2017 in favour of NIIF for guaranteeing the obligations of the Company under the loan documentation;

(ii) a personal guarantee issued by Dr. Bhaskara Rao Bollineni dated July 17, 2019 in favour of Federal Bank Limited for guaranteeing the obligations of the Company under the loan documentation;

(iii) a personal guarantee issued by Dr. Bhaskara Rao Bollineni dated March 27, 2020 in favour of HDFC Bank Limited for guaranteeing the obligations of the Company under the loan documentation;

(iv) a personal guarantee issued by Dr. Bhaskara Rao Bollineni dated August 3, 2020 in favour of Standard Chartered Bank Limited for guaranteeing the obligations of the Company under the loan documentation;

(v) a personal guarantee issued by Dr. Bhaskara Rao Bollineni dated May 07, 2020, in favour of HDFC Bank Limited for guaranteeing the obligations of KHEPL under the loan documentation; and

(vi) a personal guarantee issued by Dr. Bhaskara Rao Bollineni dated August 24, 2018 in favour of Federal Bank Limited for guaranteeing the obligations of the ICIMSPL under the loan documentation.

Further, Dr. Bhaskara Rao Bollineni had pledged certain Equity Shares held by him in our Company to certain financial institutions which has been released as on the date of the Red Herring Prospectus and shall be repledged immediately upon creation of lock-in on the Equity Shares upon allotment of Equity Shares pursuant to the Offer. For further details, see "***Capital Structure - History of the Equity Share Capital held by our Promoters - Build-up of Promoters' shareholding in our Company - Except as stated below, none of the Equity Shares held by our Promoters were pledged as on the date of the Red Herring Prospectus***" on page 93.

Shareholders' agreements and other agreements

A. ***Shareholders' agreement dated June 14, 2018 ("SHA"), amongst the Company, persons classified as 'promoters' of the Company, persons classified as 'other shareholders' of the Company and General Atlantic and amended by way of amendment agreement dated February 18, 2021 ("SHA Amendment Agreement")***

Pursuant to the sale of certain shareholding held by each of Dr. Bhaskara Rao Bollineni, Seenaiah Bollineni, Rajyasri Bollineni and Sujatha Bollineni (together the "**Sellers**") and fresh issuance of shares of the Company, General Atlantic and our Company entered into a share subscription and purchase agreement with the Sellers dated June 14, 2018. Subsequently, the Company, persons referred to as 'promoters' of the Company, certain shareholders of the Company and General Atlantic executed a shareholders' agreement dated June 14, 2018 to record their mutual rights and obligations as shareholders of the Company ("**SHA**").

In terms of the SHA, parties have certain rights and obligations, amongst others, (1) the right the nominate directors on the Board of our Company as their representatives. General Atlantic has the right to: (a) nominate two (2) directors to the Board as its representatives as long as it holds equal to or more than twenty-five per cent. (25%) of the share capital of the Company on a fully diluted basis and (b) nominate one (1) director to the Board as its representative as long as it holds more than or equal to ten per cent (10%) of the share capital of the Company on a fully diluted basis (the "**Investor Directors**"). Further, the promoters have the right to nominate the non-executive chairman and three (3) directors (the "**Promoter Directors**"); (2) right to appoint alternate directors in terms of the SHA; (3) right to constitute a valid quorum and nomination of directors in various committees of the Company; (4) right to approve certain reserved matters as identified in the SHA such as amendment to the memorandum of association or articles of association of the Company or any subsidiary, approving the annual accounts, balance sheet and profit and loss statement of the Company or any subsidiary, any change in composition or size of the Board, any change in the business plan of the Company or its subsidiaries, merger, de-merger, hiving-off, spin-off, acquisition or disposal of the Company or any of its subsidiaries or any assets of Company or any of its subsidiaries; (5) right to nominate directors in the subsidiaries of the Company; (6) right to appoint, terminate or amend the terms of employment of key executives in terms of the SHA; (7) certain information rights in relation to the financial statements and Board, Shareholders' and committee minutes; and (8) exit rights including by way of undertaking an initial public offering, drag- along, tag-along rights, right of first refusal, right of first offer, in the event of any proposed transfer of shares by other party.

Further, pursuant to the SHA, the promoters have undertaken to refrain from competing with our business or otherwise engage in any business activity that may compete with us for an overall period of five (5) years from the time promoters cease to be a shareholder of our Company subject to terms and conditions as set out in the SHA.

The SHA shall automatically terminate pursuant to an initial public offering of the Equity Shares by the Company.

SHA Amendment Agreement: Pursuant to the terms of the SHA Amendment Agreement, all rights under the SHA shall stand terminated except as stated in the SHA Amendment Agreement, pursuant to the Offer subject to the right under which the promoters have undertaken to refrain from competing with our business or otherwise engage in any business activity that may compete with us for an overall period of five (5) years since the promoters cease to be a shareholder of our Company subject to terms and conditions as set out in the SHA and subject to receipt of shareholders' approval, through a special resolution, at the first general meeting of our Company held post the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer. SHA Amendment Agreement shall automatically terminate in the event the Offer does not occurs on or prior to September 30, 2021, or such date as may be mutually extended by the parties to the SHA Amendment Agreement. Furthermore, in the event of termination of SHA Amendment Agreement, the SHA shall continue to remain in full force.

Agreements with Key Managerial Personnel, Directors or any other employee

There are no agreements entered into by our Key Managerial Personnel or Directors 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.

Our Subsidiaries

As of the day of this Prospectus, our Company has nine subsidiaries, as set forth below:

1. Arunodaya Hospitals Private Limited ("AHPL")

Corporate Information

AHPL was incorporated on March 6, 2008 under the Companies Act, 1956 with the RoC (then the Assistant Registrar of Companies, Andhra Pradesh). The registered office of AHPL is at New Bridge Road, Near Datta Temple, PN Colony Junction, Srikakulam 532 001, Andhra Pradesh, India. Its CIN is U85110AP2008PTC058016. The principal business of AHPL is to, amongst others, run hospitals, sell pharmaceuticals and establish medical research laboratories.

Capital Structure

As on the date of this Prospectus, the authorised share capital of AHPL is ₹ 30,000,000 divided into 3,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of AHPL is ₹ 20,270,270 divided into 2,027,027 equity shares of ₹ 10 each.

Our Company holds 1,172,281 equity shares of AHPL aggregating to 57.83% of the total equity holding of AHPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of AHPL, not accounted for, by our Company.

2. KIMS Hospital Enterprises Private Limited ("KHEPL")

Corporate Information

KHEPL was incorporated on February 15, 2013 under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh. The registered office of KHEPL is at Building No.1-112/86, Survey No.55/EE, Kondapur Village, Serilingampally Mandal, Hyderabad 500 084, Telangana, India. Its CIN is U85191TG2013PTC085793. The principal business of KHEPL is to, amongst others, establish and run hospitals and to conduct experiments and research work.

Capital Structure

As on the date of this Prospectus, the authorised share capital of KHEPL is ₹ 250,000,000 divided into 25,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KHEPL is ₹ 245,446,570 divided into 24,544,657 equity shares of ₹ 10 each.

Our Company holds 21,272,857 equity shares of KHEPL aggregating to 86.67% of the total equity holding of KHEPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of KHEPL, not accounted for, by our Company.

3. Iconkrishi Institute of Medical Sciences Private Limited ("ICIMSPL")

Corporate Information

ICIMSPL was incorporated on April 10, 2018 under the Companies Act, 2018 with the Registrar of Companies, Andhra Pradesh. The registered office of ICIMSPL is at D.No.32-11-02, Sheelanagar, BHPV Post Vishakhapatnam 530 012, Andhra Pradesh, India. Its CIN is U85110AP2018PTC108133. The principal business of ICIMSPL is to, amongst others, run the business of hospital by entering into service agreements.

Capital Structure

As on the date of this Prospectus, the authorised share capital of ICIMSPL is ₹ 101,000,000 divided into 100,000 equity shares of ₹ 10 each and 10,000,000 preference shares of ₹ 10 each. The issued, subscribed and paid-up capital of ICIMSPL is ₹ 100,100,000 divided into 10,000 equity shares of ₹ 10 each and 10,000,000 preference shares of ₹ 10 each.

Our Company holds 5,100 equity shares of ICIMSPL aggregating to 51.00% of the total equity holding of ICIMSPL. Further, our Company also holds 10,000,000 preference shares of ICIMSPL aggregating to 100.00% of the total preference share holding of ICIMSPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of ICIMSPL, not accounted for, by our Company.

4. Saveera Institute of Medical Science Private Limited ("SIMSPL")

Corporate Information

SIMSPL was incorporated on August 16, 2018 under the Companies Act, 2013 with the Registrar of Companies, Andhra Pradesh. The registered office of SIMSPL is at D. No. 1-1348, Srinagar Colony Extension Opposite to Sakshi Office, Anantapur 515 004, Andhra Pradesh, India. Its CIN is U85100AP2018PTC109004. The principal business of SIMSPL is to, amongst others, establish and run hospitals and to conduct experiments and research works.

Capital Structure

As on the date of this Prospectus, the authorised share capital of SIMSPL is ₹ 310,000,000 divided into 10,000 equity shares of ₹ 10 each and 30,990,000 preference shares of ₹ 10 each. The issued, subscribed and paid-up capital of SIMSPL is ₹ 310,000,000 divided into 10,000 equity shares of ₹ 10 each and 30,990,000 preference shares of ₹ 10 each.

Our Company holds 8,000 equity shares of SIMSPL aggregating to 80.00% of the total equity holding of SIMSPL. Further, our Company also holds 30,990,000 preference shares of SIMSPL aggregating to 100.00% of the total preference share holding of SIMSPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of SIMSPL, not accounted for, by our Company.

5. KIMS Hospital Kurnool Private Limited ("KHKPL")

Corporate Information

KHKPL was incorporated as Kurnool Rainbow Hospitals Private Limited on October 29, 2012 under the Companies Act, 1956 with the Registrar of Companies, Vijayawada. Subsequently, the name of KHKPL was changed from Kurnool Rainbow Hospitals Private Limited to KHKPL pursuant to a fresh certificate of incorporation dated February 25, 2020 issued by the Registrar of Companies, Vijayawada. The registered office of KHKPL is at Plot No 27 and 28, Survey No. 931/J1and 2B, Joharapuram Road, Kurnool 518 002, Andhra Pradesh, India. Its CIN is U85110AP2012PTC083865. The principal business of KHKPL is to, amongst others, establish hospitals and provide medical services in the branches of allopathic, homeopathic, naturopathic, ayurvedic and unani.

Capital Structure

As on the date of this Prospectus, the authorised share capital of KHKPL is ₹ 60,000,000 divided into 6,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KHKPL is ₹ 60,000,000 divided into 6,000,000 equity shares of ₹ 10 each.

Our Company holds 3,300,000 equity shares of KHKPL aggregating to 55.00% of the total equity holding of KHKPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of KHKPL, not accounted for, by our Company.

6. KIMS Hospitals Private Limited ("KHPL")

Corporate Information

KHPL was incorporated on December 10, 2014, under the Companies Act, 2013 with the Registrar of Companies, Andhra Pradesh. Its CIN is U85110AP2014PTC095812 and its registered office is situated at #78-7-15/1, SSR Plaza, Gandhipuram-3, Near Sri Gowthami School, Danavaipet, Guntur, Rajahmundry 533 103, Andhra Pradesh, India. The principal business of KHPL is to, amongst others, establish and run hospitals and to develop and run educational institutions like schools and colleges.

Capital Structure

As on the date of this Prospectus, the authorised share capital of KHPL is ₹ 180,000,000 divided into 18,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KHPL is ₹ 161,844,800 divided into 16,184,480 equity shares of ₹ 10 each.

Our Company holds 16,184,480 equity shares of KHPL (including 10 equity shares held by each of its two nominee shareholder, Dr. Bhaskara Rao Bollineni and Swarna Ram Mohan) aggregating to 100.00% of the total equity holding of KHPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of KHPL, not accounted for, by our Company.

7. KIMS Swastha Private Limited ("KSPL")

Corporate Information

KSPL was incorporated on October 6, 2015 under the Companies Act, 2013 with the Registrar of Companies, Madhya Pradesh. Its CIN is U85110MP2015PTC034786 and its registered office is situated at Indore 153, Chhoti Khajrani, A.B. Road, Indore - 452 011, Madhya Pradesh, India. The principal business of KSPL is to, amongst others, establish and run hospitals, nursing homes, dispensaries and diagnostic centres.

Capital Structure

As on the date of this Prospectus, the authorised share capital of KSPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KSPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

Our Company holds 10,000 equity shares of KSPL (including 1 equity shares held by each of its two nominee shareholder, Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni) aggregating to 100.00% of the total equity holding of KSPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of KSPL, not accounted for, by our Company.

8. KIMS Cuddles Private Limited ("KCPL")*

Corporate Information

KCPL was incorporated on June 29, 2016 under the Companies Act, 2013 with the Registrar of Companies, Telangana. Its CIN is U85200TG2016PTC110600 and its registered office is situated at Door No.1-111/55/E, Block-2, 1st Floor, Kondapur Village, Serilingampally Mandal, Hyderabad Telangana 500 084. The principal business of KCPL is to inter alia set up hospitals and nursing homes; and to provide and promote facilities for discovery of new methods of diagnosis.

Capital Structure

As on the date of this Prospectus, the authorised share capital of KCPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KCPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

Our Company holds 10,000 equity shares of KCPL (including 1 equity share held by its nominee shareholder, Dr. Abhinay Bollineni) aggregating to 100.00% of the total equity holding of KCPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of KCPL, not accounted for, by our Company.

** Our Board vide their resolution dated January 18, 2019 approved closure of KCPL and our Company has filed necessary closure forms with RoC on February 9, 2021.*

9. KIMS Hospital (Bhubaneswar) Private Limited ("KHBPL")

Corporate Information

KHBPL was incorporated on March 20, 2017 under the Companies Act, 2013 with the Registrar of Companies, Telangana. Its CIN is U85300TG2017PTC115987 and its registered office is situated at Door No. 1-111/55/E, Block-1, 1st Floor, Kondapur, Serilingampally, Hyderabad, Telangana 500 084, India. The principal business of KHBPL is to, amongst others, carry on the business of health care and health care networks through public private partnership mode; and to establish, construct, maintain and manage hospitals, dispensaries, clinics, diagnostic centres and other similar establishments for providing treatment and medical relief in all its branches.

Capital Structure

As on the date of this Prospectus, the authorised share capital of KHBPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital of KHBPL is ₹ 100,000 divided into 10,000 equity shares of ₹ 10 each.

Our Company holds 10,000 equity shares of KHBPL (including 1 equity share held by its nominee shareholder, Dr. Abhinay Bollineni) aggregating to 100.00% of the total equity holding of KHBPL.

Amount of accumulated profits or losses

As on the date of this Prospectus, there are no accumulated profits or losses of KHBPL, not accounted for, by our Company.

OUR MANAGEMENT

Under our Articles of Association, our Company is authorised to have a maximum of 15 Directors, in accordance with the provisions of the Companies Act. As on the date of this Prospectus, we have ten Directors on our Board, comprising three executive Directors, two Non-executive Directors and five Independent Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

Our Board

The following table sets forth details regarding our Board as on the date of this Prospectus:

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Dr. Bhaskara Rao Bollineni *Date of birth:* January 1, 1954 *Designation:* Managing Director *Address:* 300A, MLA Colony, Road No. 12, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India. *Occupation*: Doctor *Term:* Five years from April 1, 2017 *Period of directorship:* Since November 1, 2002 *DIN:* 00008985	67	1. Bluebridge Capital Private Limited 2. BRMH 3. Doctutorials Edutech Private Limited 4. KCPL 5. KHBPL 6. KHPL 7. KSPL 8. Hyderabad Institute of Medical Sciences Association
Anitha Dandamudi *Date of birth:* August 29, 1969 *Designation:* Whole-time Director *Address:* Plot No. 1240, Road No. 62, Jubilee Hills, Shaikpet, Hyderabad 500 033, Telangana, India. *Occupation*: Service *Term:* Three years from April 1, 2019 *Period of directorship:* Since March 21, 2008 *DIN:* 00025480	51	1. Aishu Dreamlands Private Limited 2. Anitha Housing Private Limited 3. BSC-C and C- Kurali Toll Road Limited 4. BSCPL Infrastructure Limited 5. Formel Labs Private Limited 6. KSPL 7. Omsaikrishna Agri Products Private Limited 8. Sri BK and BS Realtors Private Limited 9. Sri SCL Infratech Limited 10. SVML
Dr. Abhinay Bollineni *Date of birth:* February 14, 1988 *Designation:* Executive Director and CEO *Address:* 300A, Road No. 12, MLA Colony, Banjara Hills, Hyderabad 500 034, Telangana, India. *Occupation*: Doctor *Term:* Three years from January 18, 2019 *Period of directorship:* Since January 18, 2019 *DIN:* 01681273	33	1. ICIMSPL 2. KCPL 3. KHBPL 4. KHEPL 5. KHKPL 6. KSPL 7. SIMSPL 8. Shangrila Infracon India Private Limited
Sandeep Naik *Date of birth:* October 29, 1972 *Designation:* Non-executive Director*	48	*Indian companies* 1. General Atlantic Private Limited 2. House of Anita Dongre Private Limited 3. IIFL Wealth Management Limited

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Address: 1301, B, Lodha Bellissimo, NM Joshi Marg, Apollo Mills Compound, Lower Parel, Deslisle Road, Mumbai 400 011, Maharashtra, India *Occupation*: Service *Term:* Not liable to retire by rotation *Period of directorship:* Since June 20, 2018 *DIN:* 02057989		4. Indiaideas.com Limited 5. KFIN Technologies Private Limited 6. Rubicon Research Private Limited *Foreign companies* 1. General Atlantic LLC 2. GAP (Bermuda) Limited
Shantanu Rastogi *Date of birth:* March 26, 1979 *Designation:* Non-executive Director* *Address:* Flat No. 2101, 21st Floor, Beau Monde, B Wing, New Prabhadevi, Mumbai 400 025, Maharashtra, India *Occupation*: Service *Term:* Not liable to retire by rotation *Period of directorship:* Since June 20, 2018 *DIN:* 06732021	42	1. Capital Foods Private Limited 2. House of Anita Dongre Private Limited 3. IIFL Wealth Management Limited 4. IIFL Wealth Prime Limited 5. IIT Bombay Development and Relations Foundation 6. KFIN Technologies Private Limited 7. Nobroker Technologies Solutions Private Limited 8. Rubicon Research Private Limited 9. Sorting Hat Technologies Private Limited 10. TNC – The Nature Conservancy Centre *Foreign companies* 1. General Atlantic LLC
Pankaj Vaish *Date of birth:* February 9, 1962 *Designation:* Independent Director *Address:* 008 Embassy Eros, 7 Ulsoor Road, Ulsoor, Bengaluru North, Sivan Chetty Gardens, Bengaluru 560 042, Karnataka, India *Occupation*: Professional *Term:* Three years from January 8, 2021 *Period of directorship:* Since January 8, 2021 *DIN:* 00367424	59	1. IIFL Wealth Management Limited 2. Indium Software (India) Limited
Rajeswara Rao Gandu *Date of birth:* April 5, 1952 *Designation:* Independent Director *Address:* Villa No. 34, Lumbini SLN Springs, Survey No. 133, Near Botanical Gardens, Gachibowli, Serinlingampally, KV Rangareddy, Hyderabad 500 032, Telangana, India *Occupation*: Professional *Term:* Five years from January 24, 2019 *Period of directorship:* Since January 24, 2017 *DIN:* 05339318	69	1. ICIMSPL 2. KHEPL 3. SIMSPL
Ratna Kishore Kaza *Date of birth:* April 14, 1953	68	Nil

Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (years)	Other Directorships
Designation: Independent Director *Address:* Flat no. 105, 1st Floor, Emerald Block, Lumbini Rockdale, Somajiguda, beside Eenadu office, Kairathabad, Hyderabad 500 082, Telangana, India *Occupation*: Professional *Term:* Three years from January 8, 2021 *Period of directorship:* Since January 8, 2021 *DIN:* 01152107		
Saumen Chakraborty *Date of birth:* November 1, 1961 *Designation:* Independent Director *Address:* Survey No. 1009/P, Block 2B, F900, Beverly Hills, Lodha Belleza, KPHB Colony, near Hitech City MMTS Railway Station, Kukatpally, Hyderabad 500 072, Telangana, India *Occupation*: Professional *Term:* Three years from January 8, 2021 *Period of directorship:* Since January 8, 2021 *DIN:* 06471520	59	*Indian companies* 1. Aurigene Discovery Technologies Limited 2. Samarjita Management Consultancy Private Limited *Foreign companies* 1. Dr. Reddy's Laboratories Japan KK, Japan 2. Dr. Reddy's (WUXI) Pharmaceuticals Co. Limited, China 3. Kunshan Rotam Reddy Pharmaceuticals Co. Limited, China
Venkata Ramudu Jasthi *Date of birth:* August 1, 1954 *Designation:* Independent Director *Address:* Villa no. 1018, Krinns Gandipet, Near Future Kids School, Puppalaguda, KV Rangareddy, Hyderabad 500 089, Telangana, India *Occupation*: Professional *Term:* Three years from January 8, 2021 *Period of directorship:* Since January 8, 2021 *DIN:* 03055480	66	1. Avanti Feeds Limited 2. Suven Pharmaceuticals Limited 3. Endiya Trustee Private Limited

**Nominee of General Atlantic*

Arrangement or Understanding with major shareholders, customers, suppliers or others

Apart from Shantanu Rastogi and Sandeep Naik, both nominated by General Atlantic, in terms of the rights of General Atlantic under the SHA, none of our Directors have been appointed pursuant to any arrangement or understanding with our Shareholders, customers, suppliers or others.

Brief profiles of our Directors

Dr. Bhaskara Rao Bollineni is the Managing Director of our Company. He holds a bachelor's degree in medicine and surgery from Andhra University and a master's degree in general surgery from Madras Medical College, Chennai, Tamil Nadu. He has also been admitted as a Diplomate of the National Board of Examinations, New Delhi for the practice of cardio-thoracic surgery. He has over 27 years of experience in cardiothoracic surgery and has in the past held various positions with Apollo Hospitals, Austin Hospital, University of Melbourne and Mahavir Hospital and Research Centre.

Anitha Dandamudi is a Whole-time Director of our Company. She holds a diploma in business management from the ICFAI University and a certification for the six-sigma green belt. She also holds certifications for the auditing of quality systems as per ISO 9001-2000 and ISO 9004-2000, and has completed a training program on internal quality audit for the NABH. She has over 16 years of experience in the hospital industry, having held various positions with our Company, and has also served as vice president of administration at e-Talent Software Limited.

Dr. Abhinay Bollineni is an Executive Director of our Company. He holds a bachelor's degree in medicine and a bachelor's degree in surgery from Dr. NTR University of Health Sciences, Andhra Pradesh (Faculty of Modern Medicine) through Deccan College of Medical Sciences which was affiliated to Dr. NTR University of Health Sciences, Andhra Pradesh at such time. He also participated in the 'International Visitor Leadership Program on Oncology: Research, Prevention and Treatment' held by the U.S. Department of State where he undertook training in diagnosis, treatment methods, alternative therapies, support groups and follow-up care for cancer patients and their families. Additionally, he played a key role in establishing KIMS Kondapur in 2014.

Sandeep Naik is a Non-executive Director of our Company. He holds a bachelor's degree in engineering from the University of Bombay, and has completed his master's degree in science from the Virginia Commonwealth University and a master's in business administration from Wharton School of Business at University of Pennsylvania. He is a Managing Director and head of General Atlantic's business in India and Asia-Pacific and a member of the management committee at General Atlantic. He was previously associated with Apax Partners LP, Apax Partners India Advisers Private Limited, Medtronic Inc. and McKinsey and Company. He was also selected as a Young Global Leader by the World Economic Forum in 2010.

Shantanu Rastogi is a Non-executive Director of our Company. He holds a bachelor's degree in technology and a master's degree in technology from Indian Institute of Technology, Bombay and has completed his master's in business administration from Wharton School of Business at University of Pennsylvania. He is a Managing Director at General Atlantic. He was previously associated with Apax Partners India Advisers Private Limited and McKinsey and Company.

Pankaj Vaish is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology - Banaras Hindu University and a master's in business administration from the Carlson School of Management, University of Minnesota, Minneapolis. He was awarded the Banaras Hindu University Medal for standing first at the bachelor of technology examinations, and has been awarded the 'Distinguished Alumni Award of Excellence' by the Association of IT-BHU Alumni – Banaras Hindu University. He has over 35 years of experience in various fields, including 28 years of experience with Accenture Services Private Limited (Accenture) where has was a senior founding member of Accenture's consulting practice in India. He was also a member of the global leadership team of the 'Communications, Media and Technology' (CMT) business of Accenture, where he held various roles, including the 'Asia-Pacific Operating Unit lead' for CMT and the 'Global Management Consulting Lead' for CMT. He also served as the managing director for Accenture's Delivery Centre Network for Business Process Outsourcing, helped formulate Accenture's Horizon 2012 strategy and served as co-sponsor of the culture work stream of the Accenture Human Capital Strategy initiative. He also holds advisory positions at Insorce Operational Optimizers Private Limited and Unlax Consumer Solutions Private Limited and is a Professor of Practice of Management at the Amrut Mody School of Management, Ahmedabad University.

Rajeswara Rao Gandu, is an Independent Director of our Company. He holds a bachelor's degree in science from Andhra University and a bachelor's degree in law from Osmania University. He also attended the Advanced Management Course for Tax Officials at the Royal Institute of Public Administration, London. He has over 37 years of experience as a civil servant and has worked in the Department of Supply, GoI in the past. He joined the Indian Revenue Service thereafter, where he held various positions including that of the Under Secretary and Deputy Secretary, Central Board of Direct Taxes (New Delhi), Joint/Additional Director of Income-tax (Investigation), Commissioner of Income-tax, Director General of Income-tax (Investigation) and Chief Commissioner of Income-tax. He also held the position of Insurance Ombudsman for the states of Andhra Pradesh and Karnataka and the Union Territory of Yanam. He has also won the Finance Minister's Gold Medal for academic excellence and served on the editorial board of 'Let us Share' which is an annual publication of the Income-tax department of India.

Ratna Kishore Kaza is an Independent Director of our Company. He holds a bachelor's degree in science and a master's degree in science in nuclear physics from Andhra University. He has held the position of Principal Secretary (health, medical and family welfare) to the Government of Andhra Pradesh and has served as an Administrative Member on the Andhra Pradesh Administrative Tribunal. He has also in the past served on the board of Godavari Fertilizers and Chemicals Limited, as managing director.

Saumen Chakraborty is an Independent Director of our Company. He holds a bachelor's degree in science from Visva Bharati University, Santiniketan, West Bengal, has completed his post-graduate diploma in management from the Indian Institute of Management, Ahmedabad, Gujarat has also been conferred with the title of 'executive fellow in management' by the Indian School of Business, Hyderabad, Telangana, on completion of their doctoral level programme for experienced executives. He is currently the managing director of Samarjita Management Consultancy Private Limited. He has more than 36 years of experience across various strategic and operational aspects of management. He was previously employed with Dr. Reddy's Laboratories Limited for over 19 years, where he held, inter alia, the positions of 'Global Chief of Human Resources', 'Chief Financial Officer', 'Global Head of Information Technology and Business Process Excellence', 'President – Corporate and Global Generics Operations', 'President and Global Head of Quality, Human Resources and IT' and was also responsible for Dr. Reddy's Laboratories Limited's global legal and compliance and facility management functions. He currently continues to serve as an advisor to Dr. Reddy's

Laboratories Limited. He was awarded CFO of the Year at the 10th India CFO Awards held by IMA, overall best CFO at the Yes Bank – Business Today Best CFO Awards, 2014, the best CFO at the Yes Bank - BW Business World Best CFO Awards, 2016 for healthy balance sheet management (large enterprise) and the Best Performing CFO in Healthcare Sector by CNBC TV-18 at the CFO Awards, 2007. He was also previously associated with CMC Limited, Centre for Development of Telematics, Eicher Goodearth Limited and Tecumseh Products India Private Limited.

Venkata Ramudu Jasthi is an Independent Director of our Company. He holds a bachelor's degree in arts and a master's degree in arts (economics) from Sri Venkateswara University and a master's degree in law from Osmania University. He also holds a postgraduate certificate in criminal justice and police management from the University of Leicester. He worked in the Indian Revenue Service (Income Tax) from 1979 to 1981 (1979 batch).* He is a member of batch of 1981 of the Indian Police Service cadre of Andhra Pradesh and has held the position of the Director General of Police of Andhra Pradesh. After retirement, he has enrolled as an advocate with the Bar Council of India.

* For Venkata Ramudu Jasthi's experience in the Indian Revenue Services, we have relied on certificates, undertakings and affidavits furnished by him.

Relationship between Directors and Key Managerial Personnel

Except for Dr. Bhaskara Rao Bollineni, who is the father of Dr. Abhinay Bollineni, none of our Directors are related to each other or to the Key Managerial Personnel of our Company.

Terms of Appointment of our executive Directors

Dr. Bhaskara Rao Bollineni

Pursuant to a resolution of our Board dated January 24, 2017 and a resolution of our Shareholders dated March 21, 2017, Dr. Bhaskara Rao Bollineni was last re-appointed as our Managing Director and CEO for a term of five years with effect from April 01, 2017. Pursuant to a resolution of our Board dated July 03, 2019, Dr. Bhaskara Rao Bollineni was re-designated as Managing Director of our Company. Additionally, Dr. Bhaskara Rao Bollineni received ₹ 18.00 million towards professional fee to KMP from the Company in Fiscal Year 2021.

Pursuant to a resolution of our Board dated January 24, 2017 and a resolution of our Shareholders' dated March 21, 2017, and in compliance with the limits prescribed under the Companies Act, Dr. Bhaskara Rao Bollineni is entitled to the following remuneration with effect from April 1, 2017:

Particulars	Remuneration (in ₹ million)
All inclusive monthly remuneration	2.00
Total remuneration	2.00

Other than the aforementioned remuneration and as disclosed in "***- Interest of Directors***" on page 213, Dr. Bhaskara Rao Bollineni is not entitled to any other compensation or benefits.

Anitha Dandamudi

Pursuant to a resolution of our Board dated January 18, 2019 and a resolution of our Shareholders dated March 16, 2019, Anitha Dandamudi was last re-appointed as a Whole-time Director of our Company for a term of three years with effect from April 01, 2019.

Pursuant to a resolution of our Board dated March 30, 2021 and a resolution of our Shareholders dated April 29, 2021, and in compliance with the limits prescribed under the Companies Act, Anitha Dandamudi is entitled to the following remuneration with effect from April 1, 2021:

Particulars	Remuneration (in ₹ million)
All inclusive monthly remuneration	0.40
Total remuneration	0.40

Other than the aforementioned remuneration, Anitha Dandamudi is not entitled to any other compensation or benefits.

Dr. Abhinay Bollineni

Pursuant to a resolution of our Board dated January 18, 2019 and a resolution of our Shareholders dated March 16, 2019, Dr. Abhinay Bollineni was appointed as our Director for a term of three years with effect from January 18, 2019. Further, pursuant to a resolution of our Board dated July 3, 2019, Dr. Abhinay Bollineni was appointed as our CEO with effect from July 3, 2019.

Pursuant to a resolution of our Board dated March 30, 2021 and resolution of our Shareholders dated April 29, 2021, and in compliance with the limits prescribed under the Companies Act, Dr. Abhinay Bollineni is entitled to the following remuneration

with effect from April 1, 2021:

Particulars	Remuneration (in ₹ million)
All inclusive monthly remuneration	1.25
Total remuneration	1.25

Further, pursuant to a resolution of our Board dated March 30, 2021, the terms of Dr. Abhinay Bollineni's remuneration are as follows:

1. The remuneration of ₹ 1.25 million has been bifurcated into fixed and variable components.

2. The fixed component to be paid shall be ₹ 1.00 million per month and target based variable pay shall be up to ₹ 3.00 million per annum (amounting to ₹ 0.25 million per month). The variable pay to be paid at the end of the financial year shall be based on the financial performance of the Company vis-à-vis the targets achieved by Dr. Abhinay Bollineni, and shall be quantified in accordance with appropriate mechanisms.

Other than the aforementioned remuneration and as disclosed in "***Our Management - Interest of Directors***" on page 213, Dr. Abhinay Bollineni is not entitled to any other compensation or benefits.

Payment or benefit to Directors of our Company

Details of the sitting fees/other remuneration paid to our Directors in Fiscal 2021 are set forth below.

Managerial remuneration to KMPs

Name of executive Director**	Managerial remuneration to KMPs (in ₹ million)
Dr. Bhaskara Rao Bollineni	22.00
Anitha Dandamudi	3.60
Dr. Abhinay Bollineni	9.00

******** *The managerial personnel are covered by the Group's gratuity policy and are eligible for leave encashment along with other employees of the Group. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Group as a whole.*

Remuneration to Non-executive Directors and Independent Directors

Pursuant to a resolution passed by our Board on April 12, 2018, our Non-executive Directors and Independent Directors are entitled to receive a sitting fee of ₹ 50,000.00 for attending each meeting of our Board and ₹ 25,000.00 for attending each meeting of the various committees of our Board.

Further, pursuant to a resolution passed by our Board on January 8, 2021, and in compliance with the limits prescribed under the Companies Act, the following independent Directors are entitled to receive the amounts set forth below, as commission, annually:

Name of Independent Director	Remuneration (in ₹ million)
Saumen Chakraborty	3.00
Pankaj Vaish	1.50
Rajeswara Rao Gandu	0.70
Ratna Kishore Kaza	0.70
Venkata Ramudu Jasthi	0.70

Details of the sitting fees and commission paid to our Non-executive Directors and Independent Directors in Fiscal 2021 are set forth below:

Name of Non-executive and Independent Directors	Director fees (in ₹ million)
Sandeep Naik	Nil
Shantanu Rastogi	Nil
Pankaj Vaish*	0.45
Rajeswara Rao Gandu	0.52
Ratna Kishore Kaza*	0.20
Saumen Chakraborty*	0.88
Venkata Ramudu Jasthi*	0.20

**Appointed as Independent Director with effect from January 8, 2021.*

Bonus or profit sharing plan for the Directors

Our Company does not have any bonus or profit sharing plan for our Directors.

Shareholding of our Directors

Other than as disclosed under "***Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company***" on page 97, none of our Directors hold any Equity Shares as on the date of this Prospectus. Our Directors are not required to hold any qualification shares in the Company.

Service contracts with Directors

There are no service contracts entered into by our Directors with the Company which provide for benefits upon termination of employment.

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors, which does not form part of their remuneration.

Remuneration paid or payable to our Directors from our Subsidiaries

Except for Rajeswara Rao Gandu, one of our Independent Directors, who is also an independent director on the board of three of our Subsidiaries, ICIMSPL, SIMSPL and KHEPL, and was paid sitting fees of ₹ 0.08, ₹ 0.07 million and ₹ 0.09 million, respectively, during the last Fiscal Year, none of our Directors has been paid any remuneration from our Subsidiaries, including any contingent or deferred compensation accrued for Fiscal 2021.

Interest of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them as well as sitting fees, if any, payable to them for attending meetings of our Board or committees thereof and any commission payable to them. Our Directors may be interested to the extent of Equity Shares, if any, that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer and any dividend and other distributions payable in respect of such Equity Shares. Further, Dr. Bhaskara Rao Bollineni may be deemed to be interested to the extent of the proceeds from the Equity Shares proposed to be sold by him as part of the Offer for Sale.

No loans have been availed by our Directors from our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Our Non-executive Directors, Sandeep Naik and Shantanu Rastogi, may also be deemed to be interested to the extent of Equity Shares held by General Atlantic, being the entity which nominated them to the Board of our Company.

Interest in land and property

Except in the case of Dr. Bhaskara Rao Bollineni and Anitha Dandamudi as disclosed below, our Directors are not interested in any property acquired or proposed to be acquired by our Company.

Pursuant to the resolution passed by our Board on January 18, 2019 and the sale deed dated July 6, 2019, our Company purchased a land parcel admeasuring 594 square yards owned by Dr. Bhaskara Rao Bollineni situated at GNT Road, Nellore, SPSR Nellore district, Andhra Pradesh for the expansion of the existing KIMS Nellore hospital, for an amount of ₹ 74.25 million excluding registration and other applicable charges.

Pursuant to the resolution passed by our Board on December 23, 2015, and the lease deed dated March 24, 2016, our Company has taken on lease a land parcel admeasuring 3403.78 square yards from Dr. Bhaskara Rao Bollineni situated at Nellore City, Dargmitta, Western side of GNT Road, Venkataramana Theatre area, Nellore district, Andhra Pradesh from March 24, 2016 till March 23, 2046 at an annual rent of ₹ 0.10 million exclusive of service tax and all other taxes except property tax, subject to TDS as may be applicable from time to time.

Pursuant to the resolution passed by our Board on January 8, 2021 and the sale deed dated January 29, 2021, our Company purchased a land parcel admeasuring 3 acres 90 cents owned by BSCPL Infrastructure Limited situated at Tambaram Taluk, Chennai, Tamil Nadu, for an amount of ₹ 292.50 million. Krishnaiah Bollineni and Seenaiah Bollineni, brothers of Dr. Bhaskara Rao Bollineni, are the promoters and directors of BSCPL Infrastructure Limited. Additionally, our Whole-time Director, Anitha Dandamudi is also a director on the board of BSCPL Infrastructure Limited.

Interest in promotion or formation of our Company

Except for Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni, none of our Directors have any interest in the promotion or formation of our Company as on the date of this Prospectus.

Business interest

Except as stated in the section titled "***Other Financial Information – Related Party Transactions***" on page 314, our Directors do not have any other business interest in our Company.

Directorships of Directors in listed companies

None of our Directors are, or for the five years prior to the date of this Prospectus, have been on the board of directors of any listed company whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure.

None of our Directors has been or is a director on the board of directors of any listed company which has been /was delisted from any stock exchange(s), during their tenure.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Prospectus are set forth below.

Director	Date of change*	Reasons
Padmanabhaiah Kantipudi	June 20, 2018	Cessation as Independent Director
Sanjeev Sehrawat	June 20, 2018	Cessation as Director
Sandeep Naik	June 20, 2018	Appointment as Director**
Shantanu Rastogi	June 20, 2018	Appointment as Director **
Krishnaiah Bollineni	January 18, 2019	Cessation as Director
Dr. Abhinay Bollineni	January 18, 2019	Appointment as Director***
Amitabha Guha	January 24, 2019	Cessation as Independent Director
Jyothi Prasad	January 08, 2021	Cessation as Independent Director
Pankaj Vaish	January 08, 2021	Appointment as Independent Director****
Ratna Kishore Kaza	January 08, 2021	Appointment as Independent Director****
Saumen Chakraborty	January 08, 2021	Appointment as Independent Director****
Venkata Ramudu Jasthi	January 08, 2021	Appointment as Independent Director****

* *Does not include regularisation by the Shareholders or change in designation.*
** *Regularised pursuant to a resolution passed by the Shareholders on September 27, 2018*
*** *Regularised pursuant to a resolution passed by the Shareholders on March 16, 2019.*
**** *Regularised pursuant to a resolution passed by the Shareholders on February 10, 2021.*

Borrowing powers

Pursuant to our Articles of Association and applicable provisions of the Companies Act 2013 and pursuant to the special resolution passed by our Shareholders on August 26, 2016, our Board is entitled to borrow any sum or sums of money from time to time by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line of facility up to an amount not exceeding ₹ 6,000 million (including the money already borrowed by our Company) on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining undischarged at any given time, exceed the aggregate, for the time being, of the paid up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Corporate governance

As on the date of this Prospectus, we have ten Directors on our Board, comprising three Executive Directors, two Non-executive Directors and five Independent Directors, including one woman Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

Our Company undertakes to take all necessary steps to continue to comply with all the applicable requirements of SEBI Listing Regulations and the Companies Act 2013.

Board committees

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act 2013:

(a) Audit Committee;

(b) Nomination and Remuneration Committee;

(c) Stakeholders' Relationship Committee; and

(d) Corporate Social Responsibility Committee.

Audit Committee

The Audit Committee was last reconstituted pursuant to a resolution passed by the Board at its meeting held on January 8, 2021. The Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The Audit Committee currently consists of:

(a) Saumen Chakraborty, Independent Director (Chairman);

(b) Pankaj Vaish, Independent Director (Member);

(c) Rajeswara Rao Gandu, Independent Director (Member); and

(d) Shantanu Rastogi, Non-executive Director (Member).

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference: The terms of reference of the Audit Committee shall include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

i. Matters required to be 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;

ii. Changes, if any, in accounting policies and practices and reasons for the same;

iii. Major accounting entries involving estimates based on the exercise of judgment by management;

iv. Significant adjustments made in the financial statements arising out of audit findings;

v. Compliance with listing and other legal requirements relating to financial statements;

vi. Disclosure of any related party transactions; and

vii. Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. 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 utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;

7. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutinising of inter-corporate loans and investments;

10. Valuing of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

13. 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;

14. Discussing with internal auditors on any significant findings and follow up there on;

15. 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;

16. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. Reviewing the functioning of the whistle blower mechanism;

19. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

20. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances.

21. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

22. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

23. Laying down the criteria for granting omnibus approval in accordance with the Company's policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

24. Approval or any subsequent modification of transactions of the Company with related parties provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

25. The Audit Committee shall have the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Reviewing Powers

1. The Audit Committee shall mandatorily review the following information:

i. Management's discussion and analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

iii. Management letters / letters of internal control weaknesses issued by the statutory auditors

iv. Internal audit reports relating to internal control weaknesses; and

v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

2. Statement of deviations:

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 the SEBI Listing Regulations; and

ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted pursuant to a resolution passed by the Board at its meeting held on January 8, 2021. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Nomination and Remuneration Committee currently consists of:

(a) Pankaj Vaish, Independent Director (Chairman);

(b) Rajeswara Rao Gandu, Independent Director (Member);

(c) Venkata Ramudu Jasthi, Independent Director (Member); and

(d) Sandeep Naik, Non-executive Director (Member).

Scope and terms of reference: The terms of reference of the Nomination and Remuneration Committee shall include the following:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal;

5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

    i. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

    ii. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

12. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the SEBI Listing Regulations, or by any other regulatory authority; and

13. Recommend to the board, all remuneration, in whatever form, payable to senior management.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was constituted pursuant to a resolution passed by the Board at its meeting held on January 8, 2021. The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee currently consists of:

(a) Rajeswara Rao Gandu, Independent Director (Chairman);

(b) Ratna Kishore Kaza, Independent Director (Member); and

(c) Dr. Bhaskara Rao Bollineni, Managing Director (Member).

Scope and terms of reference: The terms of reference of the Stakeholders' Relationship Committee shall include the following:

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;

2. Review of measures taken for effective exercise of voting rights by shareholders;

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

6. To approve, register, refuse to register transfer or transmission of shares and other securities;

7. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

8. Allotment and listing of shares;

9. Approval of transfer or transmission of shares, debentures or any other securities;

10. To authorise affixation of common seal of the Company;

11. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

12. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

13. To dematerialise or rematerialise the issued shares;

14. Ensure proper and timely attendance and redressal of investor queries and grievances;

15. Carrying out any other functions contained in the Companies Act, 2013 and the rules notified thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended and/or equity listing agreements (if applicable), as and when amended from time to time; and

16. To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was last reconstituted pursuant to a circular resolution approved by the Board on March 29, 2019. The Corporate Social Responsibility Committee is in compliance with Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee currently consists of:

(a) Dr. Bhaskara Rao Bollineni, Managing Director (Chairman);

(b) Dr. Abhinay Bollineni, Executive Director and CEO (Member); and

(c) Rajeswara Rao Gandu, Independent Director (Member).

The Corporate Social Responsibility Committee is authorised to perform the following functions:

1. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013 and make any revisions therein as and when decided by the Board;

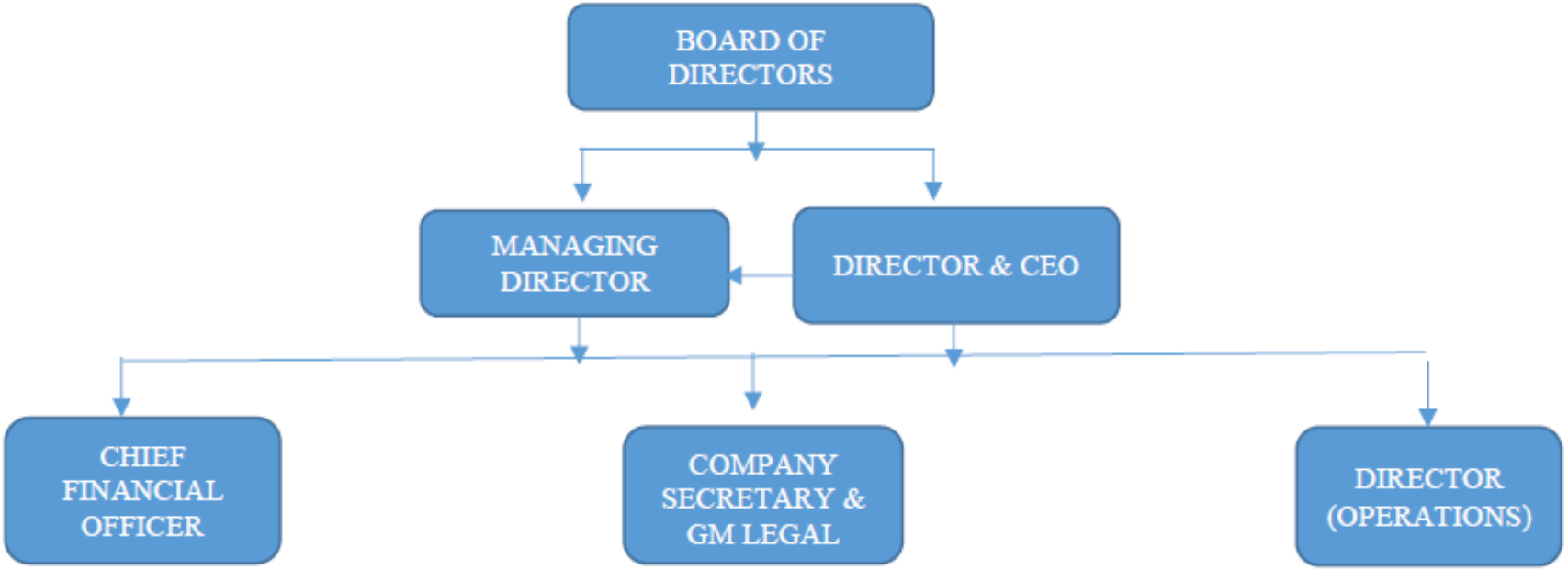
2. recommend the amount of expenditure to be incurred on the activities referred to in clause (1);

3. monitor the corporate social responsibility policy of the Company and its implementation from time to time;

4. do such other acts, deeds and things as may be required to comply with the applicable laws; and

5. perform such other activities as may be deleted by the Board or specified/provided under the Companies Act or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority.

Management Organisation Chart



Key Managerial Personnel

In addition to Dr. Bhaskara Rao Bollineni, our Managing Director, Anitha Dandamudi, our Whole-time Director and Director (Operations) and Dr. Abhinay Bollineni, our CEO, whose details are provided in "***– Brief Profiles of our Directors***" on page 209, the details of our other Key Managerial Personnel as on the date of this Prospectus are set forth below.

Vikas Maheshwari is the Chief Financial Officer of our Company. He has been associated with our Company since May 1, 2017. He has completed his degree of bachelor's of commerce from Lucknow University and has been admitted as an associate of the Institute of Chartered Accountants of India. He has over 24 years of experience in accounting, finance and treasury. He has previously been associated with Endurance Technologies Private Limited, Aurobindo Pharma Limited, Gati Limited, ABP Private Limited and Limtex Tea and Industries Limited. In Fiscal 2021, he received an aggregate compensation of ₹ 8.73 million.

Umashankar Mantha is the Company Secretary and General Manager (Legal) of our Company. He has been associated with our Company since July 1, 2015. He holds a bachelor's degree of commerce and a degree of law from Osmania University and has been admitted as an associate with the Institute of Company Secretaries of India. He has over 17 years of experience in the secretarial and legal sectors, having previously been associated with S. Chidambaram (Company Secretary in Practice), Lanco Wind Power Private Limited, IVRCL Assets and Holdings Limited and Navketan Nursing Home Private Limited (a subsidiary of Columbia Asia Hospitals Private Limited). In Fiscal 2021, he received an aggregate compensation of ₹ 2.23 million.

Contingent or deferred compensation

No contingent or deferred compensation was paid to any of our Key Managerial Personnel for Fiscal 2021.

Status of Key Managerial Personnel

All our Key Managerial Personnel are permanent employees of our Company.

Relationship amongst Key Managerial Personnel

Except for Dr. Bhaskara Rao Bollineni, who is the father of Dr. Abhinay Bollineni, none of our Key Managerial Personnel have any family relationship with each another.

Bonus or profit sharing plan for the Key Managerial Personnel

Except for the payments and compensation required to be paid under the laws of India, there is no profit sharing plan for the Key Managerial Personnel.

Shareholding of Key Managerial Personnel

Other than as provided under "***Capital Structure – Shareholding of our Directors and Key Managerial Personnel***", none of our Key Managerial Personnel hold Equity Shares as on the date of this Prospectus.

Attrition of Key Managerial Personnel

The attrition of Key Management Personnel is not high in our Company compared to the industry.

Service Contracts with Key Managerial Personnel

Our Key Managerial Personnel are governed by the terms of their appointment letters/employment contracts and have not entered into any other service contracts with our Company. No officer of our Company is entitled to any benefit upon termination of employment or superannuation, other than statutory benefits.

Interest of Key Managerial Personnel

Other than as provided in "***Our Management – Interest of Directors***" and to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares held by them, if any, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel do not have any other interest in the Company.

No loans have been availed by our Key Managerial Personnel from our Company as on the date of this Prospectus.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or any other person.

Changes in Key Managerial Personnel during the last three years

The changes in our Key Managerial Personnel during the three years immediately preceding the date of this Prospectus are set forth below.

Name	Date of change	Reason
Dr. Bhaskara Rao Bollineni	July 03, 2019	Cessation as CEO
Dr. Abhinay Bollineni	July 03, 2019	Appointment as CEO

Employee stock option and stock purchase schemes

Our Company has not formulated any employee stock option scheme as of the date of this Prospectus.

Payment or benefit to Key Managerial Personnel of our Company

Other than as provided in "***Our Management – Interest of Directors***", no amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Prospectus or is intended to be paid or given, other than in the ordinary course of their employment.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are:

1. Dr. Bhaskara Rao Bollineni;
2. Dr. Abhinay Bollineni;
3. Adwik Bollineni;
4. Rajyasri Bollineni; and
5. Bollineni Ramanaiah Memorial Hospitals Private Limited.

As on the date of this Prospectus, our Promoters in aggregate hold 28,841,886 Equity Shares in our Company, representing 37.17% of the paid-up Equity Share capital of our Company. For further information on the build-up of our Promoters' shareholding in our Company, see "***Capital Structure – Details of Promoter's Contribution and Lock-in***" on page 93.

I. Details of our Promoters

Dr. Bhaskara Rao Bollineni



Dr. Bhaskara Rao Bollineni, born on January 01, 1954, aged 67 years, is a citizen of India. He is also the Managing Director of our Company. For further information, see "***Our Management - Brief Profiles of our Directors***" on page 209.

His PAN is ADAPB6170F and his driving license number is AP00920110007457.

His Aadhaar card number is 8884 5802 5385.

Rajyasri Bollineni



Rajyasri Bollineni, born on August 21, 1959, aged 61 years, is a citizen of India. She holds a bachelor's degree in commerce from Reddy College, Hyderabad. She is currently the chairman of Aditya Educational Society and a director of Hyderabad Institute of Medical Sciences Association.

Her PAN is AFKPB7548F. She does not have a driving license.

Her Aadhaar card number is 2506 4389 7291.

Dr. Abhinay Bollineni



Dr. Abhinay Bollineni, born on February 14, 1988, aged 33 years, is a citizen of India. He is also an executive Director and the CEO of our Company. For further information, see "***Our Management - Brief Profiles of our Directors***" on page 209.

His PAN is APRPB0688P and his driving license number is DLFAP009116802007.

His Aadhar card number is 7991 7984 1161.

Adwik Bollineni



Adwik Bollineni, born on April 27, 1992, aged 29 years, is a citizen of India. He is the Vice President - Strategy and Acquisition of our Company. He holds a bachelor's degree in business administration from G.D. Goenka World Institute, Delhi (affiliated to Lancaster University, London). He is currently on the governing board of Aditya Educational Society as the secretary.

His PAN is BFIPB1047Q and his driving license number is AP01320110005324.

His Aadhar card number is 7511 4022 6030.

Bollineni Ramanaiah Memorial Hospitals Private Limited ("BRMH")

Corporate information

BRMH was incorporated on January 8, 1999 at Hyderabad (Andhra Pradesh) as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation issued by Registrar of Companies, Andhra Pradesh at Hyderabad. Its CIN is U85110TG1999PTC030882 and its registered office is at 300A, MLA Colony, Road No 12, Banjara Hills, Hyderabad – 500 034, Telangana, India.

BRMH is enabled under its objects to carry on the business of, amongst others, acquiring, establishing and maintaining hospitals for the treatment of the public, carrying out medical research and establishing training centers for doctors and medical practitioners.

Promoters of our Corporate Promoter

1. Dr. Bhaskara Rao Bollineni; and

2. Rajyasri Bollineni.

Details of change in control

There has been no change in the control of our Corporate Promoter in the last three years preceding the date of this Prospectus.

Board of directors of our Corporate Promoter

The board of directors of our Corporate Promoter as on the date of this Prospectus are:

S. No.	*Name*	*Designation*
1.	Dr. Bhaskara Rao Bollineni	Director
2.	Rajyasri Bollineni	Director

Shareholding Pattern of our Corporate Promoter

S. No.	*Name*	*Number of equity shares*	*Percentage (%)*
1.	Dr. Bhaskara Rao Bollineni	1,809,000	86.14
2.	Rajyasri Bollineni	291,000	13.86

Our Company confirms that the PAN, bank account numbers and passport numbers, to the extent available, of our individual Promoters have submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Our Company confirms that the PAN, bank account number, the company registration number and addresses of the registrar of companies where our Corporate Promoter is registered, have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Interests of our Promoters

Our Promoters are interested to the extent of their shareholding in our Company, directly and indirectly, the dividends payable, if any, and any other distributions in respect of the Equity shares held by them in our Company. For further information on our Promoters' shareholding, see "***Capital Structure - Details of Promoter's Contribution and Lock-in***" on page 93.

Further, Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni are also interested in our Company to the extent of their directorship in our Company and our Subsidiaries and any compensation, other remuneration and reimbursement of expenses payable to them

in such capacity and in capacity of providing their consultancy services. Also, Dr. Bhaskara Rao Bollineni is interested in our Company to the extent of rent paid for the land taken on lease from Dr. Bhaskara Rao Bollineni on which certain part of KIMS Nellore is established. For further information on our Promoters' compensation and other details, see "***Capital Structure – Shareholding of our Promoters, Promoter Group and Directors of our Corporate Promoter, BRMH***" and "***Our Management - Terms of Appointment of our Executive Directors***" on pages 93 and 211, respectively. For further details of interest of our Promoters in our Company, see "***Other Financial Information – Related Party Transactions"*** on page 314.

Interest of our Promoters in the property of our Company

Except as disclosed below, our Promoters do not have any interest in any property acquired by our Company during the three years immediately preceding the date of this Prospectus or any property proposed to be acquired by our Company:

Pursuant to the resolution passed by our Board on January 18, 2019 and the sale deed dated July 06, 2019, our Company purchased a land parcel admeasuring 594 square yards owned by Dr. Bhaskara Rao Bollineni situated at GNT Road, Nellore, SPSR Nellore District, Andhra Pradesh for the expansion of the existing KIMS Nellore hospital, for an amount of ₹ 74.25 million excluding registration and other applicable charges.

Except as disclosed below, our Promoters do not have any interest in any transaction in the acquisition of land, construction of building or supply of machinery:

Pursuant to the resolution passed by our Board on January 8, 2021 and the sale deed dated January 29, 2021, our Company purchased a land parcel admeasuring 3 acres 90 cents owned by BSCPL Infrastructure Limited and situated at Tambaram Taluk, Chennai, Tamil Nadu, for an amount of ₹ 292.50 million. Krishnaiah Bollineni and Seenaiah Bollineni, brothers of Dr. Bhaskara Rao Bollineni, are the promoters and directors of BSCPL Infrastructure Limited. Additionally, our Whole-time Director, Anitha Dandamudi is also a director on the board of BSCPL Infrastructure Limited.

Our Promoters are not interested as members of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Common Pursuits of our Promoters

BRMH is enabled under its objects to carry on the business of, amongst others, providing human health care by running hospitals. However, BRMH is currently not engaged in any business. For further details, see "***Risk Factors - Conflicts of interest may arise out of common business objects shared by our Company, certain of our Group Companies and our Promotors, which may affect our business, results of operations and financial conditions***" on page 48.

Except as disclosed above, and in the sections "***Our Group Companies – Common Pursuits of our Group Companies***" on page 231 our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

Payment of Benefits

Except in the ordinary course of business and as disclosed in *"**Our Management - Payment or benefit to Directors of our Company**"*, *"**- Interests of our Promoter**"* and *"**Other Financial Information – Related Party Transactions**"* on pages 212, 224, and 314, respectively, no benefit or amount has been given or paid to our Promoters or members of our Promoter Group within the two years immediately preceding the date of filing this Prospectus or is intended to be paid or given to our Promoters or members of our Promoter Group.

Experience in the business of our Company

For details in relation to experience of Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni please see "***Our Management - Brief Profiles of our Directors***" on page 209 and for experience of Rajyasri Bollineni and Adwik Bollineni please see "***– Details of our Promoters***" on page 223.

Material Guarantees

Except as stated otherwise in "***History and Certain Corporate Matters - Guarantees provided by our Promoters Selling Shareholders***" on page 202, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares, as on the date of this Prospectus.

Companies or Firms with which our Promoters have disassociated in the last three years

Except as disclosed below our Promoters have not disassociated themselves from any company or firm during the three years immediately preceding the date of filing this Prospectus:

a) Dr. Abhinay Bollineni and Adwik Bollineni have been de-classified from the status of promoters of Krishnaiah Projects Private Limited pursuant to its board resolution dated February 17, 2021.

b) Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni have been de-classified from the status of promoters of APL pursuant to its board resolution dated March 10, 2020.

c) Dr. Bhaskara Rao Bollineni have been de-classified from the status of promoters of BSCPL Infrastructure Limited pursuant to its board resolution dated January 7, 2021.

Further, except as stated herein there has not been any change in the management or control of our Company in the five years immediately preceding the date of this Prospectus:

Until the year 2003, our Company was owned, managed and controlled by Jagjit Singh and certain of his family members, who together owned the entire shareholding of our Company. On February 15, 2003, acting in pursuance of the Takeover MoU, certain of our Promoters, namely Dr. Bhaskara Rao Bollineni and BRMH, along with certain other individuals and entities, acquired the entire equity share capital of our Company (then 'Jagjit Singh and Sons Private Limited'). For more details see "***History and Certain Corporate Matters – Brief History of our Company***". Further, B Krishnaiah and Seenaiah Bollineni have been de-classified from the status of promoters of the Company pursuant to a Board resolution dated January 8, 2021. Further, pursuant to a settlement agreement ("**Settlement Agreement**") dated March 4, 2021 entered into between Dr. Bhaskara Rao Bollineni, Seenaiah Bollineni and Krishnaiah Bollineni, it has been agreed and settled that Krishnaiah Bollineni and Seenaiah Bollineni are not involved in the business undertaken by our Company or any other company promoted by Dr. Bhaskara Rao Bollineni, one of the Promoters of our Company and that Dr. Bhaskara Rao Bollineni (and his immediate family members) are not involved in the business undertaken by the companies promoted by Krishnaiah Bollineni and/or Seenaiah Bollineni. Further, pursuant to the Settlement Agreement it has also been agreed that neither Krishnaiah Bollineni nor Seenaiah Bollineni will be identified as Promoters of our Company or any other company promoted by Dr. Bhaskara Rao Bollineni, and that Dr. Bhaskara Rao Bollineni (and his immediate family members) will not be identified as the promoter of the companies promoted by Krishnaiah Bollineni and/or Seenaiah Bollineni.

Confirmations

Our Promoters are not related to any of the sundry debtors of our Company, except to the extent of their directorships in our Subsidiaries and Group Companies, in relation to any dues from these entities. For further information, see "***Other Financial Information – Related Party Transactions***" on page 314.

Except as disclosed in "***Legal and Other Information – Outstanding criminal litigation involving our Promoters***" on page 353 there are are no litigation or legal action pending or taken by any department of the Central Government or statutory authority during the five years immediately preceding the date of this Prospectus against our Promoters.

Our Promoters and members of our Promoter Group have not been declared as Wilful Defaulters.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters and members of the Promoter Group are not promoters, directors or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

II. Promoter Group

As on the date of this Prospectus, the following is the list of persons constituting the promoter group (other than our Promoters) of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations:

Individuals forming part of the Promoter Group

Immediate relatives of Promoters as defined in Regulation 2(1)(pp)(ii) of the SEBI ICDR Regulations

Name of Promoter	Name of relative	Relationship
Bhaskara Rao Bollineni	Rajyasri Bollineni	Spouse
	Abhinay Bollineni	Son
	Adwik Bollineni	Son
	Krishnaiah Bollineni	Brother

Name of Promoter	Name of relative	Relationship
	Seenaiah Bollineni	Brother
	Lalitamma Tallaru	Sister
	Ch. Padma	Sister
	Annapareddy Bhavani	Spouse's sister
	Urmila Gunnam	Spouse's sister
Rajyasri Bollineni	Bhaskara Rao Bollineni	Spouse
	Annapareddy Bhavani	Sister
	Urmila Gunnam	Sister
	Abhinay Bollineni	Son
	Adwik Bollineni	Son
	Krishnaiah Bollineni	Spouse's brother
	Seenaiah Bollineni	Spouse's brother
	Lalitamma Tallaru	Spouse's sister
	Ch. Padma	Spouse's sister
Abhinay Bollineni	Bhaskara Rao Bollineni	Father
	Rajyasri Bollineni	Mother
	Sweata Raavi	Spouse
	Adwik Bollineni	Brother
	Dev Bollineni	Son
	Raavi Venkateshwar Rao	Spouse's father
	Raavi Subhashini	Spouse's mother
	Raavi Satyaki	Spouse's brother
Adwik Bollineni	Bhaskara Rao Bollineni	Father
	Rajyasri Bollineni	Mother
	Mani Deepika	Spouse
	Abhinay Bollineni	Brother
	M. Satyanarayana Rao	Spouse's father
	M. Manjeera	Spouse's mother
	M. Sricharan	Spouse's brother

Other individuals forming part of Promoter Group

1. Aishwarya Bollineni
2. Sujatha Bollineni

Entities forming part of the Promoter Group

1. Shangrila Infracon India Private Limited;
2. Bluebridge Capital Private Limited;
3. Doctutorials Edutech Private Limited;
4. BVR Educational Institutions Private Limited;
5. Amar Biotech Limited;
6. Anitha Housing Private Limited;
7. Beekay Dreamlands Private Limited;
8. Bollineni Farm Services Private Limited;
9. Krishnaiah Home Fields Private Limited;
10. BDL Housing Private Limited;
11. Traditional Bharat Kala Arts and Crafts;
12. Aishu Dreamlands Private Limited;
13. Sujatha Homes Private Limited;

14. Raavi Agro Oils Private Limited;

15. Krishnaveni Agro Oils Products Private Limited; and

16. Hyderabad Institute of Medical Sciences Association.

GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the Materiality Policy for Identification of Group Companies, for the purposes of identification of a group company for disclosure in connection with the Offer, our Company has considered:

(i) the companies (other than Corporate Promoter and Subsidiaries), with which there were related party transactions in accordance with Ind AS 24 as per the Restated Financial Statements; and

(ii) such other companies as considered material by our Board.

On the basis of the Materiality Policy for Identification of Group Companies, following companies have been identified as Group Companies, for the purpose of disclosure in connection with the Offer:

1. Sri Viswa Medicare Limited;

2. BSCPL Infrastructure Limited; and

3. General Atlantic Singapore KH Pte. Ltd.

For avoidance of doubt, it is hereby clarified that in accordance with the Materiality Policy for Identification of Group Companies, our Subsidiaries have not been considered for the purposes of the disclosure as Group Companies in this Prospectus.

Details of our Group Companies:

Sri Viswa Medicare Limited

Corporate Information and nature of business

SVML is a public limited company and was incorporated on July 25, 2000 as Reliance Medicare Limited under the Companies Act 1956. With effect from April 23, 2015, its name was changed to SVML. The CIN of SVML is U85110TG2000PLC034973. The registered office of SVML is located at 6-2-29, beside Moin Manzil, Saifabad, Hyderabad 500 004, Telangana, India. SVML is involved in the business of, amongst others, establishing and running hospitals, nursing homes, research centres and dispensaries.

Interest of our Promoters

Our Promoters do not hold any equity shares in SVML.

Financial Information

The financial information derived from the audited financial results of SVML for Fiscals 2020, 2019 and 2018 are set forth below:

(in ₹ million, except otherwise stated)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Equity capital	34.04	34.04	34.04
Reserves and surplus (excluding revaluation reserves)	113.89	43.00	49.92
Sales	496.37	395.35	348.53
Profit/(loss) after tax	70.38	(6.91)	(17.47)
Basic earnings per share of face value of ₹ 10 (in ₹)	20.67	(2.03)	(5.13)
Diluted earnings per share of face value of ₹ 10 (in ₹)	20.67	(2.03)	(5.13)
Net asset value per share of face value of ₹ 10 (in ₹)	43.46	22.63	24.67

Net assets value per share = Net worth/number of shares as at year end

There are no modification in reports of the auditors in relation to the aforementioned financial statements.

BSCPL Infrastructure Limited

Corporate Information and nature of business

BSCPL is a public limited company and was incorporated on March 31, 1998 under the Companies Act 1956. The CIN of BSCPL is U45203TG1998PLC029154. The registered office of BSCPL is located at M. No. 8-2-502 / 1 / A, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad – 500034, Telangana, India. BSCPL is involved in the business of, amongst others, infrastructure business.

Interest of our Promoters

Our Promoters do not hold any equity shares in BSCPL.

Financial Information

The financial information derived from the audited financial results of BSCPL for Fiscals 2020, 2019 and 2018 are set forth below:

(in ₹ million, except otherwise stated)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Equity capital	248.57	248.57	248.57
Reserves and surplus (excluding revaluation reserves)	10,335.22	9,940.50	10,244.55
Sales	16,438.06	18,648.70	12,396.30
Profit/(loss) after tax	400.94	246.79	426.03
Basic earnings per share of face value of ₹ 10 (in ₹)	16.13	9.93	17.14
Diluted earnings per share of face value of ₹ 10 (in ₹)	16.13	9.93	17.14
Net asset value per share of face value of ₹ 10 (in ₹)	425.78	409.90	422.13

Net assets value per share = Net worth/number of shares as at year end

There are no modification in reports of the auditors in relation to the aforementioned financial statements.

General Atlantic

Corporate Information

General Atlantic is a private limited company and was incorporated on March 13, 2018 as General Atlantic Singapore SPV 16 Pte. Ltd. under the Companies Act, Chapter 50 of Singapore. With effect from June 5, 2018, its name was changed to General Atlantic. The UEN of General Atlantic is 201808697C. The registered office of General Atlantic is located at 80 Robinson Road, #02-00, Singapore – 068 898. General Atlantic is involved in the business of investment activity.

Interest of our Promoters

Our Promoters do not hold any of the issued, subscribed and paid-up capital of General Atlantic.

Financial Performance

The financial information derived from the audited financial results of General Atlantic for the financial year 2020, 2019 and 2018 are set forth below:

(in USD million, except otherwise stated)

Particulars	Financial Year 2020 (from January 1, 2020 to December 31, 2020)	Financial Year 2019 (from January 1, 2019 to December 31, 2019)	Financial Year 2018 (from January 1, 2018 to December 31, 2018)
Equity capital	145.70	145.55	137.53
Reserves and surplus (excluding revaluation reserves)	154.77	80.18	0.20
Sales	84.32	90.37	1.23
Profit/(loss) after tax	74.59	79.97	0.69
Basic earnings per share (in USD)*	0.512	0.549	0.004
Diluted earnings per share (in USD)*	NA	NA	NA
Net asset value	300.48	225.74	137.73

**Not in million*

There are no modification in reports of the auditors in relation to the aforementioned financial statements.

Details of loss-making Group Companies

None of our Group Companies have incurred losses in Fiscal 2020.

Details of Group Companies under winding up

As on the date of Prospectus, our Group Companies are not under winding up. Further, as on the date of this Prospectus, no insolvency resolution process or revocation proceedings or actions have been initiated against our Group Companies.

Insolvent/defunct or sick Group Companies

As on the date of this Prospectus, our Group Companies have not been declared insolvent/bankrupt under the Insolvency and Bankruptcy Code, 2016. Our Group Companies do not fall under the definition of sick industrial companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985.

Our Group Companies have not been declared defunct under the Companies Act 2013 and no application has been made to the relevant registrar of companies for striking off the name of our Group Companies during the five years immediately preceding the date of this Prospectus.

Interests of our Group Companies

As on the date of this Prospectus:

a. Our Group Companies do not have any interest in the promotion or formation of our Company**.**

b. Our Group Companies do not have any interest in any property acquired by our Company within the three years immediately preceding the date of filing this Prospectus or proposed to be acquired by it.

c. Except for our Company providing tests and diagnostic services to the patients of SVML, our Group Companies do not have any interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery, etc.

d. Except as set forth in "***Other Financial Information – Related Party Transactions***" on page 314, there are no related business transactions with our Group Companies

e. Except as set forth in "***Other Financial Information – Related Party Transactions***" on page 314, our Group Companies have no business interest in our Company.

Common pursuits of our Group Companies

Except as disclosed in "***Our Business***" and "***Other Financial Information – Related Party Transactions***" on pages 165 and 314, respectively, there are no common pursuits or conflict of interest situations amongst our Group Companies and our Company.

Except as disclosed in "***Our Business***" and "***Other Financial Information – Related Party Transactions***" on pages 165 and 314, respectively, our Group Companies do not have any business interest in our Company.

For further confirmations with respect to our Group Companies, see "***Other Regulatory and Statutory Disclosures***" on page 361.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the applicable laws including the Companies Act, 2013 read with the rules notified thereunder, each as amended, together with the applicable rules issued thereunder. We may retain all our future earnings, if any, for use in the operations and expansion of our business. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, capital requirements, financial commitments and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. For details in relation to risks involved in this regard, see "***Risk Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements***." on page 49.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "***Financial Indebtedness***" on page 315.

Our Company has adopted a formal policy on dividend distribution pursuant to a resolution of our Board dated May 25, 2021. In accordance with our dividend policy, our Board shall recommend/declare dividend as per the provisions of the Companies Act, 2013. Interim dividend shall be paid on declaration of the same by our Board and the final dividend will be paid on the approval of shareholders at an annual general meeting. Our Company shall pay dividend within 30 days of approval of shareholders/declaration by the Board. Further, we have not declared and paid any dividends on the Equity Shares in any of the three Financial Years preceding the filing of this Prospectus. For further details, see "***Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.****"* on page 49.

SECTION V: FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

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Auditors' Examination Report on the Restated Ind AS Consolidated Summary Statement of assets and liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019 and the related Restated Ind AS Consolidated Summary Statement of profits and losses (including other comprehensive income), Restated Ind AS Consolidated Summary Statement of Changes in Equity , Restated Ind AS Consolidated Summary Statement of Cash Flow and the Restated Ind AS Consolidated Summary Statement of Significant Accounting Policies and other explanatory information for each of the years ended 31 March 2021, 31 March 2020 and 31 March 2019 of Krishna Institute of Medical Sciences Limited and its subsidiaries (collectively, the "Restated Ind AS Consolidated Summary Statement")

To
The Board of Directors
Krishna Institute of Medical Sciences Limited
1-8-31/1, Minister Road, Secunderabad,
Telangana - 500003

Dear Sirs,

1. We, S.R. Batliboi & Associates LLP ("we", "us" or "SRBA") have examined the attached Restated Ind AS Consolidated Summary Statement of Krishna Institute of Medical Sciences Limited (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") as at and for each of the years ended 31 March 2021, 31 March 2020 and 31 March 2019, annexed to this report and prepared by the Company for the purpose of inclusion in the Offer documents to be filed by the Company with the Securities and Exchange Board of India ("SEBI") and Registrar of Companies ("ROC") in connection with the proposed initial public offer of equity shares of face value of Rs. 10 each of the Company (the "Offering"). The Restated Ind AS Consolidated Summary Statement, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
   b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), (the "Guidance Note").

Management's Responsibility for the Restated Ind AS Consolidated Summary Statement

2. The preparation of the Restated Ind AS Consolidated Summary Statement, which are to be included in the Offer documents is the responsibility of the Management of the Company. The Restated Ind AS Consolidated Summary Statement have been prepared by the Management of the Company on the basis of preparation stated in paragraph 1.2 of Annexure V to the Restated Ind AS Consolidated Summary Statement. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Summary Statement. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Consolidated Summary Statement taking into consideration:

   a) the terms of reference and terms of our engagement agreed with you vide our engagement letter dated 03 February 2021, requesting us to carry out the assignment, in connection with the proposed Offering of the Company;

   b) the Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;

   c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Consolidated Summary Statement; and

d) the requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Offering.

4. The Company proposes to make an initial public offer of equity shares of face value of Rs. 10 each of the Company at such premium arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Company's Board of Directors.

Restated Ind AS Consolidated Summary Statement as per audited Ind AS Consolidated financial statements

5. These Restated Ind AS Consolidated Summary Statement have been compiled by the management of the Company from audited Ind AS consolidated financial statements of the Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 which were prepared in accordance with the Indian Accounting Standards 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 (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on 25 May 2021, 21 July 2020 and 03 July 2019 respectively;

6. For the purpose of our examination, we have relied on:

a) the auditors' reports issued by us, dated 25 May 2021, and 21 July 2020 on the Ind AS consolidated financial statements for the years ended 31 March 2021 and 31 March 2020 respectively as referred in Paragraph 5 above.

b) Auditors' report issued by the Group's previous auditors, B S R & Associates LLP, (the "Previous Auditors"), dated 03 July 2019 on the consolidated financial statements of the Group as at and for the year ended 31 March 2019.

Examination report on the restated Ind AS Consolidated summary statement of assets and liabilities as at 31 March 2019 and the restated Ind AS Consolidated summary statement of profits and losses (including other comprehensive income), restated Ind AS Consolidated summary statement of cash flows, restated Ind AS Consolidated summary statement of changes in equity, the restated Ind AS summary statement of significant accounting policies and other explanatory information for the year ended 31 March 2019 ("Restated Prior Period Ind AS Consolidated Summary Statement") is issued by the Previous auditors. Our examination report insofar as it relates to the said year is based solely on the report submitted by the Previous Auditors.

The Previous Auditors vide their examination report dated 25 May 2021 have also confirmed that the Restated Prior Period Ind AS Consolidated Summary Statement:

i) have been prepared after incorporating adjustments for the changes in accounting policies retrospectively in the financial year ended 31 March 2019 to reflect the same accounting treatment as per the accounting policies as at and for the year ended 31 March 2021;

ii) does not contain any qualifications requiring adjustments; and

iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. As indicated in our audit reports referred to in para 6a above, on the Ind AS consolidated financial statements as at and for the years ended 31 March 2021 and 31 March 2020, we did not audit the financial statements in respect of four subsidiaries, as listed in annexure A(i), whose share of total assets, total revenues and net cash flows included which have been audited by the auditor of four subsidiaries ("Other Auditor") and whose reports have been furnished to us by the Company's management and our opinion on the above Ind AS consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries as mentioned above, is based solely on the reports of the other auditor is as below:

Rs. in million

Particulars	As at and for the year ended	
	31 March 2021	31 March 2020
Total assets	128.10	129.25
Total revenue	Nil	1.38
Net Cash inflow/ (outflow)	(0.19)	0.41

The Other Auditor of the subsidiaries as mentioned above, has examined the restated Ind AS Summary statement of the subsidiaries and vide their examination reports dated 22 May 2021 have confirmed that these statements:

i) have been prepared after incorporating adjustments for the changes in accounting policies retrospectively in the financial year ended 31 March 2020 to reflect the same accounting treatment as per the accounting policies as at and for the year ended 31 March 2021;

ii) does not contain any qualifications requiring adjustments; and

iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. A) The examination report dated 25 May 2021, provided to us by the previous auditor included the following:

a) As indicated in our audit reports referred in paragraph 5 above, we did not audit the financial statements of six subsidiaries for the year ended 31 March 2019, as listed in Annexure A(ii), whose share of total assets, total revenues (including other income), net cash inflows / (outflows) included in the consolidated financial statements is tabulated below:

Rs. in million

Particulars	As at and for the year ended 31 March 2019
Total assets	1,119.95
Total revenue	229.39
Net Cash inflow / (Outflow)	2.90

These financial statements have been audited by other auditors as mentioned in Annexure A(ii) and whose reports have been furnished to us by the Company's management and our audit opinion for the relevant year on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, are based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of these matters.

b) The restated financial information of six subsidiaries, as mentioned in Annexure A(iii), have been examined by other auditors for the year mentioned in Annexure A(iii), and these other auditors have confirmed that the restated financial information:

i) has been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for the year mentioned in Annexure A(iii) to reflect the same accounting treatment as per the accounting policies and grouping/ classifications followed as at and for the year ended 31 March 2021;

ii) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Annexure VII to the Restated Consolidated Financial Information; and

iii) has been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

B) Included in point A (a) above, as at and during the period ended 31 March 2019, one subsidiary (Saveera Institute of Medical Sciences Private Limited) with 987.75 million assets, 229.36 million revenues and 4.52 million net cash inflow has been audited by us.

9. Based on our examination and according to the information and explanations given to us and as per the reliance placed on the examination report submitted by the Previous Auditor and Other Auditor, we report that Restated Ind AS Consolidated Summary Statement:

a) have been prepared after incorporating adjustments for the changes in accounting policies retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies as at and for the year ended 31 March 2021;

b) does not contain any qualifications requiring adjustments in the audited Ind AS consolidated financial statements of the Group as at and for each of the years ended 31 March 2021, 31 March 2020 and 31 March 2019; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

10. We have not audited any financial statements of the Group as of any date or for any period subsequent to 31 March 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to 31 March 2021.

11. The Restated Ind AS Consolidated Summary Statement do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditor or the Other Auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filed with SEBI and ROC in connection with the proposed Offering. Our report should not be used, referred to, or distributed for any other purpose.

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

_____

per Navneet Rai Kabra
Partner
Membership Number: 102328
UDIN: 21102328AAAADE6450

Place of Signature: Hyderabad
Date: 25 May 2021

Annexure A

(i) Details of entities for the years not audited by current auditor and name of the other auditor for the respective years and details of entities for the years not examined by current auditor and the restated financial information examined by other auditor

Name of the entity	Name of the audit firm	Years covered	Component type
KIMS Hospital (Bhubaneswar) Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2021 31 March 2020	Subsidiary
KIMS Cuddles Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2021 31 March 2020	Subsidiary
KIMS Hospitals Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2021 31 March 2020	Subsidiary
KIMS Swastha Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2021 31 March 2020	Subsidiary

(ii) Details of entities for the year not audited by previous auditor and name of the other auditor for the respective year:

Name of the entity	Name of the audit firm	Year covered	Component type
KIMS Hospital (Bhubaneswar) Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Cuddles Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Hospitals Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Swastha Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Sahariah Healthcare Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
Saveera Institute of Medical Sciences Limited	S.R. Batliboi & Associates LLP., Chartered Accountants	31 March 2019	Subsidiary

(iii) Details of entities for the year not examined by previous auditor and the restated financial information examined by other auditor

Name of the entity	Name of the audit firm	Year covered	Component type
KIMS Hospital (Bhubaneswar) Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Cuddles Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Hospitals Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Swastha Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
KIMS Sahariah Healthcare Private Limited	B Naga Bhushan & Co., Chartered Accountants	31 March 2019	Subsidiary
Saveera Institute of Medical Sciences Limited	S.R. Batliboi & Associates LLP., Chartered Accountants	31 March 2019	Subsidiary

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure I - Restated Ind AS Consolidated Summary Statement of Assets and Liabilities
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	Annexure VI Note	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
ASSETS				
Non-current assets				
Property, plant and equipment	1 (a)	7,706.26	7,488.81	7,079.93
Capital work-in-progress	1 (a)	92.44	22.32	2.32
Goodwill	38	847.75	847.75	751.90
Other intangible assets	1 (b)	247.43	262.39	264.11
Right-of-use assets	26	509.34	560.81	556.07
Financial assets				
(i) Loans	2 (a)	163.72	47.18	39.81
(ii) Other financial assets	3 (a)	28.48	1.13	24.37
Deferred tax assets (net)	37	29.35	14.16	37.97
Non-current tax assets (net)	8	103.70	386.58	328.01
Other non-current assets	4	121.12	129.48	374.14
Total non-current assets		**9,849.59**	**9,760.61**	**9,458.63**
Current assets				
Inventories	5	240.85	303.77	268.61
Financial assets				
(i) Trade receivables	6	1,098.19	1,322.68	1,232.69
(ii) Cash and cash equivalents	7 (a)	521.29	405.14	80.63
(iii) Bank balances other than (ii) above	7 (b)	2,323.13	52.13	21.36
(iv) Loans	2 (b)	22.63	17.53	15.19
(v) Other financial assets	3 (b)	234.99	54.26	87.59
Other current assets	9	70.87	42.78	32.43
Total current assets		**4,511.95**	**2,198.29**	**1,738.50**
Total assets		**14,361.54**	**11,958.90**	**11,197.13**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	10 (a)	775.93	744.90	744.90
Other equity	10 (b)	7,861.41	5,236.35	4,661.70
Total equity attributable to owners of the Company		**8,637.34**	**5,981.25**	**5,406.60**
Non-controlling interests		124.61	133.05	262.51
Total equity		**8,761.95**	**6,114.30**	**5,669.11**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	11	1,846.03	2,687.17	2,427.27
(ii) Lease liabilities	26	433.40	455.53	455.19
(iii) Other financial liabilities	12 (a)	5.59	7.10	5.81
Provisions	13	160.64	137.08	101.89
Other non-current liabilities	17 (a)	12.37	12.86	13.48
Deferred tax liabilities (net)	37	358.31	356.73	515.65
Total non-current liabilities		**2,816.34**	**3,656.47**	**3,519.29**
Current liabilities				
Financial liabilities				
(i) Borrowings	14	552.67	101.11	175.53
(ii) Lease liabilities	26	25.62	24.00	28.25
(iii) Trade payables	15			
(a) Total outstanding dues of micro enterprises and small enterprises; and		17.90	25.08	1.36
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,300.80	1,209.26	1,039.23
(iv) Other financial liabilities	12 (b)	467.26	628.13	476.70
Provisions	16	104.86	73.47	60.51
Other current liabilities	17 (b)	227.13	127.08	131.88
Current tax liabilities (net)		87.01	-	95.27
Total current liabilities		**2,783.25**	**2,188.13**	**2,008.73**
Total equity and liabilities		**14,361.54**	**11,958.90**	**11,197.13**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

As per our report on even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**

Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

per Navneet Rai Kabra
Partner
Membership No. 102328

Dr. Bhaskara Rao Bollineni
Managing Director
DIN: 00008985

Dr. Abhinay Bollineni
Chief Executive Officer
DIN: 01681273

Mr. Vikas Maheshwari
Chief Financial Officer

Mr. Uma Shanker Mantha
Company Secretary
Membership No:-A21035

Place: Hyderabad
Date: 25 May 2021

Place: Hyderabad
Date: 25 May 2021

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure II - Restated Ind AS Consolidated Summary Statement of Profits and Losses
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

	Annexure VI Note	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue				
Revenue from operations	18	13,299.37	11,226.45	9,180.05
Other income	19	101.65	60.83	58.64
Total income		**13,401.02**	**11,287.28**	**9,238.69**
Expenses				
Purchase of medical consumables, drugs and surgical instruments		2,826.39	2,572.16	2,169.26
(Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments	20	62.92	(30.48)	(67.19)
Employee benefits expense	21	2,202.09	1,980.46	1,630.28
Finance costs	22	324.97	399.42	457.49
Depreciation and amortisation expense	23	695.36	706.11	564.56
Other expenses	24	4,499.14	4,254.35	4,638.10
Total expenses		**10,610.87**	**9,882.02**	**9,392.50**
Profit/(loss) before tax expense		**2,790.15**	**1,405.26**	**(153.81)**
Tax expense	37			
- Current tax		778.39	432.98	386.09
- Deferred tax credit		(33.03)	(154.79)	(53.98)
- Adjustments of tax relating to earlier years		(10.00)	(23.65)	2.15
Total tax expense		**735.36**	**254.54**	**334.26**
Profit/ (loss) for the year		**2,054.79**	**1,150.72**	**(488.07)**
Other comprehensive income				
Items that will not be reclassified subsequently to profit and loss				
- Re-measurement losses on defined benefit plans		(6.28)	(13.43)	(18.84)
- Income tax effect		1.64	3.42	6.64
Other comprehensive loss, net of tax		**(4.64)**	**(10.01)**	**(12.20)**
Total comprehensive profit/ (loss) for the year		**2,050.15**	**1,140.71**	**(500.27)**
Profit/ (loss) attributable to:				
Owners of the Company		2,012.19	1,191.83	(477.69)
Non-controlling interests		42.60	(41.11)	(10.38)
Profit/ (loss) for the year		**2,054.79**	**1,150.72**	**(488.07)**
Other comprehensive loss attributable to:				
Owners of the Company		(4.98)	(9.59)	(12.51)
Non-controlling interests		0.34	(0.42)	0.31
Other comprehensive loss for the year		**(4.64)**	**(10.01)**	**(12.20)**
Total comprehensive income attributable to:				
Owners of the Company		2,007.21	1,182.24	(490.20)
Non-controlling interests		42.94	(41.53)	(10.07)
Total comprehensive profit/ (loss) for the year		**2,050.15**	**1,140.71**	**(500.27)**
Earnings per equity share (face value of share Rs. 10 each)	29			
- Basic		26.87	16.00	(6.91)
- Diluted		26.42	15.87	(6.91)

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

As per our report of even date attached.

for S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

per Navneet Rai Kabra
Partner
Membership No. 102328

Dr. Bhaskara Rao Bollineni
Managing Director
DIN: 00008985

Dr. Abhinay Bollineni
Chief Executive Officer
DIN: 01681273

Mr. Vikas Maheshwari
Chief Financial Officer

Mr. Uma Shanker Mantha
Company Secretary
Membership No:-A21035

Place: Hyderabad
Date: 25 May 2021

Place: Hyderabad
Date: 25 May 2021

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure III - Restated Ind AS Consolidated Summary Statement of Changes in Equity
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

a) Equity Share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid	Number of shares	Amount (A)
Balance as at 1 April 2018	**50,149,732**	**501.50**
Add: Conversion of financial liability to equity (refer note 10(a)(vi))	21,474,864	214.75
Add: Shares issued during the year	2,864,956	28.65
Balance as at 31 March 2019	**74,489,552**	**744.90**
Add: Shares issued during the year	-	-
Balance as at 31 March 2020	**74,489,552**	**744.90**
Add: Shares issued during the year	3,103,731	31.03
Balance as at 31 March 2021	**77,593,283**	**775.93**

b) Other equity

Particulars	Other equity attributable to the owners of the Company				Total other equity (B)	Non-controlling interest (C)	Total equity (A+B+C)
	Reserve and surplus			Share warrants			
	Securities premium	Adjustment reserve	Retained earnings				
Balance as at 1 April 2018	**292.98**	**57.64**	**(2,434.64)**	**-**	**(2,084.02)**	**212.58**	**(1,369.94)**
Loss for the year	-	-	(477.69)	-	(477.69)	(10.38)	(488.07)
Shares issued during the year	851.35	-	-	-	851.35	-	880.00
Share warrants issued during the year	-	-	-	3.10	3.10	-	3.10
Conversion of financial liability into equity (refer note refer note 10(a)(vi))	6,381.47	-	-	-	6,381.47	-	6,596.22
Acquisition of a subsidiaries (refer note 34)	-	-	-	-	-	60.00	60.00
Other comprehensive income/ (loss) for the year	-	-	(12.51)	-	(12.51)	0.31	(12.20)
Balance as at 31 March 2019	**7,525.80**	**57.64**	**(2,924.84)**	**3.10**	**4,661.70**	**262.51**	**5,669.11**
Ind AS 116 transition adjustment (refer Annexure VII)	-	-	13.56	-	13.56	11.28	24.84
Balance as at 1 April 2019	**7,525.80**	**57.64**	**(2,911.28)**	**3.10**	**4,675.26**	**273.79**	**5,693.95**
Profit/ (loss) for the year	-	-	1,191.83	-	1,191.83	(41.11)	1,150.72
Acquisition of a subsidiary (refer note 34)	-	-	-	-	-	(11.60)	(11.60)
Acquisition of non controlling interests (refer note 34)	-	-	(621.15)	-	(621.15)	(87.61)	(708.76)
Other comprehensive loss for the year	-	-	(9.59)	-	(9.59)	(0.42)	(10.01)
Balance as at 31 March 2020	**7,525.80**	**57.64**	**(2,350.19)**	**3.10**	**5,236.35**	**133.05**	**6,114.30**
Profit for the year	-	-	2,012.19	-	2,012.19	42.60	2,054.79
Shares issued during the year	922.30	-	-	(3.10)	919.20	-	950.23
Acquisition of non controlling interests (refer note 34)	-	-	(301.35)	-	(301.35)	(51.38)	(352.73)
Other comprehensive loss for the year	-	-	(4.98)	-	(4.98)	0.34	(4.64)
Balance as at 31 March 2021	**8,448.10**	**57.64**	**(644.33)**	**-**	**7,861.41**	**124.61**	**8,761.95**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

As per our report of even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: 25 May 2021

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. Bhaskara Rao Bollineni
Managing Director
DIN: 00008985

Dr. Abhinay Bollineni
Chief Executive Officer
DIN: 01681273

Mr. Vikas Maheshwari
Chief Financial Officer

Mr. Uma Shanker Mantha
Company Secretary
Membership No:-A21035

Place: Hyderabad
Date: 25 May 2021

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure IV - Restated Ind AS Consolidated Summary Statement of Cash Flow
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash flows from operating activities**			
	Profit/ (loss) before tax	2,790.15	1,405.26	(153.81)
	Adjustments for:			
	Depreciation and amortisation expense	695.36	706.10	564.56
	Finance costs	324.97	399.42	457.49
	Expected credit loss for trade receivables	38.77	46.62	180.96
	Trade receivables written off	8.26	5.68	47.83
	Interest income	(57.99)	(12.63)	(5.68)
	Rental income	(7.09)	(7.86)	(7.70)
	Loss on sale of property, plant and equipment (net)	10.79	12.52	1.52
	Loss on fair value changes in financial instrument	-	-	871.27
	Liabilities/ provisions no longer required written back	(7.52)	(4.54)	(21.59)
	Operating profit before working capital changes	**3,795.70**	**2,550.57**	**1,934.85**
	Movement in working capital			
	(Increase)/ decrease in inventories	62.92	(30.48)	(57.36)
	(Increase)/ decrease in trade receivables	177.46	(132.61)	(316.44)
	(Increase)/ decrease in other financial assets and other assets	(338.11)	29.90	67.73
	Increase in trade payables, other financial liabilities and provisions	239.20	134.34	24.84
	Cash generated by operations	**3,937.17**	**2,551.72**	**1,653.62**
	Income taxes paid, net of refunds	(377.44)	(536.72)	(314.58)
	Net cash flows from operating activities (A)	**3,559.73**	**2,015.00**	**1,339.04**
B	**Cash flows from investing activities**			
	Purchase of property, plant and equipment, capital work in progress and intangible assets	(944.26)	(519.80)	(773.49)
	Proceeds from sale of property, plant and equipment and intangible assets	8.42	5.13	2.13
	Acquisition of subsidiaries, net of cash acquired	-	(17.10)	(66.72)
	Acquisition of a business, net of cash acquired	-	-	(197.27)
	Acquisition of non controlling interest	(352.73)	(710.34)	-
	Lease income received	7.09	7.86	7.70
	Advance for purchase of subsidiary	-	-	(60.00)
	Interest received	35.47	11.05	5.54
	Redemption of bank deposits (having original maturity of more than three months)	113.82	146.45	269.43
	Investment in bank deposits (having original maturity of more than three months)	(2,409.59)	(170.36)	(284.96)
	Net cash flows used in investing activities (B)	**(3,541.78)**	**(1,247.11)**	**(1,097.64)**
C	**Cash flows from financing activities**			
	Repayment of long-term borrowings	(1,413.97)	(715.38)	(1,863.78)
	Proceeds from long-term borrowings	455.05	808.76	1,302.70
	(Repayment of)/ proceeds from short-term borrowings (net)	451.56	(116.47)	(250.91)
	Payment of lease liabilities (including interest on lease liabilities)	(73.13)	(90.15)	(80.56)
	Proceeds from issue of shares	950.23	-	880.00
	Proceeds from issue of share warrants	-	-	3.10
	Finance costs paid	(271.55)	(330.14)	(260.94)
	Net cash flows generated from / (used in) financing activities (C)	**98.20**	**(443.38)**	**(270.39)**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)	**116.15**	**324.51**	**(28.99)**
	Cash and cash equivalents at the beginning of the year	405.14	80.63	109.62
	Cash and cash equivalents at the end of the year	**521.29**	**405.14**	**80.63**

Note:
a) Cash and cash equivalents comprises of:

	As at		
	31 March 2021	**31 March 2020**	**31 March 2019**
Cash on hand	15.21	24.04	12.56
Balances with banks			
- On current accounts	306.08	301.10	68.07
In deposit accounts (with original maturity of 3 months or less)	200.00	80.00	-
Total	**521.29**	**405.14**	**80.63**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

for **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: 25 May 2021

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. Bhaskara Rao Bollineni
Managing Director
DIN: 00008985

Dr. Abhinay Bollineni
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Mr. Vikas Maheshwari
Chief Financial Officer

Mr. Uma Shanker Mantha
Company Secretary

Place: Hyderabad
Date: 25 May 2021

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure V - Summary Statement of Significant Accounting Policies and other explanatory information forming part of Restated Ind AS Consolidated Summary Statement

1.1 Group Overview

The Restated Ind AS Consolidated Summary Statement comprise financial statements of Krishna Institute of Medical Sciences Limited, ("the Company" or "Parent") and its subsidiaries (collectively, the Group). The company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at D. No. 1-8-31/1, Minister's Road, Secunderabad, Telangana, India - 500003.

The Group is principally engaged in the business of rendering medical and healthcare services. Information on the Group's structure is provided in Note 1.3(A). Information on other related party relationships of the Group is provided in Note 28.

The Company was originally incorporated on 26 July 1973 under the name "Jagjit Singh and Sons Private Limited" which was subsequently changed to "Krishna Institute of Medical Sciences Private Limited" on 2 January 2004. The Company was converted into a public limited company under the Companies Act, 1956 on 29 January 2004 and consequently, the name was changed to "Krishna Institute of Medical Sciences Limited".

The Restated Ind AS Consolidated Summary Statement were approved for issue in accordance with a resolution of the directors on 25 May 2021.

1.2 Basis of preparation of Restated Ind AS Consolidated Summary Statement

a) Statement of compliance:

Basis of preparation

The Restated Ind AS Consolidated Summary Statement of assets and liabilities of the Group as at 31 March 2021, 31 March 2020 and 31 March 2019 and the related Restated Ind AS Consolidated Summary Statement of profits and losses, Restated Ind AS Consolidated Summary Statement of Changes in Equity and Restated Ind AS Consolidated Summary Statement of Cash Flow for the each of the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and accompanying annexures to Restated Ind AS Consolidated Summary Statement (hereinafter collectively called "Restated Ind AS Consolidated Summary Statement") have been prepared specifically for inclusion in the red herring prospectus to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed initial public offer of equity shares of Rs. 10 each of the Company (the "Offering").

These Restated Ind AS Consolidated Summary Statement have been prepared to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 and
c) Guidance note on Reports in Company Prospectuses (Revised 2019) ("Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

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Annexure V - Significant accounting policies forming part of Restated Ind AS Consolidated Summary Statement

The Restated Ind AS Consolidated Summary Statement has been compiled from the audited consolidated financial statements of the Group as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 which were prepared in accordance with the Indian Accounting Standards 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 (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on 25 May 2021, 21 July 2020 and 03 July 2019 respectively.

The accounting policies have been consistently applied by the Group in preparation of the Restated Ind AS Consolidated Summary Statement and are consistent with those adopted in the preparation of consolidated financial statements for the year ended 31 March 2021. These Restated Ind AS Consolidated Summary Statement do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above. These audited consolidated financial statements have been prepared on a going concern basis.

The Restated Ind AS Consolidated Summary Statement are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR millions, except share data or unless otherwise stated.

These notes provide a list of the significant accounting policies adopted in the preparation of these Restated Ind AS Consolidated Summary Statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

b) Basis of measurement:

The Restated Ind AS Consolidated Summary Statement have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value - refer accounting policy regarding financial instruments
Defined benefit plan	Plan assets measured at fair value

c) Functional and presentation currency:

The Group's Restated Ind AS Consolidated Summary Statement are presented in Indian rupee (INR), which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

d) Significant accounting judgement, estimates and assumptions:

The preparation of Group's Restated Ind AS Consolidated Summary Statement in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions that affect the reported balances of revenue, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Krishna Institute of Medical Sciences Limited
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Annexure V - Significant accounting policies forming part of Restated Ind AS Consolidated Summary Statement

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the Restated Ind AS Consolidated Summary Statement.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Restated Ind AS Consolidated Summary Statement were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 37 – Recognition of deferred tax assets, availability of future taxable profit against which tax losses carried forward can be used.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note 27 - Measurement of defined benefit obligations, key actuarial assumptions. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model ("DCF model"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group. Refer note 38.

Classification of financial instruments as equity

The Company has entered into Shareholders agreement ('SHA") with private equity ("PE" or the "Investors") investors for purchase of equity shares. As per the terms of the SHA, the Company needs to provide an exit to Investor either through an Initial Public Offering ("IPO") based on best effort basis, till such time that IPO is successful or Marketed sale process based on best effort basis, which are in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity.

1.3 Significant accounting policies

A. Basis of consolidation

The Restated Ind AS Consolidated Summary Statement comprise the financial statements of the Company and its subsidiaries as at 31 March 2021, 31 March 2020 and 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

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Annexure V - Significant accounting policies forming part of Restated Ind AS Consolidated Summary Statement

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Ind AS Consolidated Summary Statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Ind AS Consolidated Summary Statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Ind AS Consolidated Summary Statement for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Ind AS Consolidated Summary Statement 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. When the end of the reporting period of the parent 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 parent to enable the parent 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 parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Ind AS Consolidated Summary Statement at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory, property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Ind AS Consolidated Summary Statement. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure V - Significant accounting policies forming part of Restated Ind AS Consolidated Summary Statement

The Restated Ind AS Consolidated Summary Statement as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 have been prepared on the basis of the financial statements of the following subsidiaries which are principally engaged in the business of rendering medical and healthcare services and incorporated in India.

Name of the Company	Ownership interest (in %)		
	31 March 2021	31 March 2020	31 March 2019
Arunodaya Hospitals Private Limited ('AHPL')	57.83	57.83	57.83
KIMS Hospital Enterprises Private Limited ('KHEPL')	86.32	75.26	50.27
Iconkrishi Institute of Medical Sciences Private Limited ('ICIMSPL') (Note 1)	51.00	51.00	51.00
Saveera Institute of Medical Sciences Private Limited ('SIMSPL') (Note 1)	80.00	80.00	80.00
KIMS Hospitals Private Limited ('KHPL')	100.00	100.00	100.00
KIMS Swastha Private Limited ('KSPL')	100.00	100.00	100.00
KIMS Cuddles Private Limited ('KCPL') (Note 3)	100.00	100.00	100.00
KIMS Hospital (Bhubaneswar) Private Limited ('KHBPL')	100.00	100.00	100.00
KIMS Hospital Kurnool Private Limited ('KHKPL') (Formerly known as "Kurnool Rainbow Hospitals Private Limited")	55.00	55.00	-
KIMS Sahariah Healthcare Private Limited ('KSHPL') (Note 2)	-	-	-

Notes:

1. The Company has acquired the controlling stake in ICIMSPL and SIMSPL on 05 May 2018 and 05 September 2018, respectively.
2. KSHPL was wounded during the year ended 31 March 2019.
3. KCPL has filed necessary closure forms for strike off with Registrar of Companies (RoC) on February 9, 2021.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling 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.

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 liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- 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.

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.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and it's subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, 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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

B. Current–non-current classification

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 held primarily for the purpose of being traded;
iii. it is expected to be realised within 12 months after the reporting date; or
iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

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

i. it is expected to be settled in the Group's normal operating cycle;
ii. it is held primarily for the purpose of being traded;
iii. it is due to be settled within 12 months after the reporting date; or
iv. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

C. 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 Restated Ind AS Consolidated Summary Statement 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 Restated Ind AS Consolidated Summary Statement 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.

The Group's Chief Financial officer determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for other non-recurring measurement.

At each reporting date, the Group's Chief Financial officer analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Group recognises 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 Note 33 – financial instruments.

D. Revenue from contract with customer

The Group's revenue from medical and healthcare services comprises of income from hospital services and sale of pharmacy items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Income from hospital services comprises of fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities. Revenue is recognised at the point in time for the outpatient hospital services when the related services are rendered at the transaction price. With respect to the inpatients hospital services who are undergoing treatment/ observation on the balance sheet date, revenue is recognised over the period to the extent of services rendered.

Revenue from sale of pharmacy and food and beverages (other than hospital services), where the performance obligation is satisfied at a point in time, is recognised when the control of goods is transferred to the customer.

Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received.

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.

The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Contract Balances:

Contract assets represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.
Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (n) Financial instruments – initial recognition and subsequent measurement.

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 instruments – initial recognition and subsequent measurement.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

Interest on deposits, loans and debt instruments are measured at amortized cost. interest income is recorded using the Effective Interest Rate (EIR). EIR 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 gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Restated Ind AS Consolidated Summary Statement of profits and losses.

E. Income-tax

The Income-tax expense comprises current tax and deferred tax. It is recognised in Restated Ind AS Consolidated Summary Statement of profits and losses except to the extent that is relates to an item recognised directly in equity or in 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 establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the Restated Ind AS Consolidated Summary Statement of profits and losses 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 Restated Ind AS Consolidated Summary Statement of profits and losses 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.

F. Property, plant and equipment

Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, 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 located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the Restated Ind AS Consolidated Summary Statement of profits and losses as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The Group has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

De recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de- recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Restated Ind AS Consolidated Summary Statement of profits and losses when the item is derecognized.

Depreciation

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Group has estimated the following useful lives to provide depreciation on its Property, plant and equipment which are in compliance with the Schedule II of Companies Act, 2013:

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	13-14
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment as below:

- Individual asset not exceeding Rs. 5,000 have been fully depreciated in the year of purchase.
- Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised.
- Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is shorter.

The residual values, useful lives, and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

G. 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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Restated Ind AS Consolidated Summary Statement of profits and losses unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

De recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Ind AS Consolidated Summary Statement of profits and losses. when the asset is derecognised.

The Group has elected to continue with the carrying value for all of its other intangibles recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6
Brand	5
Non-Compete fee	5
Customer Contract	5

H. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use 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.

I. Leases

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 a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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 accumulated 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 Impairment of non-financial assets.

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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

J. Inventories

The inventories comprising of medical consumables and pharmacy items are valued at lower of cost or net realisable value. 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. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The Group follows the weighted average method for determining the cost of such inventories. The Comparison of cost and net realisable value is made on item by item basis.

K. 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.
The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For 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 in which the Group operates, or for the market in which the asset is used.

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 Restated Ind AS Consolidated Summary Statement of profits and losses 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 annually as at 31 March and 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.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

L. Provisions

Provisions are recognised when the Group has 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 and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Restated Ind AS Consolidated Summary Statement of profits and losses net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not 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 its existence in the Restated Ind AS Consolidated Summary Statement.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the Restated Ind AS Consolidated Summary Statement.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure V - Significant accounting policies forming part of Restated Ind AS Consolidated Summary Statement

M. Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The gratuity scheme is administered by third party. Re-measurements 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 the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes to the defined benefit liability (asset) as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Restated Ind AS Consolidated Summary Statement of profits and losses. The Group recognises gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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 in the Restated Ind AS Consolidated Summary Statement of profits and losses on the earlier of amendment or curtailment.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Restated Ind AS Consolidated Summary Statement of profits and losses:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the relative 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 the past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated absences

As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

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. The group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the Restated Ind AS Consolidated Summary Statement of Profits and Losses and are not deferred. The obligations are presented as current liabilities in the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

N. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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 OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to following categories

- Financial assets at amortised cost
- Financial assets at fair value through OCI (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

This category is the most relevant to the Group. 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 interest income in the Restated Ind AS Consolidated Summary Statement of profits and losses. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets. For more information on receivables, refer to Note 33.

Financial assets at fair value through OCI (FVTOCI)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group's debt instruments are not fair value through OCI assets.

Financial assets at fair value through profit or loss

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

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity instruments 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 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 recognized in the Restated Ind AS Consolidated Summary Statement of profits and losses.

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.

Derecognition

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. 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.

Impairment of financials 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:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

- 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.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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 recognizing impairment loss allowance based on 12-month ECL.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, 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 including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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.

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/ losses are not subsequently transferred to Restated Ind AS Consolidated Summary Statement of profits and losses. 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 Restated Ind AS Consolidated Summary Statement of profits and losses. The Group has not designated any financial liability as at fair value through profit or loss.

Financial instrument are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Group classified as equity is carried at its transaction value and shown within "equity". Financial instrument issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the Restated Ind AS Consolidated Summary Statement of profits and losses.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. 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 Restated Ind AS Consolidated Summary Statement of profits and losses. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet 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.

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 Restated Ind AS Consolidated Summary Statement of profits and losses.

O. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated 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 Group's cash management.

P. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders of parent Company for the year by the weighted average number of equity shares outstanding during the year.

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

Q. 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 is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

R. Corporate social responsibility

The Group charges its Corporate Social Responsibility expenditure to the Restated Ind AS Consolidated Summary Statement of profits and losses.

S. 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 Restated Ind AS Consolidated Summary Statement. Otherwise, events after the Restated Ind AS Consolidated Summary Statement date of material size or nature are only disclosed.

Krishna Institute of Medical Sciences Limited

CIN: U55101TG1973PLC040558

Annexure VI : Notes to Restated Ind AS Consolidated Summary Statement

(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

1 (a) Property, plant and equipment ('PPE') and capital work-in-progress

Particulars	Freehold land	Leasehold land (Refer note 3 below)	Leasehold improvement	Buildings	Medical and surgical equipment	Plant and equipment	Office equipment	Electrical equipment	Computers	Furniture and fixtures	Vehicles	Total of property, plant and equipment	Capital work-in - progress
Gross carrying amount													
Balance as at 31 March 2018	**94.65**	**274.37**	**150.43**	**3,485.95**	**2,418.21**	**231.70**	**38.27**	**348.38**	**62.89**	**261.79**	**44.68**	**7,411.32**	**-**
Reclassified on adoption of Ind AS 116 (refer note 26)	-	(122.55)	-	-	(50.65)	-	-	-	-	-	-	(173.20)	-
Balance as at 1 April 2018	**94.65**	**151.82**	**150.43**	**3,485.95**	**2,367.56**	**231.70**	**38.27**	**348.38**	**62.89**	**261.79**	**44.68**	**7,238.12**	**-**
Acquisition through business combinations (refer note 34)	-	-	-	253.58	219.03	21.66	6.82	15.78	7.88	11.56	2.79	539.10	-
Additions	24.90	-	-	85.91	344.16	5.99	4.91	13.74	22.04	17.58	3.05	522.28	38.68
Disposals	-	-	-	-	(4.10)	-	-	-	-	-	(1.68)	(5.78)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(36.36)
Balance as at 31 March 2019	**119.55**	**151.82**	**150.43**	**3,825.44**	**2,926.65**	**259.35**	**50.00**	**377.90**	**92.81**	**290.93**	**48.84**	**8,293.72**	**2.32**
Acquisition through business combinations (refer note 34)	-	-	-	193.90	63.49	12.36	2.16	38.62	6.28	28.73	0.05	345.59	-
Additions	95.81		20.27	70.48	357.81	17.09	17.06	25.19	43.02	31.17	15.95	693.85	59.19
Disposals	-	-	-	-	(24.02)	-	-	(1.30)	-	(0.28)	(2.23)	(27.83)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(39.19)
Balance as at 31 March 2020	**215.36**	**151.82**	**170.70**	**4,089.82**	**3,323.93**	**288.80**	**69.22**	**440.41**	**142.11**	**350.55**	**62.61**	**9,305.33**	**22.32**
Additions	348.55	-	21.38	43.89	329.48	4.09	3.77	25.15	38.16	29.95	4.50	848.92	116.14
Disposals	(0.14)	-	-	-	(47.10)	-	(0.26)	-	(1.73)	-	(0.38)	(49.61)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	-	-	-	(46.02)
Balance as at 31 March 2021	**563.77**	**151.82**	**192.08**	**4,133.71**	**3,606.31**	**292.89**	**72.73**	**465.56**	**178.54**	**380.50**	**66.73**	**10,104.64**	**92.44**
Accumulated depreciation													
Balance as at 31 March 2018	**-**	**-**	**0.01**	**108.51**	**423.58**	**22.11**	**17.62**	**88.41**	**23.15**	**53.59**	**8.10**	**745.08**	**-**
Reclassified on adoption of Ind AS 116 (refer note 26)	-	-	-	-	(26.59)	-	-	-	-	-	-	(26.59)	-
Balance as at 1 April 2018	**-**	**-**	**0.01**	**108.51**	**396.99**	**22.11**	**17.62**	**88.41**	**23.15**	**53.59**	**8.10**	**718.49**	**-**
Depreciation charge for the year	-	-	2.78	64.49	280.57	20.55	9.64	51.40	24.77	36.37	6.86	497.43	-
Disposals	-	-	-	-	(1.45)	-	-	-	-	-	(0.68)	(2.13)	-
Balance as at 31 March 2019	**-**	**-**	**2.79**	**173.00**	**676.11**	**42.66**	**27.26**	**139.81**	**47.92**	**89.96**	**14.28**	**1,213.79**	**-**
Depreciation charge for the year	-	-	42.38	72.61	318.97	22.58	10.64	58.35	37.98	43.05	8.01	614.57	-
Disposals	-	-	-	-	(9.67)	-	-	(0.62)	-	-	(1.55)	(11.84)	-
Balance as at 31 March 2020	**-**	**-**	**45.17**	**245.61**	**985.41**	**65.24**	**37.90**	**197.54**	**85.90**	**133.01**	**20.74**	**1,816.52**	**-**
Depreciation charge for the year	-	-	12.93	73.09	348.78	22.89	11.00	59.59	31.56	44.05	8.37	612.26	-
Disposals	-	-	-	-	(29.89)	-	(0.02)	-	(0.11)	-	(0.38)	(30.40)	-
Balance as at 31 March 2021	**-**	**-**	**58.10**	**318.70**	**1,304.30**	**88.13**	**48.88**	**257.13**	**117.35**	**177.06**	**28.73**	**2,398.38**	**-**
Carrying amounts (net)													
At 31 March 2021	**563.77**	**151.82**	**133.98**	**3,815.01**	**2,302.01**	**204.76**	**23.85**	**208.43**	**61.19**	**203.44**	**38.00**	**7,706.26**	**92.44**
At 31 March 2020	**215.36**	**151.82**	**125.53**	**3,844.21**	**2,338.52**	**223.56**	**31.32**	**242.87**	**56.21**	**217.54**	**41.87**	**7,488.81**	**22.32**
At 31 March 2019	**119.55**	**151.82**	**147.64**	**3,652.44**	**2,250.54**	**216.69**	**22.74**	**238.09**	**44.89**	**200.97**	**34.56**	**7,079.93**	**2.32**

Notes:

1. Buildings amounting to gross block Rs. 75.06 (31 March 2020: Rs. 75.06, 31 March 2019: Rs. 75.06) and net block Rs. 56.05 (31 March 2020: Rs. 56.88, 31 March 2019: Rs. 57.99) are constructed on the land taken on lease from promoters for a period of 30 years without making any upfront payment and renewable at the option of the Group.

2. Refer note 11 and note 14 for details of assets pledged as security against borrowings of the Group.

3. Lease hold land that is remaining in PPE schedule is related to land taken on perpetual lease.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

1 (b) Other intangible assets

Particulars	Software	Brand	Non compete	Customer contract	Total
Gross carrying amount					
Balance as at 1 April 2018	**20.94**	**-**	**-**	**-**	**20.94**
Acquisition through business combinations (refer note 34)	1.36	13.10	28.30	188.02	230.78
Additions	34.20	-	-	-	34.20
Balance as at 31 March 2019	**56.50**	**13.10**	**28.30**	**188.02**	**285.92**
Acquisition through business combinations (refer note 34)	-	12.14	-	-	12.14
Additions	20.32	-	-	-	20.32
Disposals/adjustments	(1.77)	-	-	-	(1.77)
Balance as at 31 March 2020	**75.05**	**25.24**	**28.30**	**188.02**	**316.61**
Additions	15.09	-	-	-	15.09
Balance as at 31 March 2021	**90.14**	**25.24**	**28.30**	**188.02**	**331.70**
Accumulated amortisation					
Balance as at 1 April 2018	**7.46**	**-**	**-**	**-**	**7.46**
Amortisation charge for the year	7.37	1.30	2.81	2.87	14.35
Balance as at 31 March 2019	**14.83**	**1.30**	**2.81**	**2.87**	**21.81**
Amortisation charge for the year	12.76	5.06	5.68	9.03	32.53
Disposals/adjustments	(0.12)	-	-	-	(0.12)
Balance as at 31 March 2020	**27.47**	**6.36**	**8.49**	**11.90**	**54.22**
Amortisation charge for the year	13.07	5.05	5.66	6.27	30.05
Balance as at 31 March 2021	**40.54**	**11.41**	**14.15**	**18.17**	**84.27**
Carrying amounts (net)					
As at 31 March 2021	**49.60**	**13.83**	**14.15**	**169.85**	**247.43**
At 31 March 2020	**47.58**	**18.88**	**19.81**	**176.12**	**262.39**
At 31 March 2019	**41.67**	**11.80**	**25.49**	**185.15**	**264.11**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

	As at		
	31 March 2021	**31 March 2020**	**31 March 2019**
2 Loans (at amortised cost)			
(Unsecured, considered good)			
(a) Non-current			
-To parties other than related parties			
Security deposits	163.72	47.18	39.81
Total	**163.72**	**47.18**	**39.81**
(b) Current			
-To parties other than related parties			
Security deposits	22.63	17.53	15.19
Total	**22.63**	**17.53**	**15.19**

No loans are due from directors or other officers of the Company either severally or jointly with any other person, nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

3 Other financial assets (at amortised cost)			
(a) Non-current (Unsecured, considered good)			
Bank deposits (due to mature after 12 months of reporting date)*	25.81	1.04	7.90
Interest accrued on bank deposits	2.67	0.09	1.12
Other receivable	-	-	15.35
Total	**28.48**	**1.13**	**24.37**

*Deposits amounting to Rs 4.23 (31 March 2020: Rs 1.04, 31 March 2019: Rs. 7.53) are restrictive in nature as it pertains to bank guarantee.

(b) Current (Unsecured, considered good)			
-To parties other than related parties			
Contract assets (Unbilled revenue) (refer note 18)	133.52	44.39	74.46
Other advances	-	6.57	2.43
IPO expenses recoverable (Refer note (i) below)	78.23	-	-
Interest accrued on bank deposits	23.24	3.30	0.69
- To related parties (refer note 28)			
Advance to related parties	-	-	10.01
-To parties other than related parties			
Other advances - credit impaired	0.32	0.32	0.32
Less: Other advances - credit impaired	(0.32)	(0.32)	(0.32)
Total	**234.99**	**54.26**	**87.59**

(i) During the year ended 31 March 2021, the Company has incurred share issue expenses in connection with proposed public offer of equity shares of which Rs. 78.23 is accounted for various services received for Initial Public Offering (IPO). As per the Offer Agreement entered between the Company and the selling shareholders, the selling shareholders shall reimburse the share issue expenses in proportion to the respective shares offered for sale. Accordingly, the Company will recover the expenses incurred in connection with the Issue on completion of IPO and therefore, the amount has been carried forward and disclosed under the head "IPO expenses recoverable" (to the extent of not written off or adjusted).

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

4 Other non-current assets			
(Unsecured, considered good)			
Capital advances**	39.90	75.85	249.22
Advance for purchase of shares [refer note 25(b)(II)(i)]	-	-	60.00
Balance with government authorities *	40.57	40.57	49.47
Prepaid expenses	40.65	13.06	15.45
Total	**121.12**	**129.48**	**374.14**

* Represents amount paid under protest.

** Includes a transaction entered between the Company and Dr. Bhaskara Rao Bollineni towards purchase of land for a total consideration Rs. 74.25. Out of the total consideration, an amount of Rs. 70.00 is paid as capital advance in 31 March 2019.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

5 Inventories			
(Valued at lower of cost or net realisable value)			
Medical consumables, drugs and surgical instruments	240.85	303.77	268.61
Total	**240.85**	**303.77**	**268.61**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

		As at		
		31 March 2021	31 March 2020	31 March 2019
6	**Trade receivables (at amortised cost)**			
	Unsecured			
	Trade receivables - considered good	1,098.19	1,322.68	1,232.69
	Trade receivables - credit impaired	411.87	373.10	326.48
	Total	**1,510.06**	**1,695.78**	**1,559.17**
	Impairment allowance (allowance for bad and doubtful debts)			
	Less: Trade receivable - credit impaired	(411.87)	(373.10)	(326.48)
	Total trade receivables	**1,098.19**	**1,322.68**	**1,232.69**

Includes amount receivables from related party amounting to Rs. 1.90 (31 March 2020 : Rs. 2.13, 31 March 2019: Rs. 2.21) (Refer Note: 28)

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.

Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

7	**Cash and bank balances**			
(a)	**Cash and cash equivalents**			
	Cash on hand	15.21	24.04	12.56
	Balances with banks			
	- on current accounts	306.08	301.10	68.07
	- on deposit accounts (with original maturity of 3 months or less)	200.00	80.00	-
		521.29	**405.14**	**80.63**
(b)	**Bank balances other than (a) above**			
	Deposits with remaining maturity less than 12 months*	2,323.13	52.13	21.36
		2,323.13	**52.13**	**21.36**
	Total	**2,844.42**	**457.27**	**101.99**

Balance with banks on deposit accounts are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

*Deposits amounting to Rs 1.96 (31 March 2020: Rs 31.08, 31 March 2019: 21.36) are restrictive in nature as it pertains to bank guarantee. These guarantees are maturing within 12 months of the reporting date.

Reconciliation of financial liabilities forming part of financing activities in accordance with Ind AS 7:

	As at		
	31 March 2021	31 March 2020	31 March 2019
Borrowings (Long-term and short-term):			
Opening balance	3,207.79	2,880.97	7,032.12
Proceeds from/ (repayment of) borrowings, net	(507.36)	(23.09)	(811.99)
Additions through business combinations (refer note 34)	-	339.30	646.22
Non-cash items (Borrowing cost amortisation and interest accrual on financial liability)	4.25	10.61	10.43
Liability component of Financial instrument converted into Equity (refer note 10 (a) (vi))	-	-	(3,995.81)
Closing balance	**2,704.68**	**3,207.79**	**2,880.97**
Lease liabilities:			
Opening balance	478.18	482.09	-
Reclassification on adoption of Ind AS 116 (refer note 26)			38.60
Recognised on adoption of Ind AS 116 (refer note 26)	-	-	462.24
Additions	1.58	26.95	-
Payment of lease liabilities	(73.13)	(90.15)	(80.56)
Interest accrued on lease liabilities	51.04	59.29	61.81
Closing balance	**457.67**	**478.18**	**482.09**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

8	**Non-current tax assets (net)**			
	Advance tax (net of provision for taxation)	103.70	386.58	328.01
	Total	**103.70**	**386.58**	**328.01**

9	**Other current assets**			
	(Unsecured, considered good)			
	Advance to suppliers	25.53	17.09	10.87
	Prepaid expenses	27.30	10.28	9.43
	Staff advances	18.02	15.39	9.19
	Other advances	-	-	2.92
	Other receivables	0.02	0.02	0.02
	Total	**70.87**	**42.78**	**32.43**

Krishna Institute of Medical Sciences Limited
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Annexure VI : Notes to Restated Ind AS Consolidated Summary Statement
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

10 (a) Equity share capital	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Authorised Share Capital			
Equity shares			
95,000,000 (31 March 2020: 95,000,000, 31 March 2019: 95,000,000) equity shares of Rs. 10 each	950.00	950.00	950.00
	950.00	**950.00**	**950.00**
Issued, subscribed and paid-up			
77,593,283 (31 March 2020: 74,489,552, 31 March 2019: 74,489,552) equity shares of Rs. 10 each fully paid-up	775.93	744.90	744.90
	775.93	**744.90**	**744.90**

(i) Reconciliation of number of equity shares of Rs. 10 each, fully paid up outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	74,489,552	744.90	74,489,552	744.90	50,149,732	501.50
Add: Conversion of financial liability to equity (refer note 10(a)(vi))	-	-	-	-	21,474,864	214.75
Add: Shares issued during the year	3,103,731	31.03	-	-	2,864,956	28.65
Shares outstanding at the end of the year	**77,593,283**	**775.93**	**74,489,552**	**744.90**	**74,489,552**	**744.90**

(ii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The Company has only one class of equity shares having par value of Rs. 10/- each. Each equity share holder is entitled to one vote per equity share held. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders through which new investor have purchased few shares from the existing shareholders and entire shares from the old investor. As per the terms of the SHA, the Company needs to provide an exit to new investor either through an Initial Public Offering ("IPO") based on best effort basis, till such time that IPO is successful or Marketed sale process based on best effort basis, which are in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity.

(iii) Particulars of shareholders holding more than 5% equity shares of Rs. 10 each, fully paid up

Name of shareholder	As at 31 March 2021		As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of holding	Number of shares	% of holding	Number of shares	% of holding
Dr. B Bhaskar Rao	21,407,895	27.59%	18,304,164	24.57%	18,304,164	24.57%
General Atlantic Singapore KH Pte Ltd	31,739,906	40.91%	31,739,906	42.61%	30,250,115	40.61%
B. Seenaiah	4,582,517	5.91%	4,582,517	6.15%	4,972,308	6.68%
Bollineni Ramanaiah Memorial Hospitals Private Limited	5,228,628	6.74%	5,228,628	7.02%	4,800,632	6.44%

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

Particulars	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Equity shares of Rs. 10 each, fully paid up, allotted pursuant to the scheme of arrangement	-	-	-	-	-	-	-	1,275,300
Equity shares of Rs. 10 each, fully paid up allotted as bonus shares by capitalisation of securities premium	-	-	-	-	-	61,603,374	2,933,494	510,078

(v) The Company has not bought back any shares during the period of five years immediately preceding the balance sheet dates.

(vi) During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders through which new investor have purchased few shares from the existing shareholders and entire shares from the old investor. The terms of the contract with the new investor had resulted in de-recognition of the existing liability by Rs. 5,604.93 as at 31 March 2018 and recognition of the same in equity share capital and securities premium along with interest expense and fair value change till the date of conversion.
Apart from the exit to the old investor, the new investor has also infused an amount of Rs. 880 in the form of 2,864,956 equity shares of face value of Rs. 10 each, fully paid up at the premium of Rs. 297.16 per share in the Company.
Due to the said financial liability, the Company has recognised loss on fair value changes in financial instruments amounting to Rs. Nil (31 March 2020: Rs. Nil, 31 March 19: Rs. 871.27) and interest expense on finance component of financial instruments amounting to Rs. Nil (31 March 2020: Rs. Nil, 31 March 19: Rs 120.01).

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

10 (b) Other equity

	As at		
	31 March 2021	**31 March 2020**	**31 March 2019**
(i) Securities premium (refer below note 1)			
Opening balance	7,525.80	7,525.80	292.98
Add: Shares issued during the year	922.30	-	851.35
Add: Conversion of financial liability into equity (refer note 10 (a) (vi))	-	-	6,381.47
Closing balance	**8,448.10**	**7,525.80**	**7,525.80**
(ii) Adjustment reserve (refer below note 2)			
Opening balance	57.64	57.64	57.64
Movement during the year	-	-	-
Closing balance	**57.64**	**57.64**	**57.64**
(iii) Share warrants (refer below note 3)			
Opening balance	3.10	3.10	-
Add: Share warrants issued during the year	-	-	3.10
Less: Share issued during the year	(3.10)	-	-
Closing balance	**-**	**3.10**	**3.10**
(vi) Retained earnings (refer below note 4)			
Opening balance	(2,350.19)	(2,924.84)	(2,434.64)
Ind AS 116 transition adjustment (refer Annexure VII)	-	13.56	-
Acquisition of non controlling interests (refer note 34)	(301.35)	(621.15)	-
Add: Profit/ (loss) for the year	2,012.19	1,191.83	(477.69)
Add: Other comprehensive loss for the year (net of tax)	(4.98)	(9.59)	(12.51)
Closing balance	**(644.33)**	**(2,350.19)**	**(2,924.84)**
Total other equity	**7,861.41**	**5,236.35**	**4,661.70**

Note:

1. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

2. Adjustment reserve

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by Honourable High Court of Andhra Pradesh, the Company has allotted 306,069 Equity Shares of Rs. 10 each to the Share holders of the Bollineni Heart Centre Limited ("transferor Company") against 4,455,000 equity shares of Rs. 10 each outstanding in the transferor Company in the ratio of 9 equity shares of Rs. 10 each for every 131 equity shares of Rs. 10 each of the Transferor Company. The difference of Rs. 41.49 on account of the above share swap has been added to the Adjustment Reserve of the Company as per the Scheme.

During the year ended 31 March 2014, pursuant to the Scheme of Arrangement approved by the High Court, the Company allotted 969,231 equity shares of Rs. 10 each to the shareholders of the Bollineni Ramanaiah Memorial Hospitals Private Limited ("Demerged Company") against 2,100,000 equity shares of Rs. 10 each outstanding in the Demerged Company in the ratio of 6 equity shares of Rs. 10 each for every 13 equity shares of Rs. 10 each of the Demerged Company. The difference between the consideration payable and the value of net assets taken over as per the Scheme amounting to Rs. 16.15 has been added to the Adjustment Reserve of the Company as per the Scheme.

3. Share warrants

During the year ended 31 March 2019, the Company has entered into a securities subscription and purchase agreement (SSPA) along with General Atlantic Singapore KH Pte Ltd ("new investor"), India Advantage Fund S31 ("old investor") and other existing shareholders. In accordance with the aforesaid SSPA, the Company has issued 3,103,731 number of share warrants to Dr B Bhaskara Rao. Each of these share warrants are convertible into 1 equity share of Rs. 10 each at a future date prior to filing of Draft Red Hearing Prospectus with Securities Exchange Board of India as per the terms of SSPA. During the year ended 31 March 2019, the Company received Rs. 1 each against these share warrants issued aggregating to Rs. 3.10. The share warrants were converted to 3,103,731 equity shares on 16 February 2021 at the rate of Rs 307.16 (including securities premium of Rs 297.16) (Refer note 10(a) & 10(b)(i).

4. Retained earnings

Retained earnings are the profits/(loss) that the Company 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 Restated Ind AS Consolidated Summary Statement of Profit and Loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

11 Long-term borrowings (at amortised cost)

	As at					
	31 March 2021		31 March 2020		31 March 2019	
	Non- current	Current	Non- current	Current	Non- current	Current
Secured						
Term loans from banks						
- HDFC Bank equipment loan - 1 (refer note i)	-	-	63.21	15.84	79.06	10.94
- HDFC Bank equipment loan - 2 (refer note ii)	-	-	105.91	9.37	122.08	11.80
- HDFC Bank vehicle loan - 2 (refer note iii)	2.31	0.72	3.04	0.67	3.70	0.62
- HDFC Bank term loan (refer note iv)	83.24	66.61	-	-	-	-
- Federal bank term loan (refer note v)	143.15	65.83	625.16	167.74	494.07	66.24
- Federal bank term loans (refer note vi and vii)	93.81	20.43	114.66	18.61	122.80	7.67
- HDFC Bank term loan (refer note viii)	552.66	45.06	493.44	31.00	495.14	2.29
- HDFC Bank term loan (refer note ix)	436.17	63.29	378.03	34.13	-	-
- Yes bank term loan (refer note x)	-	-	226.77	-	291.32	19.81
Total loans from banks (A)	**1,311.34**	**261.94**	**2,010.22**	**277.36**	**1,608.17**	**119.37**
Term loans from other parties						
- Siemens Financial Services Private Limited (refer note xi)	-	-	-	-	-	16.75
- NIIF Infrastructure Finance Limited (refer note xii)	534.69	44.04	676.95	142.15	819.10	142.05
Total loans from other parties (B)	**534.69**	**44.04**	**676.95**	**142.15**	**819.10**	**158.80**
Total (A) + (B)	**1,846.03**	**305.98**	**2,687.17**	**419.51**	**2,427.27**	**278.17**

Notes:

Refer current maturities of long-term borrowings under note 12(b).

i - Term loan - 1 from HDFC bank was taken by the Company towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate ranging from 9.5% p.a. fixed (31 March 2020: 9.5% p.a. fixed, 31 March 2019: 9.5% p.a. fixed).
- This loan was repayable in 84 unequal monthly instalments starting from July 2017 to June 2024.
- The loan was pre closed during the year ended 31 March 2021.

ii - Term loan - 2 from HDFC bank was taken by the Company towards purchase of equipment is secured by way of first and exclusive charge on the medical equipment out of sanctioned facility, carrying an interest rate of 1Y Marginal Cost of Funds Based Lending Rate ("MCLR") + 0.65% (31 March 2020: 1Y MCLR + 0.65%, 31 March 2019: 1Y MCLR + 0.65%).
- Also secured by personal guarantee of Dr. Bhaskara Rao Bollineni.
- This loan was repayable in 84 unequal monthly instalments starting from January 2019 to December 2024.
- The loan was pre closed during the year ended 31 March 2021.

iii - Term loan from HDFC Bank was taken by KHEPL and is secured by first exclusive hypothecation charge on the vehicle acquired from the said loans.
- The loan carries fixed interest rate of 8.01% per annum (31 March 2020: 8.01% p.a., 31 March 2019: 8.01% p.a.).
- These loans are repayable in 84 equated monthly instalments starting from January 2018 to December 2024.

iv - HDFC Bank term loan was taken by KHEPL and is secured by exclusive charge on entire Property, Plant and Equipment and exclusive charge on all current assets including card swipes of KHEPL.
- Also secured by personal guarantee of Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni.
- The loan carries interest rate of 9% floating linked to bank's 1 year MCLR (31 March 2020: Nil, 31 March 2019: Nil)
- The loan is repayable in 31 equated monthly instalments starting from November 2020 to May 2023.

v - Federal Bank term loan was taken by the Company and consists of 1 loan (31 March 2020: 3 loans, 31 March 2019: 2 loans).
- Security details:
a. 31 March 2021 and 31 March 2020: Two loans are secured by exclusive charge on existing hospital at Rajahmundry and personal guarantee of Dr. Bhaskara Rao Bollineni. The third loan is secured by Pari Passu first charge on Property, Plant and Equipment of the Company (excluding Rajahmundry hospital) and personal guarantee of Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni. Also the loans are secured by pledge of minimum 29% shareholding of the KIMS Hospital Private Limited, a subsidiary of the Company.
b. 31 March 2019: The loans was secured by exclusive charge on existing hospital at Rajahmundry and pledge of minimum 51% shareholding of the Company in KIMS Hospital Private Limited, a subsidiary of the Company. Also secured by the personal guarantee of Dr. Bhaskara Rao Bollineni.
- Repayment and interest details:
- The loans are repayable in 60 to 66 equal monthly instalments starting from May 2019 to April 2025 and carries an interest rate ranging from 8.85% to 9.50% p.a. (31 March 2020: 9.50% to 9.80% p.a., 31 March 2019: 9.50% to 9.80% p.a.).
- 2 loans were prepaid during the year ended 31 March 2021.

vi - Federal bank term loan is taken by ICIMSPL and is secured by way of first charge on the medical equipment, other movable assets, building improvements and fixtures of ICIMSPL and second charge on entire current assets of ICIMSPL.
- Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao Bollineni, Dr. Sai (Director of ICIMSPL) and Dr. P. Satish Kumar (Director of ICIMSPL).
- The loan is also secured by corporate guarantee given by the Company.
- The loan is repayable in 72 equated monthly instalments starting September 2019 and carries an interest rate of 8.40% - 9.30% per annum with annual reset (linked to 1 year MCLR) (31 March 2020: 9.50% per annum with annual reset (linked to 1 year MCLR), 31 March 2019: 9.50% per annum with annual reset (linked to 1 year MCLR)).

vii - Federal bank term loan is taken by ICIMSPL and is secured by way of first charge on medical equipment (minimum 1.19x cover), with 15% margin, of ICIMSPL and second charge on entire current assets of ICIMSPL.
- Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao Bollineni, Dr. Sai (Director of ICIMSPL) and Dr. P. Satish Kumar (Director of ICIMSPL).
- The loan is also secured by corporate guarantee given by the Company.
- The loan is repayable in 72 equated monthly instalments starting April 2020 and carries an interest rate of 8.50% 9.50% per annum with annual reset (linked to 1 year MCLR) (31 March 2020: 9.80% per annum with annual reset (linked to 1 year MCLR), 31 March 2019: 9.80% per annum with annual reset (linked to 1 year MCLR)).

11 Long-term borrowings (at amortised cost) (continued)

viii - Term loan-1 and 2 from HDFC Bank is taken by SIMSPL and is repayable in equated monthly instalments covering principle and interest for term loans.
- These loans are for a term of 12 years, with a structured EMI payments for the first 1.5 years and uniform EMI payables for the balance 10.5 years and carries a interest rate of 8.60% - 9.50% p.a floating rate linked to bank's 1 year MCLR for term loans (31 March 2020: 9.75% floating rate linked to bank's 1 year MCLR for term loans, 31 March 2019: 9.75% floating rate linked to bank's 1 year MCLR for term loans).
- The loans are secured by first and exclusive charge on movable, immovable assets and current assets of SIMSPL and equitable mortgage on the property owned by Veera Kishore Reddy (Director of SIMSPL) situated at Sy no.155, D.No.1-1348, NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004.
- Further, the loan is secured by way of Corporate guarantee given by the Company and personal guarantee given by Mr. Veera Kishore Reddy and Mr. Yelakala Surendra Reddy (Directors of SIMSPL).
The closing balance of term loan -1 is Rs. 467.00 (31 March 2020: Rs. 494.75, 31 March 2019: Rs. 497.43)
The closing balance of term loan -2 is Rs. 25.72 (31 March 2020: Rs. 29.69, 31 March 2019: Rs. Nil)

Term loan-3 taken by SIMSPL during the year ended 31 March 2021 from HDFC Bank has repayment term of 60 months and the last instalment in the said facilities is due in January 2026.
- Term loan-3 carries an interest rate of 8.25% p.a (31 March 2020 : Nil, 31 March 2019: Nil) floating rate linked to bank's 1 year MCLR.The loan is secured by way of extension of Second ranking charge over existing primary and collateral securities including Mortgages created in favour of HDFC Bank.
The closing balance of term loan -3 is Rs. 105.00 (31 March 2020: Rs. Nil, 31 March 2019: Rs. Nil)

ix - Term loan - 1 from HDFC Bank taken by KHKPL is secured by way of equitable mortgage on the property situated at Plot Nos.27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur,Johrapuram Road, Kurnool and first and exclusive first charge on movable and immovable assets and current assets of the KHKPL.
- Further, the loan is also secured by corporate guarantee given by the Company.
- The loan consists of different facilities wherein repayments term ranges between 60 to 104 months and the last instalment in the said facilities is due in April 2028.
- The loan carries an interest rate of 1Y MCLR+ 1.10% (spread) per annum (31 March 2020: 1Y MCLR+ 1.10% (spread) per annum, 31 March 2019: Nil).
The closing balance of term loan -1 is Rs. 416.96 (31 March 2020: Rs. 412.16, 31 March 2019: Rs. Nil)

- Term loan-2 from HDFC Bank taken by KHKPL during the year ended 31 March 2021 has repayment term of 48 months and the last instalment in the said facilities is due in July 2025.
- Term loan-2 carries an interest rate of 1Y MCLR+ 0.5% (spread) per annum (31 March 2020: Nil, 31 March 2019: Nil).The loan is secured by way of extension of Second ranking charge over existing primary and collateral securities including Mortgages created in favour of HDFC Bank.
The closing balance of term loan-2 is Rs. 82.50 (31 March 2020: Rs. Nil, 31 March 2019: Rs. Nil)

x - Yes Bank term loan was taken by KHEPL and was secured by first exclusive charge on entire movable Property, Plant and Equipment including leasehold improvements, present and future, by way deed of hypothecation and first exclusive charge on all current assets of KHEPL.
- Further, the loan was secured by unconditional and irrevocable personal guarantees of Dr. Abhinay Bollineni, Mrs. CH. Harini (Director of KHEPL), Mr. S. Sunand (Director of KHEPL) and Dr. Bhaskara Rao Bollineni.
- The amount was repayable in 72 monthly instalments starting from January 2018 to December 2023.
- The loan carried an interest rate of 1Y MCLR + 1.15% (spread) per annum (31 March 2020: 1Y MCLR + 1.15% (spread) per annum, 31 March 2019: 1Y MCLR + 1.15% (spread) per annum).
- The loan was also secured by corporate guarantee given by the Company.
- Further, the loan was secured by a charge on the escrow account.
- The loan was pre closed during the year ended 31 March 2021 and was re-financed with HDFC Bank (refer note iv).

xi - Term loan - Siemens Financial Services Private Limited was taken by the Company and consists of Nil loans (31 March 2020 : Nil loans, 31 March 2019: 1 loan) secured by way of hypothecation of medical and surgical equipment procured from the said loan and personal guarantee of Dr. Bhaskara Rao Bollineni.
- The loans are repayable in unequal monthly instalments from January 2012 to July 2019 and carries interests rate ranging from Nil (31 March 2020: Nil , 31 March 2019: 11% to 13.50% p.a.).

xii - Term loan from NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited) is taken by the Company and is secured by a first pari-passu mortgage and charge of immovable properties of the Secunderabad hospital and Nellore hospital building of the Company.
- Also secured by a first pari-passu charge by way of hypothecation of Secunderabad hospital and Nellore Hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans and a second pari-passu mortgage and charge of immovable properties of the Ongole hospital.
- Also includes a second pari-passu charge by way of hypothecation of Ongole hospital movable properties including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable properties of whatsoever nature excluding the equipment which are purchased by Company out of medical equipment loans; a second charge on the entire cash flows, receivables, book debts and revenues of the Company, of whatsoever nature and wherever arising; subject to the prior charge of the working capital lenders.
- Also secured by personal guarantee of Dr. Bhaskara Rao Bollineni. The loan is repayable in 72 equal monthly instalments and carries an interest rate of 9.10% p.a. (31 March 2020: 9.10% p.a, 31 March 2019: 9.10% p.a).

xiii Aggregate amount of secured loans (including current maturities of long-term borrowings) guaranteed by few of the Company Directors and others : Rs. 1,051.79 (31 March 2020: Rs. 2,087.33, 31 March 2019: Rs. 2,113.69).

xiv Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

	As at		
	31 March 2021	**31 March 2020**	**31 March 2019**
12 Other financial liabilities (at amortised cost)			
(a) Non-current			
Security deposits	3.16	2.83	2.55
Capital creditors	2.43	4.27	3.26
Total	**5.59**	**7.10**	**5.81**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

(b) Current			
Current maturity of long term debts (refer note 11)	305.98	419.51	278.17
Capital creditors	42.00	86.25	33.49
Employee related liabilities*	104.01	104.74	147.28
Interest accrued but not due on borrowings	8.80	10.67	8.57
Security and caution deposit	6.47	6.64	7.59
Other deposits	-	0.32	1.60
Total	**467.26**	**628.13**	**476.70**

*Includes payables to related parties. For details refer note 28

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

13 Long-term provisions			
Provision for employee benefits			
Gratuity (refer note 27)	160.64	137.08	101.89
Total	**160.64**	**137.08**	**101.89**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

14 Short-term borrowings (at amortised cost)			
Secured			
Working capital loans from banks (refer note i)	52.67	69.21	175.53
Unsecured			
- Working capital loans from bank (refer note ii)	500.00	-	-
- Others (refer note iii)	-	31.90	-
Total	**552.67**	**101.11**	**175.53**

Notes

i Working capital loans consists of loans from:

a) Andhra bank - Loan taken by the Company is secured by pari passu first charge on entire movable and immovable assets (existing and future assets) of the Company by way of hypothecation excluding the assets specifically charged to the equipment financers and Rajahmundry unit property and pari passu second charge on entire Property, Plant and Equipment (existing and future) of the Company.
- Further, it is secured by personal guarantee of Dr. Bhaskara Rao Bollineni, Mr. Krishnaiah Bollineni, Mr. Seenaiah Bollineni and Mrs. Anitha Dandamudi
- Loan is repayable on demand and carries interest rate of 1Y MCLR+1.20% (31 March 2020: 1Y MCLR+1.20%, 31 March 2019: 1Y MCLR+1.20%).
- Outstanding amount as on 31 March 2021 is Rs. Nil (31 March 2020: Rs. Nil, 31 March 2019: Rs. 23.96).

b) Federal bank - Loan taken by the Company is secured by primary exclusive charge on current assets of Rajahmundry hospital, both current and future and collateral security by exclusive charge on existing hospital at Rajahmundry.
- Also secured by personal guarantee of Dr. Bhaskara Rao Bollineni. Loan is repayable on demand and carries fixed interest rate of 9.35% p.a. (31 March 2020: 9.35%, 31 March 2019: 9.40%).
- Outstanding amount as on 31 March 2021 is Rs. Nil (31 March 2020: Rs. 20.81, 31 March 2019: Rs. 61.44).

c) Yes Bank - Working capital loan taken by KHEPL from Yes Bank is secured by first exclusive charge on entire movable Property, Plant and Equipment including leasehold improvements, present and future, by way deed of hypothecation and first exclusive charge on all current assets of KHEPL.
- Further, the loan is secured by unconditional and irrevocable personal guarantees of Dr. Abhinay Bollineni, Mrs. CH. Harini (Director of KHEPL) and Mr. S. Sunand (Director of KHEPL) and Dr. Bhaskara Rao Bollineni.
- The loan is also secured by corporate guarantee given by the Company aggregating to Rs.Nil (31 March 2020: Rs. 400, 31 March 2019: Rs. 400).
- Further, the loan is secured by a charge on the escrow account.
- The loan is repayable on demand and carries an interest rate of quarterly MCLR + 2% (spread) (31 March 2020: quarterly MCLR + 2% (spread), 31 March 2019: quarterly MCLR + 2% (spread)).
- Outstanding amount as on 31 March 2021 is Rs. Nil (31 March 2020: Rs. 9.08, 31 March 2019: Rs. 12.52).

d) HDFC Bank - Working capital loan taken by AHPL is secured by first and exclusive charge on fixed and current assets of AHPL other than assets exclusively charged to other equipment financers.
- It is also secured by personal guarantee of Dr. G. Someswara Rao (Director of AHPL). Loan is repayable on demand and carries interest rate of Base rate + 2.75% (31 March 2020: Base rate + 1.85%,, 31 March 2019: Base rate + 1.85%).
- Outstanding amount as on 31 March 2021 is Rs. Nil (31 March 2020: Rs. Nil, 31 March 2019: Rs. 10.01).

e) Federal Bank - Working capital loan taken by ICIMSPL is secured by first charge on entire current assets of ICIMSPL with a margin of 25% on stock and receivables and second charge on medical equipment, other movable assets, building improvements and fixtures of ICIMSPL.
- Further, it is secured by personal guarantee of Dr. Abhinay Bollineni, Dr. Bhaskara Rao Bollineni, Dr. Sai (Director of ICIMSPL) and Dr. P Satish Kumar (Director of ICIMSPL).
- The loan is further secured by corporate guarantee given by the Company.
- Loan is repayable on demand and carries an interest rate of 9.50% per annum (linked to 1 year MCLR) (31 March 2020: 9.50% per annum (linked to 1 year MCLR), 31 March 2019: 9.50% per annum (linked to 1 year MCLR)).
- Outstanding amount as on 31 March 2021 is Rs. Nil (31 March 2020: Rs. 7.45, 31 March 2019: Rs. 20.28).

14 Short-term borrowings (at amortised cost) (continued)

f) HDFC Bank - Working capital loan is secured by first and exclusive charge on moveable and immoveable assets, current assets of the SIMSPL and equitable mortgage on the property owned by Veera Kishore Reddy (Director of SIMSPL) situated at Sy no.155, D.No.1-1348, NH 44, Rudrampet Panchayat, Sri Nagar Colony extension, Near Ayyappa Swamy Temple, Anantapur-515004.
- Further, the loan is secured by way of Corporate guarantee given by the Company and personal guarantee given by Mr. Veera Kishore Reddy and Mr. Yelakala Surendra Reddy (Directors of SIMSPL).
- The loan is repayable on demand and carries interest rate of 9.95% per annum, linked to 1 year MCLR (31 March 2020: 9.95% per annum, linked to 1 year MCLR, 31 March 2019: 9.95% per annum, linked to 1 year MCLR).
- Outstanding amount as on 31 March 2021 is Rs. 23.73 (31 March 2020: Rs. 11.35, 31 March 2019: Rs. 47.32).

g) Loan taken by KHKPL from HDFC Bank is secured by way of equitable mortgage on the property situated at Plot Nos.27 & 28 (part) in Sy.No.931/J1B 931/J2B,931/15B,931/K1B and 931/K3 of kallur, Johrapuram Road,Kurnool and first and exclusive first charge on movable and immovable assets and current assets of the Company.
- Further, the loan is also secured by corporate guarantee given by the Company.
- The loan is repayable on demand and carries an interest rate of 1Y MCLR+ 1.30% (spread) per annum (31 March 2020: 1Y MCLR+ 1.30% (spread) per annum, 31 March 2019: Rs. Nil).
- Outstanding amount as on 31 March 2021 is Rs. 28.94 (31 March 2020: Rs. 20.51, 31 March 2019: Rs. Nil).

ii. Unsecured loan taken by the Company from Standard Chartered Bank is secured by personal guarantee given by Dr. Bhaskara Rao Bollineni.
- The loan carries an interest rate of 4.90% per annum (31 March 2020: Rs. Nil, 31 March 2019: Rs. Nil)
- Outstanding amount as on 31 March 2021 is Rs. 500 (31 March 2020: Rs. Nil, 31 March 2019: Rs. Nil).

iii. Unsecured loan others taken from directors of KHKPL, does not carry any interest and has been fully repaid during the year ended 31 March 2021.

iv. Aggregate amount of secured and unsecured loans guaranteed by few directors of the Company is Rs. 500.00 (31 March 2020: Rs. 37.34, 31 March 2019: Rs. 118.20).

v. Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

	As at		
	31 March 2021	**31 March 2020**	**31 March 2019**
15 Trade payables (at amortised cost)			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises (refer note 31)	17.90	25.08	1.36
- total outstanding dues of creditors other than micro enterprises and small enterprises	1,300.80	1,209.26	1,039.23
Total	**1,318.70**	**1,234.34**	**1,040.59**

The above includes payable to related party. For details refer note 28
Trade payables are non-interest bearing and are normally settled on 30-90 day terms.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

16 Short-term provisions			
Provision for employee benefits			
Gratuity (refer note 27)	12.49	2.29	-
Compensated absences	92.37	71.18	60.51
Total	**104.86**	**73.47**	**60.51**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

17 Other liabilities			
(a) Non-current			
Deferred income	12.37	12.86	13.48
Total	**12.37**	**12.86**	**13.48**
(b) Current			
Statutory dues payable	71.79	68.72	63.98
Contract liabilities (refer note 18)	137.75	27.02	40.66
Deferred income	0.47	0.64	0.64
Other liabilities	17.12	30.70	26.60
Total	**227.13**	**127.08**	**131.88**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
18	**Revenue from operations**			
A	**Revenue from contracts with customers**			
	Income from hospital services	8,861.40	7,339.77	6,036.98
	Income from pharmacy	4,260.72	3,697.29	2,970.99
	Total	**13,122.12**	**11,037.06**	**9,007.97**
B	**Other operating revenues**			
	Income from academic courses	62.10	61.57	58.26
	Income from sale of food and beverages	105.70	115.80	105.07
	Other hospital income	9.45	12.02	8.75
	Total	**177.25**	**189.39**	**172.08**
	Total Revenue from operations (A+B)	**13,299.37**	**11,226.45**	**9,180.05**

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' that replaces Ind AS 18 w.e.f 1 April 2018. It introduces a new five-step approach to measuring and recognising revenue from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for services to a customer.

The Group has opted for the cumulative effect method (modified retrospective application) permitted by Ind AS 115 upon adoption of new standard. Accordingly, the standard has been applied from the year ended 31 March 2019 (i.e. the initial application period). This method requires the recognition of cumulative impact of adoption of Ind AS 115 on all contracts as at 1 April 2018 ('transition date') in equity.

The Group has adopted Ind AS 115 : Revenue from contracts with customers effective 1 April 2018. The Management reviewed and assessed the Group's existing policy for recognising the revenue at 1 April 2018 and concluded that, apart from more extensive disclosures for the Group's revenue transactions, the initial application of Ind AS 115 has had no significant impact on the Group's Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2019 and its Restated Consolidated Summary Statement of Profits and Losses including other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 April 2018.

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended		
	31 March 2021	**31 March 2020**	**31 March 2019**
Contract price	13,941.88	11,808.20	9,744.65
Adjustments for:			
Discounts and disallowances	(819.76)	(771.14)	(736.68)
Total revenue from contracts with customers	**13,122.12**	**11,037.06**	**9,007.97**
Timing of revenue recognition			
Services transferred over time	8,861.40	7,339.77	6,036.98
Goods transferred at a point of time	4,260.72	3,697.29	2,970.99
Total revenue from contracts with customers	**13,122.12**	**11,037.06**	**9,007.97**

Contract balances

	As at			
Particulars	**31 March 2021**	**31 March 2020**	**31 March 2019**	**1 April 2018**
Trade receivables	1,098.19	1,322.68	1,232.69	1,075.28
Contract assets	133.52	44.39	74.46	62.51
Contract liabilities	137.75	27.02	40.66	45.65

All the business operations of the Group are concentrated in India.

Contract liabilities:
During the year ended 31 March 2021, 31 March 2020 and 31 March 2019, the Group has recognised revenue of Rs. 27.02, Rs. 40.66 and Rs. 45.65 respectively from advance received from patients outstanding as on 31 March 2020, 31 March 2019 and 31 March 2018. It expects similarly to recognise revenue in year ended 31 March 2022 from the closing balance of advance from customers as at 31 March 2021.

Contract asset:
During the year ended 31 March 2021, 31 March 2020 and 31 March 2019, the Group has transferred Rs. 44.39, Rs. 74.46 and Rs. 62.51 respectively of contract assets as at 31 March 2020, 31 March 2019 and 31 March 2018 to trade receivables on completion of performance obligation.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

19	**Other income**			
	Interest income on:			
	- fixed deposits	32.45	4.98	3.55
	- security deposits	5.61	1.88	1.13
	- income tax refunds	19.93	5.77	1.00
	- Others	-	-	0.16
	Rental income (refer note 26)	7.09	7.86	7.70
	Liabilities/ provisions no longer required written back	7.52	4.54	21.59
	Sponsorship income	-	0.25	1.96
	Miscellaneous income	29.05	35.55	21.55
	Total	**101.65**	**60.83**	**58.64**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
20 (Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments			
Opening stock	303.77	268.61	201.42
Add: Acquisition through business combinations	-	4.68	-
Less: Closing stock	(240.85)	(303.77)	(268.61)
Total	**62.92**	**(30.48)**	**(67.19)**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

21 Employee benefits expense			
Salaries, wages and bonus	2,041.84	1,828.00	1,504.27
Contribution to provident and other funds (refer note 27)	136.09	127.82	109.31
Staff welfare expenses	24.16	24.64	16.70
Total	**2,202.09**	**1,980.46**	**1,630.28**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

22 Finance costs			
Interest expense on financial liabilities measured at amortised cost			
- term loans from banks	235.60	305.93	246.41
- other loans from banks	6.39	22.01	17.38
Interest expense on lease liabilities (refer note 26)	51.04	59.29	63.16
Interest expense on liability component of financial instruments (refer note 10(a)(vi))	-	-	120.01
Unwinding of discount of security deposit	0.12	0.28	0.08
Others	31.82	11.91	10.45
Total	**324.97**	**399.42**	**457.49**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

23 Depreciation and amortisation expense			
Depreciation on property, plant and equipment	612.26	614.57	497.43
Depreciation of right-of-use assets (refer note 26)	53.05	59.01	52.78
Amortisation of other intangible assets	30.05	32.53	14.35
Total	**695.36**	**706.11**	**564.56**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

24 Other expenses			
Consultancy charges	2,634.58	2,462.53	2,009.92
House keeping expenses	400.86	373.97	321.13
Power and fuel	243.12	242.92	206.35
Catering and patient welfare expenses	159.66	156.48	131.46
Lease rent (refer note 26)	86.43	49.45	65.46
Tests and investigations	25.69	25.38	21.15
Academic courses expenses	0.70	1.03	0.83
Repairs and maintenance:			
- Medical equipment	242.33	194.73	175.27
- Hospital building and others	201.29	148.37	110.74
Printing and stationery	41.20	50.72	45.49
Audit fee (refer note below)	6.28	8.23	15.33
Legal and professional charges	49.75	66.70	119.55
Rates and taxes	40.86	67.16	62.55
Loss on fair value changes in financial instrument (refer note 10(a)(vi))	-	-	871.27
Travelling and conveyance	29.57	46.72	36.84
Advertisement expense	91.81	113.01	106.62
Communication cost	17.99	18.10	13.98
Trade receivable written off	8.26	5.68	47.83
Expected credit loss for trade receivables	38.77	46.62	180.96
Insurance	9.28	8.22	5.37
Subscriptions and membership fees	7.48	6.87	4.27
Donations	35.79	51.17	1.65
Bank charges	48.33	44.92	36.55
Corporate Social Responsibility expenditure	25.58	16.34	10.14
Loss on sale of property, plant and equipment (net)	10.79	12.52	1.52
Investment written off	-	-	0.10
Directors sitting fee	0.64	1.22	1.84
Commission to Directors	1.93	-	-
Miscellaneous expenses	40.17	35.29	33.93
Total	**4,499.14**	**4,254.35**	**4,638.10**

Payment to auditors (excluding applicable taxes)*

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit fee	6.00	6.00	5.44
Fee paid to erstwhile auditor in the capacity of Statutory auditor	-	2.00	-
Other services**	-	-	9.82
Out of pocket expenses	0.28	0.23	0.27

* Net of Rs. 19.00 for the year ended 31 March 2021 accrued towards Initial Public Offer (refer note 3(b)(i) in Annexure VI)
**paid for services related to Initial Public Offer

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

25 Contingent liabilities and commitments

(a) Contingent liabilities

Particulars		As at		
		31 March 2021	31 March 2020	31 March 2019
i)	Luxury tax matters in dispute	82.27	82.27	82.27
ii)	Service tax matters in dispute	0.09	0.09	31.72
iii)	Good and Service tax matters in dispute	6.59	-	-
iv)	VAT matters in dispute	1.76	1.76	1.76
v)	Medical claims (gross, excluding interest/costs)	124.78	100.68	88.38
vi)	Other claims	23.76	23.76	23.76
vii)	The Company has obtained a stay from High Court for the state of Andhra Pradesh, dated 11 November 2014, directing the local authorities not to proceed with the acquisition of part of the building in Nellore for the purpose of road widening. No provision thereof has been made in the Restated Ind AS Consolidated Summary Statement.			
viii)	An individual has filed a consumer case at National Consumer Disputes Redressal Commission against the Company along with 3 other hospitals demanding a total compensation of Rs 235.01 (31 March 2020: Rs. 235.01 and 31 March 2019: Rs. 235.01).along with interest @ 18% p.a towards medical negligence. The Company has replied for the allegations made and believes that it has a strong case in this regard and there shall not be any outflow of resources. No provision thereof has been made in the Restated Ind AS Consolidated Summary Statement.			
ix)	On 28 February 2019, the Supreme Court of India issued a judgement which provided further guidance for companies in determining which components of their employee's compensation are subject to statutory withholding obligations, and matching employer contribution obligations, for Provident Fund contributions under Indian law. There are interpretative issues relating to the restrospective applicability of the judgement. However, from the date of order, the Group has complied with the aforesaid Supreme court's judgement. The Group will evaluate the same and update its position for earlier years, if any on receiving further clarity on the subject.			

Notes:
i. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii. The Group 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 Restated Ind AS Consolidated Summary Statement. The Group does not expect the outcome of these proceeding to have a materially adverse effect on its financial position.

(b) Commitments

Particulars		As at		
		31 March 2021	31 March 2020	31 March 2019
I)	**Capital commitment**			
i)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	184.45	66.36	201.70
II)	**Other commitments**			
i)	The Company vide its Board meeting dated 18 January 2019 had approved for an investment in KIMS Hospital Kurnool Private Limited ('KHKPL') (previously known as Kurnool Rainbow Hospital Private Limited). Accordingly, as at 31 March 2019 the Company had paid an advance amounting to Rs. 60.00 towards purchase of 55% shareholding in Kurnool Rainbow out of the total consideration payable of Rs. 81.68 accordingly as at 31 March 2019 balance of Rs. 21.68 is disclosed as commitment. Subsequent to the year end 31 March 2019, the Company has entered into a share purchase agreement dated 1 April 2019 with the shareholders of KHKPL and acquired 55% shareholding.			
ii)	During the year ending 31 March 2019, the Group has acquired 80% shareholding in Saveera Institute of Medical Sciences Private Limited ('SIMSPL'). As per the shareholder's agreement, the Group agreed to transfer 3.5% of the equity shares of SIMSPL to the Non Controlling Interest of SIMSPL subject to fulfilment of certain conditions.			

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

26 Leases

a) Group as a lessee

A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f. 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Restated Ind AS Consolidated Summary Statement, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Restated Ind AS Consolidated Summary Statement, Ind AS 116 has been adopted with effect from 01 April 2018 following modified retrospective method (i.e. on 01 April 2018 the Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at an amount equal to the lease liability). The nature and effect of the changes as a result of adoption of Ind AS 116 is described below.

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 April 2018. Instead, the Group applied the Standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The Group has lease contracts mainly for lands, buildings and medical equipments used in its operations. Leases of building and equipment generally have lease terms between 3 and 45 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. One of our hospital buildings taken on lease has applied for the requisite approvals from municipal and other authorities. The lessor is in the process of obtaining these approvals from respective authorities.
The Group also has certain leases of buildings and equipment with lease terms of 12 months or less with no purchase option and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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.

Leases previously classified as finance leases
The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from 1 April 2018. On the date of transition, finance lease amounting to Rs 146.61 was transferred from Property, Plant and Equipment to Right of Use Asset.

Leases previously accounted for as operating leases
The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. On transition, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. 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. On the date of transition operating leases amounting to Rs 462.24 was recognised as Right of Use Asset.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Category of Right-of-use (ROU) assets			Total Right of Use Asset
	Leasehold Land	Buildings	Medical equipment	
As at 01 April 2018	-	-	-	-
Reclassification on adoption of Ind AS 116	122.55	-	24.06	146.61
Recognised on adoption of Ind AS 116	-	462.24	-	462.24
Depreciation expense for the year	(2.89)	(40.29)	(9.60)	(52.78)
As at 31 March 2019	**119.66**	**421.95**	**14.46**	**556.07**
Ind AS 116 transition adjustments (refer Annexure VII)	**2.89**	**33.91**	**-**	**36.80**
As at 01 April 2019	**122.55**	**455.86**	**14.46**	**592.87**
Additions	-	26.95	-	26.95
Depreciation expense for the year	(2.92)	(46.68)	(9.41)	(59.01)
As at 31 March 2020	**119.63**	**436.13**	**5.05**	**560.81**
Additions	-	1.58	-	1.58
Depreciation expense for the year	(2.95)	(47.61)	(2.49)	(53.05)
As at 31 March 2021	**116.68**	**390.10**	**2.56**	**509.34**

The aggregate depreciation expense on ROU assets is included under depreciation and amortisation expense in the Restated Ind AS Consolidated Summary Statement of Profits and Losses.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease liabilities included in the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities:

	As at		
	31 March 2021	31 March 2020	31 March 2019
Opening Balance	479.53	483.44	-
Reclassification on adoption of Ind AS 116	-	-	38.60
Recognised on adoption of Ind AS 116	-	-	462.24
Additions	1.58	26.95	-
Accretion of interest	51.04	59.29	63.16
Payment of lease liabilities	(73.13)	(90.15)	(80.56)
Closing Balance	**459.02**	**479.53**	**483.44**
Classification of lease liabilities			
Current	25.62	24.00	28.25
Non-current	433.40	455.53	455.19

The effective interest rate for lease liabilities ranges between 9% to 10.5% (31 March 2020: 9% to 10.5%, 31 March 2019: 9% to 10.5%), with maturity between 2022-2031.

26 Leases (continued)

The following are the amounts recognised in the Restated Ind AS Consolidated Statement of Profits or Losses:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation expense on right-of-use assets	53.05	59.01	52.78
Interest expense on lease liabilities	51.04	59.29	63.16
Expense relating to short-term leases and low-value assets (included in other expenses)	86.43	49.45	65.46
Total amount recognised in Restated Ind AS Consolidated Statement of Profits or Losses:	**190.52**	**167.75**	**181.40**

The Group had total cash outflows for leases of Rs. 159.56 in 31 March 2021 (31 March 2020: Rs. 139.60, 31 March 2019: Rs. 146.02).

The table below provides details regarding the undiscounted contractual maturities of lease liabilities:

	As at		
	31 March 2021	**31 March 2020**	**31 March 2019**
Within less than one year	72.89	76.11	85.16
Between one and five years	298.10	372.79	277.42
After more than five years	363.17	363.17	496.83
Total	**734.16**	**812.07**	**859.41**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

b) Operating lease in the capacity of lessor

The Group has given certain property, plant and equipment on cancellable leases to various parties. The rental income earned from such leases recognised in other income is Rs. 7.09 (31 March 2020: Rs. 7.86, 31 March 2019: Rs. 7.70).

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

27 Employee benefits

(i) Defined benefit plan

The Group operates post-employment defined benefit plan that provide gratuity. The Group accrues gratuity as per the provisions of the payment of Gratuity Act, 1972 as applicable as at the balance sheet date. The gratuity plan entitles an employee, who has rendered at least five years of continuous services, to receive 15 days salary for each year of completed services at the time of retirement/exit. The gratuity fund is administered by trust formed for this purpose and is managed by Life Insurance Corporation of India. The Group's obligation in respect of gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method.

A Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at reporting date:

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
Present value of defined benefit obligation	197.64	168.00	124.76
Fair value of plan assets	24.51	28.63	22.87
Net funded obligation	173.13	139.37	101.89
Total employee benefit liability	**173.13**	**139.37**	**101.89**
Non-current	160.64	137.08	101.89
Current	12.49	2.29	-

B Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit obligation, plan assets and its components.

i) Reconciliation of present value of defined benefit obligation

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
Defined benefit obligation as at 1 April	168.00	124.76	84.58
Benefits paid	(7.59)	(1.43)	(2.95)
Current service cost	28.90	23.19	18.63
Interest cost	8.99	8.56	6.20
Actuarial (gains)/ losses recognised in other comprehensive income due to:			
- Changes in financial assumptions	0.08	13.98	12.05
- Changes in demographic assumptions	0.50	(0.79)	6.43
- experience changes	(1.24)	(0.27)	(0.18)
Defined benefit obligation as at	**197.64**	**168.00**	**124.76**

ii) Reconciliation to fair value of plan assets

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
Plan assets at beginning of the year	28.63	22.87	20.29
Contributions paid into the plan	9.36	6.53	4.78
Interest income	1.05	1.17	1.55
Benefits paid	(7.59)	(1.43)	(3.20)
Loss on plan assets	(6.94)	(0.51)	(0.55)
Plan assets at end of the year	**24.51**	**28.63**	**22.87**

C i) Expenses recognised in the Restated Ind AS Consolidated Summary Statement of Profits and Losses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	28.90	23.19	18.63
Interest on net defined benefit obligation/ plan assets (net)	7.94	7.39	4.65
Net gratuity cost, included in 'employee benefits expense'	**36.84**	**30.58**	**23.28**

ii) Re-measurements loss/ (gain) recognised in other comprehensive income (OCI)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial loss/ (gain) on net defined benefit obligation	(0.66)	12.92	18.30
Loss on plan assets, excluding interest income	6.94	0.51	0.55

27 Employee benefits (continued)

(i) Defined benefit plan (continued)

D Plan assets

Plan assets comprises of the following:

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
Group gratuity fund with LIC	24.51	28.63	22.87

E Defined benefit obligation

i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted averages):

Principal actuarial assumptions	As at		
	31 March 2021	31 March 2020	31 March 2019
Discount rate	5.15%	5.85%	7.50%
Salary escalation rate	8.00%	8.00%	8.00%
Mortality rate	0.087% to 0.965%	0.087% to 0.965%	0.087% to 0.965%
Attrition rate	8 % to 60%	8% to 60%	0% to 63%

F Maturity profile of defined benefit obligation

i) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
1st following year	33.14	28.54	21.59
Year 2 to 5	114.85	81.11	62.86
Year 6 to 9	61.95	53.92	45.50
Year 10 and above	99.00	90.03	88.75

The expected contributions for defined benefit plan for the next financial year will be in line with the contribution for the period and is expected by the Management to be Rs. 7.00 (31 March 2020: Rs. 7.00, 31 March 2019: Rs. 5.00).

The average duration of the defined benefit plan obligation at the end of reporting year is 6.60 years (31 March 2020: 6.72 years, 31 March 2019: 5.86 years).

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary escalation rate: The estimates of future salary increases considered takes into accounts the inflation, seniority, promotion and other relevant factors.

ii) **Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions would have affected the defined benefit obligation by the amounts shown below:

	As at 31 March 2021	As at March 31, 2020	As at March 31, 2019
(a) Effect of 1% change in assumed discount rate			
- 1% increase	(10.69)	(5.80)	(7.08)
- 1% decrease	13.48	14.28	7.90
(b) Effect of 1% change in rate of increase in compensation			
- 1% increase	12.54	13.63	7.61
- 1% decrease	(10.16)	(5.46)	(7.00)

Although, the analysis does not take account the full distribution of cash flows expected under the plan, it does not provide an approximation of the sensitivity of the assumption shown.

(ii) Defined contribution plan

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Amount recognised in the Restated Ind AS Consolidated Statement of Profits and Losses towards			
i) Provident fund	72.06	66.94	50.68
ii) Employee state insurance	27.19	30.30	36.57

(iii) 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 Company is assessing the impact of the Code and will record any related impact in the period of the Code becomes effective.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

28 Related party disclosures

I - Disclosure post elimination of intra group transactions

(a) Parties where control exists or where significant influence exists and with whom transactions have taken place during the year

Nature of relationship	Name of related parties
Subsidiaries	Arunodaya Hospitals Private Limited KIMS Hospitals Private Limited KIMS Swastha Private Limited KIMS Cuddles Private Limited KIMS Sahariah Healthcare Private Limited (closed on 30 March 2019) KIMS Hospital Enterprises Private Limited KIMS Hospital (Bhubaneswar) Private Limited Iconkrishi Institute of Medical Sciences Private Limited (w.e.f. 05 May 2018) Saveera Institute of Medical Sciences Private Limited (w.e.f. 05 September 2018) KIMS Hospitals Kurnool Private Limited (Formerly Kurnool Rainbow Hospitals Private Limited)- w.e.f- 01 April 2019
Key Management personnel (KMP)	Mr. Krishnaiah Bollineni - Chairman (resigned on 18 January 2019) Dr. Bhaskara Rao Bollineni - Managing Director Dr. Abhinay Bollineni - Chief Executive Officer (CEO) (w.e.f. 03 July 2019) Mr. Uma Shanker Mantha - Company Secretary Mr. Vikas Maheshwari - Chief Financial Officer Mrs. Anitha Dandamudi -Whole-time Director
Directors of the Company	Mr. G Rajeswara Rao Mrs Jyothi Prasad (resigned on 8 January 2021) Mr. Sandeep Achyut Naik (w.e.f. 20 June 2018) Mr. Shantanu Rastogi (w.e.f 20 June 2018) Mr K Padmanaabhaiah (resigned w.e.f. 20 June 2018) Mr Amitabha Guha (resigned w.e.f. 18 January 2019) Mr. Saumen Chakraborty (w.e.f 8 January 2021) Mr. Pankaj Vaish (w.e.f 8 January 2021) Mr. Venkata Ramudu Jasthi (w.e.f 8 January 2021) Mr. Kaza Ratna Kishore (w.e.f 8 January 2021)
Relative of KMP	Dr. Raavi Swetha- Daughter in law of Managing Director
Enterprises under control or joint control of KMP and close family member of KMP	Sri Viswa Medicare Limited (Formerly known as Reliance Medicare Limited) KIMS Foundation and Research Centre Bollineni Krishnaiah Charitable Trust BSCPL Infrastructure Limited
Enterprise having significant influence over the Group	India Advantage Fund S31 (until 20 June 2018) General Atlantic Singapore KH Pte. Ltd (w.e.f. 20 June 2018)

(b) Transactions with related parties

	Particulars	For the year ended		
		31 March 2021	31 March 2020	31 March 2019
i.	**Loans and advances given**			
	KIMS Foundation and Research Centre	-	-	3.58
ii.	**Repayment of loans and advances**			
	KIMS Foundation and Research Centre	-	10.01	5.00
iii.	**Payment for purchase of Land**			
	Dr. Bhaskara Rao Bollineni	-	4.25	70.00
	BSCPL Infrastructure Limited	292.50	-	-
iv.	**Professional fee to KMP**			
	Dr. Bhaskara Rao Bollineni	18.00	18.00	18.00
	Dr. Raavi Swetha	-	-	2.31
v.	**Professional fee to relative of KMP**			
	Dr. Raavi Swetha	2.03	2.16	1.80
vi.	**Rent expenses**			
	Dr. Bhaskara Rao Bollineni	0.10	0.10	0.10
vii.	**Managerial remuneration to KMP****			
	Short term employee benefits			
	Dr. Bhaskara Rao Bollineni	22.00	24.00	24.00
	Dr. Abhinay Bollineni	9.00	7.75	5.35
	Mrs. Anitha Dandamudi	3.60	3.60	3.00
	Mr. Vikas Maheshwari	8.73	7.37	6.57
	Mr. Uma Shanker Mantha	2.23	1.98	1.78
viii.	**Directors sitting fee**			
	Mr. Krishnaiah Bollineni	-	-	0.29
	Mr G Rajeswara Rao	0.32	0.64	0.47
	Mrs Jyothi Prasad	0.32	0.58	0.38
	Mr K Padmanaabhaiah	-	-	0.23
	Mr Amitabha Guha	-	-	0.47

28 Related party disclosures (continued)

(b) Transactions with related parties (continued)

	Particulars	As at 31 March 2021	31 March 2020	31 March 2019
ix.	**Expenditure towards CSR**			
	KIMS Foundation and Research Centre	21.29	15.72	10.14
x.	**Conversion of Share warrants in to equity shares**			
	Dr. Bhaskara Rao Bollineni (refer note 10(b)(iii))	953.33	-	-
	(Amount received during the year Rs. 950.23)			
xi.	**Commission to Directors**			
	Mr G Rajeswara Rao	0.20	-	-
	Mr. Saumen Chakraborty	0.88	-	-
	Mr. Pankaj Vaish	0.45	-	-
	Mr. Kaza Ratna Kishore	0.20	-	-
	Mr. Venkata Ramudu Jasthi	0.20	-	-
xii.	**Reimbursement of claims**			
	Sri Viswa Medicare Limited *	-	-	0.00
xiii.	**Interest expense**			
	India Advantage Fund	-	-	120.01
xiv.	**Fair value changes in financial instrument**			
	India Advantage Fund	-	-	871.27
xv.	**Derecognition of financial liability**			
	India Advantage Fund	-	-	6,596.22
xvi.	**Issue of equity shares including share premium**			
	General Atlantic Singapore KH Pte. Ltd	-	-	880.00
xvii.	**Cash received for issue of share warrants**			
	Dr B Bhaskara Rao	-	-	3.10

(c) The balances receivables from and payable to related parties

	Particulars	As at 31 March 2021	31 March 2020	31 March 2019
	Receivable from related parties			
i.	**Trade receivables**			
	Sri Viswa Medicare Limited	1.90	2.13	2.21
ii.	**Other advances**			
	KIMS Foundation and Research Centre	-	-	10.01
iii	**Capital advance**			
	Dr. Bhaskara Rao Bollineni	-	-	70.00
	Payable to related parties			
iv.	**Trade payables**			
	Dr. Bhaskara Rao Bollineni	0.10	0.10	1.36
	Dr. Raavi Swetha	0.18	0.16	0.14
v.	**Employee benefits payable**			
	Dr. Bhaskara Rao Bollineni	-	-	1.16
	Dr. Abhinay Bollineni	-	0.32	0.47
	Mr. Vikas Maheshwari*	-	0.31	0.00
	Mr. Uma Shanker Mantha	-	0.12	0.11
	Mrs. Anitha Dandamudi	-	0.16	0.14
vi.	**Commission payable to Directors**			
	Mr G Rajeswara Rao	0.16	-	-
	Mr. Saumen Chakraborty	0.69	-	-
	Mr. Pankaj Vaish	0.35	-	-
	Mr. Kaza Ratna Kishore	0.16	-	-
	Mr. Venkata Ramudu Jasthi	0.16	-	-

(d) For certain loans availed by the Group, few Directors of the Group have given personal guarantee. Refer note 11 and 14 for details.

* Amount is below the rounding off norms adopted by the Group. Below is the particulars in full value:

S.No.	Particulars	Amount in Rs.
(i)	Reimbursement of claims to Sri Viswa Medicare Limited	1,500
(ii)	Employee benefits payable to Vikas Maheshwari	1,108

** The managerial personnel are covered by the Group's gratuity policy and are eligible for leave encashment along with other employees of the Group. The proportionate amount of gratuity and leave encashment pertaining to the managerial personnel has not been included in the aforementioned disclosures as these are determined on an actuarial basis for the Group as a whole.

Terms and conditions:

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the above year ended, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken on a forward-looking basis at each reporting period end through examining the historical information and financial position of the related party that is adjusted to reflect current conditions of market in which the related party operates as well as information about forecasts of future economic conditions.

II - Disclosure pre elimination of intra group transactions

(a) Transactions within the Group: (these transactions got eliminated in Restated Ind AS Consolidated Summary Statement)*

Particulars	For the year ended		
	31 March 2021	31 March 2020	31 March 2019
Transactions by the Company with other Group entities:			
i. Loans and advances given			
KIMS Hospitals Private Limited	-	2.00	5.10
KIMS Swastha Private Limited	-	0.05	0.07
Iconkrishi Institute of Medical Sciences Private Limited	40.00	42.50	195.80
Saveera Institute of Medical Sciences Private Limited	105.00	77.00	37.00
KIMS Hospitals Kurnool Private Limited	105.00	87.50	-
ii. Refund of loans and advances			
Iconkrishi Institute of Medical Sciences Private Limited	26.80	-	166.50
KIMS Hospitals Kurnool Private Limited	76.90	40.00	-
KIMS Hospitals Private Limited	-	135.74	-
Saveera Institute of Medical Sciences Private Limited	135.00	54.00	-
iii. Interest income earned on loans given			
KIMS Hospitals Private Limited	-	8.39	10.55
KIMS Swastha Private Limited	0.39	0.51	0.51
Iconkrishi Institute of Medical Sciences Private Limited	10.34	5.56	8.91
Saveera Institute of Medical Sciences Private Limited	7.24	9.38	1.97
KIMS Hospitals Kurnool Private Limited	8.88	4.52	-
iv. Purchase of medical consumables, drugs and surgical instruments			
Arunodaya Hospitals private Limited	0.67	-	-
KIMS Hospital Enterprises Private Limited	1.61	0.18	0.95
Iconkrishi Institute of Medical Sciences Private Limited	0.93	0.26	-
Saveera Institute of Medical Sciences Private Limited	0.76	0.03	-
KIMS Hospitals Kurnool Private Limited	0.83	0.30	-
v. Income from pharmacy			
KIMS Hospital Enterprises Private Limited	8.49	4.90	9.95
Arunodaya Hospitals private Limited	1.46	0.17	0.11
Iconkrishi Institute of Medical Sciences Private Limited	5.60	0.65	-
Saveera Institute of Medical Sciences Private Limited	7.98	0.56	-
KIMS Hospitals Kurnool Private Limited	6.57	0.39	-
vi. Investment in subsidiaries			
Iconkrishi Institute of Medical Sciences Private Limited (equity shares)	-	0.25	73.38
Iconkrishi Institute of Medical Sciences Private Limited (preference shares)	-	-	100.00
Saveera Institute of Medical Sciences Private Limited (equity shares)	-	0.75	18.03
Saveera Institute of Medical Sciences Private Limited (preference shares)	-	19.90	290.00
KIMS Hospital Enterprises Private Limited	352.73	706.52	-
KIMS Hospitals Kurnool Private Limited	-	94.22	-
KIMS Hospital Private Limited	-	161.74	-
vii. Write off of investment			
KIMS Sahariah Healthcare Private Limited	-	-	0.10
KIMS Cuddles Private Limited	0.10	-	-
viii. Guarantee closed			
KIMS Hospital Enterprises Private Limited	400.00	-	-
ix. Guarantee given on behalf of			
Iconkrishi Institute of Medical Sciences Private Limited	-	-	170.00
Saveera Institute of Medical Sciences Private Limited	-	30.00	550.00
KIMS Hospitals Kurnool Private Limited	-	530.00	-
x. Commission income on guarantees given to			
KIMS Hospital Enterprises Private Limited	5.07	0.55	2.00
Iconkrishi Institute of Medical Sciences Private Limited	0.52	0.52	0.18
Saveera Institute of Medical Sciences Private Limited	1.61	1.52	0.71
KIMS Hospitals Kurnool Private Limited	1.73	1.47	-
xi. Revenue from Test and Investigations			
KIMS Hospital Enterprises Private Limited	8.13	11.25	-
Iconkrishi Institute of Medical Sciences Private Limited	0.75	0.66	-
Saveera Institute of Medical Sciences Private Limited	-	1.30	-
KIMS Hospitals Kurnool Private Limited	-	1.74	-

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

II - Disclosure pre elimination of intra group transactions (continued)

(a) Transactions within the Group: (these transactions got eliminated in Restated Ind AS Consolidated Summary Statement) (continued)*

Particulars	For the year ended		
	31 March 2021	31 March 2020	31 March 2019
Transactions by Arunodaya Hospitals Private Limited:			
i Krishna Institute of Medical Sciences Limited			
Purchase of medical consumables, drugs and surgical instruments	1.46	0.17	0.11
Income from pharmacy	0.67	-	-
ii Iconkrishi Institute of Medical Sciences Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.28	-	-
Income from pharmacy	0.02	-	-
iii KIMS Hospital Enterprises Private Limited			
Income from pharmacy	0.23	-	-
Transactions by Iconkrishi Institute of Medical Sciences Private Limited:			
i Krishna Institute of Medical Sciences Limited			
Loan received	40.00	42.50	195.80
Repayment of loan	26.80	-	166.50
Issue of 12% cumulative optionally convertible redeemable preference shares	-	-	100.00
Guarantee commission expense	0.52	0.52	0.18
Corporate guarantee received	-	-	170.00
Interest expenses on loan taken	10.34	5.56	8.91
Income from pharmacy	0.93	0.26	-
Purchase of medical consumables, drugs and surgical instruments	5.60	0.65	-
Tests & Investigation expense	0.75	0.66	-
ii Arunodaya Hospitals Private Limited			
Income from pharmacy	0.02	-	-
Purchase of medical consumables, drugs and surgical instruments	0.28	-	-
iii KIMS Hospitals Kurnool Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.19	-	-
Transactions by KIMS Hospital Enterprises Private Limited:			
i Krishna Institute of Medical Sciences Limited			
Purchase of medical consumables, drugs and surgical instruments	8.49	4.90	9.95
Income from pharmacy	1.61	0.18	0.95
Corporate guarantee closed	400.00	-	-
Commission on guarantee taken	5.07	0.55	2.00
Tests & Investigation expense	8.13	11.25	-
ii Saveera Institute of Medical Sciences Private Limited			
Income from pharmacy	0.37	-	-
Sale of equipment	4.64	-	-
iii Arunodaya Hospitals Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.23	-	-
Transactions by Saveera Institute of Medical Sciences Private Limited			
i Krishna Institute of Medical Sciences Limited			
Loans received	105.00	77.00	37.00
Interest expense	7.24	9.38	2.69
Issue of 0.001% optionally convertible redeemable preference shares	-	19.90	290.00
Commission on guarantee taken	1.61	1.52	-
Corporate guarantee received	-	30.00	550.00
Income from pharmacy	0.76	0.03	-
Repayment of loan	135.00	54.00	-
Purchase of medical consumables, drugs and surgical instruments	7.98	0.56	-
Tests & Investigation expense	-	1.30	-
Prepaid Guarantee commission	-	0.69	-
ii KIMS Hospital Enterprises Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.37	-	-
Purchase of equipment	4.64	-	-
iii KIMS Hospitals Kurnool Private Limited			
Purchase of medical consumables, drugs and surgical instruments	0.19	-	-
Income from pharmacy	0.02	-	-

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

II - Disclosure pre elimination of intra group transactions (continued)

(a) Transactions within the Group: (these transactions got eliminated in Restated Ind AS Consolidated Summary Statement) (continued)*

Particulars		For the year ended		
		31 March 2021	31 March 2020	31 March 2019
Transactions by KIMS Hospitals Kurnool Private Limited				
i	**Krishna Institute of Medical Sciences Limited**			
	Commission on guarantee taken	1.73	1.47	-
	Corporate guarantee received	-	530.00	-
	Interest expense	8.88	4.52	-
	Loans received	105.00	87.50	-
	Repayment of loans	76.90	40.00	-
	Income from pharmacy	0.83	0.30	-
	Purchase of medical consumables, drugs and surgical instruments	6.57	0.39	-
	Tests and Investigation expense	-	1.74	-
ii	**Iconkrishi Institute of Medical Sciences Private Limited**			
	Income from pharmacy	0.19	-	-
iii	**Saveera Institute of Medical Sciences Private Limited**			
	Purchase of medical consumables, drugs and surgical instruments	0.02	-	-
	Income from pharmacy	0.19	-	-
Transactions by KIMS Swastha Private Limited				
i	**Krishna Institute of Medical Sciences Limited**			
	Interest expense on advance givcen	0.39	0.51	0.51
	Loans received	-	0.05	0.07
Transactions by KIMS Hospitals Private Limited				
i	**Krishna Institute of Medical Sciences Limited**			
	Interest expense	-	8.39	10.55
	Loans received	-	2.00	5.10
	Repayment of loans	-	135.74	-
	Issue of Shares	-	161.74	-

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

II - Disclosure pre elimination of intra group transactions (continued)

(b) The balances receivables from and payable within the Group: (these transactions got eliminated in Restated Ind AS Consolidated Summary Statement) *

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
In the Books of the Company:			
i Loans			
KIMS Hospitals Private Limited	-	-	133.74
KIMS Swastha Private Limited	6.40	6.40	6.34
Iconkrishi Institute of Medical Sciences Private Limited	85.00	71.80	29.30
Saveera Institute of Medical Sciences Private Limited	30.00	60.00	37.00
KIMS Hospitals Kurnool Private Limited	75.60	47.50	-
ii Interest accrued on loans			
KIMS Hospitals Private Limited	-	-	17.60
KIMS Swastha Private Limited	1.97	1.46	0.95
Saveera Institute of Medical Sciences Private Limited	6.68	-	1.77
Iconkrishi Institute of Medical Sciences Private Limited	7.51	5.00	-
KIMS Hospitals Kurnool Private Limited	1.59	4.07	-
iii Guarantee given on behalf of			
KIMS Hospital Enterprises Private Limited	-	400.00	400.00
Iconkrishi Institute of Medical Sciences Private Limited	170.00	170.00	170.00
Saveera Institute of Medical Sciences Private Limited	580.00	580.00	550.00
KIMS Hospitals Kurnool Private Limited	530.00	530.00	-
iv Financial guarantee liability			
KIMS Hospital Enterprises Private Limited	-	5.07	9.42
Iconkrishi Institute of Medical Sciences Private Limited	2.41	2.92	3.19
Saveera Institute of Medical Sciences Private Limited	14.85	16.46	17.24
KIMS Hospitals Kurnool Private Limited	9.32	11.06	-
v Trade receivables			
Arunodaya Hospitals private Limited	0.23	-	-
Savera Institute of Medical Sciences Private Limited	9.40	1.16	-
Iconkrishi Institute of Medical Sciences Private Limited	2.81	1.32	-
KIMS Hospitals Kurnool Private Limited	0.91	1.52	-
vi Trade payable			
KIMS Hospitals Kurnool Private Limited	-	0.30	-
Iconkrishi Institute of Medical Sciences Private Limited	-	0.26	-
Savera Institute of Medical Sciences Private Limited	-	0.03	-
In the Books of Iconkrishi Institute of Medical Sciences Private Limited:			
i Krishna Institute of Medical Sciences Limited			
Loan payable	85.00	71.80	29.30
Corporate guarantee received	170.00	170.00	170.00
Prepaid guarantee commission	2.41	2.92	3.19
Interest accrued on loan	7.51	5.00	-
Trade payable	2.81	1.32	-
Trade receivable	-	0.26	-
In the Books of KIMS Hospital Enterprises Private Limited:			
i Krishna Institute of Medical Sciences Limited			
Corporate guarantee received	-	400.00	400.00
Prepaid guarantee commission	-	5.07	9.42
In the Books of Saveera Institute of Medical Sciences Private Limited			
i Krishna Institute of Medical Sciences Limited			
Loan outstanding	30.00	60.00	37.00
Prepaid guarantee commission	14.85	16.46	17.24
Interest accrued on loan	6.68	-	1.77
Corporate guarantee received	580.00	580.00	550.00
Trade payable	9.40	1.16	-
Trade Receivable	-	0.03	-
In the Books of Kurnool Rainbow Hospitals Private Limited			
i Krishna Institute of Medical Sciences Limited			
Prepaid guarantee commission	9.32	11.06	-
Trade receivables	-	0.30	-
Loans Payable	75.60	47.50	-
Corporate guarantee received	530.00	530.00	-
Interest accrued on loan	1.59	4.07	-
Trade payables	0.91	1.52	-
In the Books of KIMS Hospitals Private Limited			
i Krishna Institute of Medical Sciences Limited			
Interest accrued on loans	-	-	17.60
Loans Payable	-	-	133.74
In the Books of KIMS Swastha Private Limited			
i Krishna Institute of Medical Sciences Limited			
Interest accrued on loans	1.97	1.46	0.95
Loans	6.40	6.40	6.34
In the Books of Arundaya Hospitals Private Limited			
i Krishna Institute of Medical Sciences Limited			
Trade Payable	0.23	-	-

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

Terms and conditions:

All transactions with those related parties are priced on an arm's length basis and resulting outstanding receivables and payables including financial assets and financial liabilities balances are settled in cash within a range of 30-120 days of the transaction date. None of balances are secured.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

29 Earnings per equity share (EPS)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Earnings			
Profit/ (loss) attributable to equity shareholders of the Company	**2,012.19**	**1,191.83**	**(477.69)**
Shares			
Number of shares at the beginning of the year	74,489,552	74,489,552	50,149,732
Add: Conversion of financial liability to equity shares (refer note 10(a)(vi))	-	-	21,474,864
Add: Equity shares issued during the year	3,103,731	-	2,864,956
Total number of equity shares outstanding at the end of the year	**77,593,283**	**74,489,552**	**74,489,552**
Weighted average number of equity shares outstanding during the year - Basic	74,872,204	74,489,552	69,154,797
Weighted average number of equity shares arising out of issue of share warrant that have dilutive effect on EPS	1,276,322	594,936	548,813
Weighted average number of equity shares outstanding during the year - used in calculating Diluted EPS	**76,148,525**	**75,084,488**	**69,703,610**
Earnings per equity share of par value Rs. 10 - Basic (Rs.)	26.87	16.00	(6.91)
Earnings per equity share of par value Rs. 10 - Diluted (Rs.)*	26.42	15.87	(6.91)

Notes:

1) The number of equity shares issued during the year 31 March 2019 includes 21,474,864 equity shares of Rs. 10 each, fully paid up which were classified as financial liability as at 31 March 2018.

*Share warrants are not considered for calculation of diluted earnings per share for the year ended 31 March 2019 as it will have anti-dilutive effect.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

30 Segment information

The Managing Director of the Group takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

Based on the Group's business model, medical and healthcare services have been considered as a single business segment for the purpose of making decision on allocation of resources and assessing its performance. Accordingly, there are no separate reportable segments in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the Restated Ind AS Consolidated Summary Statement. Presently, the Group's operations are predominantly confined in India. There are no individual customer contributing more than 10% of Group's total revenue. All non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets of the Group are located in India.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

31 Due to Micro and Small Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at year end has been made in the Restated Ind AS Consolidated Summary Statement based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
The amounts remaining unpaid to micro and small supplies as at end of the year			
- Principal	17.90	25.08	1.36
- Interest	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-	-

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

32 Capital management

The Group's policy is to maintain a stable capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the 'adjusted net debt' to 'total equity' ratio.

For this purpose, adjusted net debt is defined as total borrowings (including liability component of financial instrument), less cash and cash equivalents. Total equity comprises of issued share capital, all other equity reserves and non-controlling interests.

The capital structure as at 31 March 2021, 31 March 2020 and 31 March 2019 was as follows:

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
Total borrowings	2,704.68	3,207.79	2,880.97
Less: Cash and cash equivalents	(521.29)	(405.14)	(80.63)
Adjusted net debt	**2,183.39**	**2,802.65**	**2,800.34**
Total equity	**8,761.95**	**6,114.30**	**5,669.11**
Adjusted net debt to equity ratio - Gearing ratio	**24.92%**	**45.84%**	**49.40%**

No changes were made in the objectives, policies or processes for managing capital during and for year ended 31 March 2021, 31 March 2020 and 31 March 2019.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants 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. There have been no recall during the year due to breaches in the financial covenants of any interest-bearing loans and borrowing.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

33 Financial instruments : Fair value and risk management

A. Accounting classification and fair values

As at 31 March 2021	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note 1 below)			
Trade receivables	1,098.19	1,098.19	
Cash and cash equivalents	521.29	521.29	
Bank balances other than above	2,323.13	2,323.13	
Loans	186.35	186.35	
Other financial assets	263.47	263.47	
Total	**4,392.43**	**4,392.43**	
			Level 3
Financial liabilities at amortised cost (Refer note 1 below)			
Long-term borrowings (excluding current maturities)	1,846.03	1,846.03	
Lease liabilities	459.02	459.02	
Short-term borrowings	552.67	552.67	
Trade payables	1,318.70	1,318.70	
Other financial liabilities	472.85	472.85	
Total	**4,649.27**	**4,649.27**	

As at 31 March 2020	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note 1 below)			
Trade receivables	1,322.68	1,322.68	
Cash and cash equivalents	405.14	405.14	
Bank balances other than above	52.13	52.13	
Loans	64.71	64.71	
Other financial assets	55.39	55.39	
Total	**1,900.05**	**1,900.05**	
			Level 3
Financial liabilities at amortised cost (Refer note 1 below)			
Long-term borrowings (excluding current maturities)	2,687.17	2,687.17	
Lease liabilities	479.53	479.53	
Short-term borrowings	101.11	101.11	
Trade payables	1,234.34	1,234.34	
Other financial liabilities	635.23	635.23	
Total	**5,137.38**	**5,137.38**	

As at 31 March 2019	Carrying Value	Fair Value	Fair value level
Financial assets at amortised cost (Refer note 1 below)			
Trade receivables	1,232.69	1,232.69	
Cash and cash equivalents	80.63	80.63	
Bank balances other than above	21.36	21.36	
Loans	55.00	55.00	
Other financial assets	111.96	111.96	
Total	**1,501.64**	**1,501.64**	
			Level 3
Financial liabilities at amortised cost (Refer note 1 below)			
Long-term borrowings (excluding current maturities)	2,427.27	2,427.27	
Lease liabilities	483.44	483.44	
Short-term borrowings	175.53	175.53	
Trade payables	1,040.59	1,040.59	
Other financial liabilities	482.51	482.51	
Total	**4,609.34**	**4,609.34**	

Note 1: Financial assets and financial liabilities at amortised cost for all the years:

The carrying amounts of trade receivables, trade payables, other financials assets, other financial liabilities (excluding current maturities), short term borrowings and cash and cash equivalents and bank balances other than cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobersvable inputs including counterparty credit risk.

The fair values of non-current borrowings (including current maturities) are based on discounted cash flowes using a current borrowing rate. They are classified as level 3 fair value hierarchy due to the use of unobservable inputs including own credit risk.

33 Financial instruments : Fair value and risk management (continued)

B. Measurement of fair values

i. Valuation technique and significant unobservable inputs for the year ended 31 March 2019:
The fair value of derivative instrument is determined based on the value arrived as per discounted cash flows approach as on the reporting date. Significant unobservable input includes forecast annual revenue growth rate for income from hospital services ranges from 20% p.a to 25% p.a. forecast annual revenue growth rate for income from pharmacy and others ranges from 10% p.a. to 15% p.a. and Weighted average cost of capital 31 March 2019: Nil.

ii. Transfer between Level 1 and 2
There have been no transfers from Level 2 to Level 1 or vice-versa in 31 March 2021, 31 March 2020 and 31 March 2019.

iii. Level 3 fair values

	FVTPL Financial instruments
Balance at 01 April 2018	1,609.12
Net change in fair value (unrealised)	871.27
Liability derecognised on conversion of liability into Equity (refer note 10(a)(vi))	(2,480.39)
Balance at 31 March 2019	-

* During the year ended 31 March 2019, the financial instument classified as fair value through profit and loss got converted into equity. Hence disclosures for subsequent year is not applicable.

C. Financial risk management
The Group's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

(i) Risk management framework
The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all the employees understand their roles and obligations.

(ii) Credit risk
Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade receivables and contract assets based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables and contract assets amounting to Rs. 1,643.58 (31 March 2020: Rs. 1,740.17, 31 March 2019: Rs. 1,633.63). The movement in allowance for credit loss in respect of trade receivables during the year was as follows:

Allowance for credit losses	As at		
	31 March 2021	31 March 2020	31 March 2019
Opening balance	373.10	326.48	145.52
Credit loss added	38.77	46.62	180.96
Closing Balance	411.87	373.10	326.48
Trade receivables written off not routed through above movement	8.26	5.68	47.83

The Group uses a provision matrix to determine the expected credit loss on the portfolio of its trade receivables and contract assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and contract assets and is adjusted for forward looking estimates. The expected credit loss allowance is based on the ageing of the days the receivables are due in the provision matrix. Set out below is the information about the credit risk exposure of the Group's trade receivables and contract asset using provision matrix:

	Not past due	0-180 days due past due date	More than 180 days past due date	Gross trade receivables and contract assets
As at 31 March 2021	693.08	665.88	284.62	1,643.58
As at 31 March 2020	222.66	944.77	572.74	1,740.17
As at 31 March 2019	625.82	549.61	458.19	1,633.63

Customer Concentration-
No single customer represents 10% or more of the Group's total revenue for the years ended 31 March 2021, 31 March 2020 and 31 March 2019. Therefore the customer concentration risk is limited due to the large and unrelated customer base.

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

33 Financial instruments : Fair value and risk management (continued)

(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 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	1,846.03	-	1,499.25	350.40	1,849.65
Lease liabilities	459.02	72.89	298.10	363.17	734.16
Short-term borrowings	552.67	552.67	-	-	552.67
Trade payables	1,318.70	1,318.70	-	-	1,318.70
Other financial liabilities	472.85	467.26	2.43	3.16	472.85
Total	**4,649.27**	**2,411.52**	**1,799.78**	**716.74**	**4,928.04**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,687.17	-	2,087.75	605.43	2,693.18
Lease liabilities	479.53	76.11	372.79	363.17	812.07
Short-term borrowings	101.11	101.11	-	-	101.11
Trade payables	1,234.34	1,234.34	-	-	1,234.34
Other financial liabilities	635.23	628.13	4.27	2.83	635.23
Total	**5,137.38**	**2,039.68**	**2,464.82**	**971.43**	**5,475.93**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Carrying value	Less than 1 year	1 - 5 years	More than 5 years	Total
Long-term borrowings (excluding current maturities)	2,427.27	-	1,650.66	781.51	2,432.17
Lease liabilities	483.44	85.16	277.42	496.83	859.41
Short-term borrowings	175.53	175.53	-	-	175.53
Trade payables	1,040.59	1,040.58	-	-	1,040.58
Other financial liabilities	482.51	476.70	4.65	1.16	482.51
Total	**4,609.34**	**1,777.97**	**1,932.73**	**1,279.50**	**4,990.20**

(iv) Market risk

(a) Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term borrowings with variable interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting year are as follows:

Particulars	As at		
	31 March 2021	31 March 2020	31 March 2019
Variable rate long term borrowings (including current maturities) and short term borrowings	2,201.64	3,072.32	2,722.59
Total borrowings	**2,201.64**	**3,072.32**	**2,722.59**

Sensitivity

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Impact on consolidated profit or loss			
Sensitivity			
1% increase in MCLR	(22.02)	(30.72)	(27.23)
1% decrease in MCLR	22.02	30.72	27.23

The interest rate sensitivity is based on the closing balance of secured term loans and working capital loans from banks.

(b) Currency risk

The Group is not exposed to currency risk.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

34 Business combinations and acquisition of non-controlling interests

I. Acquisition by the Group during the year ended 31 March 2021

(i) Acquisition of additional interest in shares of KIMS Hospitals Enterprise Private Limited

The Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 75.26% to 86.32% through secondary purchase of 2,713,307 equity shares from existing shareholders for a total amount of Rs. 352.73. Shares were purchased at Rs.130 per share. This has resulted in reduction of non controlling interest and other equity amounting to Rs. 51.38 and Rs. 301.35 respectively.

II. Acquisition by the Group during the year ended 31 March 2020

(i) Acquisition of additional interest in shares of KIMS Hospitals Enterprise Private Limited

The Company has increased its stake in KIMS Hospitals Enterprise Private Limited from 50.27 % to 75.26% through secondary purchase of 6,134,434 equity shares from existing shareholders in three tranches for a total amount of Rs. 710.34. In the first two tranche 4,357,021 shares were purchased at Rs.110 per share and in the third tranche 1,777,413 shares were purchased at Rs.130 per share. This has resulted in reduction of non controlling interest and other equity amounting to Rs. 87.61 and Rs. 621.15 respectively.

(ii) Acquisition of shares of KIMS Hospitals Kurnool Private Limited

On 01 April 2019, the Group acquired 55% of the voting shares of KIMS Hospitals Kurnool Private Limited (formerly known as Kurnool Rainbow Hospitals Private Limited) ("KHKPL") giving it the control of KHKPL.

Since the date of acquisition, KHKPL has generated revenue of Rs. 409.83 and loss after tax of Rs. 93.26 for the year ended 31 March 2020.

Control over KHKPL is expected to provide the Group with an increased share to the healthcare market through access to KHKPL's customer base.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred :

Particulars	**Amount**
Cash	81.68

B. Assets acquired and liabilities recognised at the date of acquisition

Particulars	**Amount**
Property, plant and equipment	345.59
Intangible assets	12.14
Current and non current assets	25.10
Deferred tax liability	(3.32)
Current and non current liabilities	(66.00)
Total assets	**313.51**
Borrowings	339.30
Total liabilities	**339.30**
Total net identifiable assets acquired	**(25.79)**

The fair value of above acquired assets and liabilities were determined by a registered valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Required Return on Assets (WARA)	15.60%
Implied Internal Rate of Return (IRR)	20.43%
Weighted-Average Cost of Capital (WACC)	15.60%

C. Goodwill arising on acquisition

Consideration transferred	81.68
Non controlling interest	(11.61)
Fair value of net identifiable assets	25.79
Goodwill	**95.86**

Goodwill arose in the acquisition of KHKPL because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth due to existing customer contract, future market development and assembled workforce of KHKPL. Due to the contractual terms imposed on acquisition, the customer list is not separable. Therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38.

Accounting Policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by- acquisition basis. For the non-controlling interest of KIMS Hospitals Kurnool Private Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

34 Business combinations and acquisition of non-controlling interests (continued)

III. Acquisition by the Group during the year ended 31 March 2019

(i) Acquisition of Iconkrishi Institute of Medical Sciences Private Limited

On 05 May 2018, the Group acquired 51 percent of the voting shares of Iconkrishi Institute of Medical Sciences Private Limited ("ICIMSPL") giving it control of ICIMSPL.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred :

Cash	70.00

B. Assets acquired and liabilities recognised at the date of acquisition

Other intangible assets	188.02
Total assets	**188.02**
Deferred tax liabilities	65.68
Total liabilities	**65.68**
Total net identifiable assets acquired	**122.34**

The fair value of above acquired assets and liabilities were determined by a registered valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Required Return on Assets (WARA)	16.40%
Implied Internal Rate of Return (IRR)	15.00%
Weighted-Average Cost of Capital (WACC)	15.20%

C. Goodwill arising on acquisition

Consideration transferred	70.00
Non controlling interest	59.91
Fair value of net identifiable assets	(122.34)
Goodwill	**7.57**

Goodwill arose in the acquisition of ICIMSPL because the cost of combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefits of expected synergies, revenue growth due to existing customer contract, future market development and assembled workforce of ICIMSPL. Control over ICIMSPL is expected to provide the Group with an increased share to the healthcare market through access to ICIMSPL's customer base.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

Subsequent to the acquisition of shares in ICIMSPL, on 08 May 2018, the group acquired assets and liabilities under slump sale from Iconkrishi Hospitals Private Limited ("ICHPL").

ICIMSPL was incorporated on 10 April 2018 and started its full fledged operations after the acquisition by the Group, hence, Management estimates consolidated revenue and consolidated profit would not have changed for the year ended 31 March 2019, if the acquisition has occurred on the date of incorporation of ICIMSPL. Since the date of slump sale, ICIMSPL has contributed revenue of Rs. 358.70 and loss after tax of Rs. 71.01 to the Group's results during the year ended 31 March 2019.

A. Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred :

Cash	-

B. Assets acquired and liabilities recognised at the date of acquisition

Property, plant and equipment	50.11
Other non-current assets and loans and advances	29.57
Net working capital	(18.99)
Total assets	**60.69**
Borrowings	116.67
Total liabilities	**116.67**
Total net identifiable assets acquired	**(55.98)**

The fair value of above acquired assets and liabilities were determined by a valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Cost of Capital (WACC)	15.20%

34 Business combinations and acquisition of non-controlling interests (continued)

(i) Acquisition of Iconkrishi Institute of Medical Sciences Private Limited (continued)

C. Goodwill arising on acquisition	
Consideration transferred	-
Fair value of net identifiable assets/ (liabilities)	(55.98)
Goodwill	**55.98**

Goodwill arose in the acquisition of ICHPL because the cost of combination included a control premium. The goodwill is attributable mainly to the skills and technical work force and the synergies expected to be achieved from integrating ICHPL's business into the ICIMSPL's business.

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

Accounting Policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by- acquisition basis. For the non-controlling interest of Iconkrishi Institute of Medical Sciences Private Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

(ii) Acquisition of shares of Saveera Institute of Medical Sciences Private Limited

On 05 September 2018, the Company entered into a share purchase agreement with the existing shareholders of Saveera Institute of Medical Sciences Private Limited ('SIMSPL') to acquire 80% equity shares at a total consideration of Rs. 0.08 at face value per share giving it control over SIMSPL.

The Company has acquired the shares of SIMSPL at face value per share of Rs. 10 each. There were no identifiable assets and liabilities on the date of acquisition. Hence, no Goodwill is recognised in the Restated Ind AS Consolidated Summary Statement of the Group on account of the acquisition of SIMSPL.

Subsequent to the acquisition of shares in SIMSPL, SIMSPL through a business transfer agreement, purchased the hospital and healthcare division of Saveera Hospitals Private Limited ('SHPL') under slump sale on 25 September 2018 for a purchase consideration of Rs. 197.27 on a going concern basis with effect from 01 October 2018. Accordingly, an amount of Rs. 258.19 being the excess of purchase consideration over the net value of the assets acquired (based on a valuation report) has been recognised as Goodwill on acquisition. Control over SIMSPL is expected to provide the Group with an increased share to the healthcare market through access to SIMSPL's customer base.

SIMSPL was incorporated on 16 August 2018 and started its full fledged operations after the acquisition by the Group, hence, Management estimates consolidated revenue and consolidated profit would not have changed for the year ended 31 March 2019, if the acquisition has occurred on the date of incorporation of SIMSPL. Since the date of slump sale, SIMSPL has contributed revenue of Rs. 228.00 and loss after tax of Rs. 33.38 to the Group's results during the year ended 31 March 2019.

The details of purchase price allocation is as follows:

Particulars	
Total Assets	
Property, plant and equipment	489.00
Other intangible assets	42.76
Other non-current assets and loans and advances	21.43
Net working capital	(43.89)
	509.30
Total Liabilities	
Borrowings	529.55
Deferred tax liabilities	40.67
	570.22
Net Assets	**(60.92)**
Less: Purchase consideration	(197.27)
Goodwill on acquisition	**258.19**

The fair value of above acquired assets and liabilities were determined by a valuer. This fair value was estimated by applying an income approach. The following were the key model inputs used in determining the fair value:

Weighted-Average Cost of Capital (WACC)	16.4%
Weighted-Average required return on assets	17.3%
Implied internal rate of return	16.6%

None of the goodwill arising on these acquisition is expected to be deductible for tax purpose.

Accounting Policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by- acquisition basis. For the non-controlling interest's of Saveera Institute of Medical Sciences Private Limited, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

35 Non-controlling interest

The following table summarises the summary statement relating to each of the Group's subsidiaries:

As at 31 March 2021	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited
NCI Percentage	**42.17%**	**49.00%**	**13.68%**	**20.00%**	**45.00%**
Non-current assets	189.48	243.40	1,058.80	872.88	466.03
Current assets	133.51	134.95	387.44	156.34	73.19
Non-current liabilities	(11.16)	(195.46)	(511.22)	(586.35)	(512.42)
Current liabilities	(56.48)	(135.00)	(300.84)	(226.94)	(193.67)
Net Assets	**255.35**	**47.90**	**634.18**	**215.93**	**(166.87)**
Net Assets attributable to NCI	**107.68**	**23.47**	**86.77**	**43.19**	**(75.09)**
Business combination and other adjustment on consolidation	**(0.66)**	**9.90**	**(1.65)**	**(65.72)**	**(3.28)**
Net Assets attributable to NCI	**107.02**	**33.37**	**85.12**	**(22.53)**	**(78.37)**
Revenue	364.76	834.78	1,638.88	694.72	524.45
Profit	25.37	96.67	158.34	(48.59)	(51.77)
Other comprehensive income ('OCI')	1.23	(0.02)	(0.89)	(0.14)	(0.04)
Total comprehensive income	**26.59**	**96.65**	**157.46**	**(48.73)**	**(51.80)**
Profit allocated to NCI	10.70	47.37	21.67	(9.72)	(23.30)
OCI allocated to NCI	0.52	(0.01)	(0.12)	(0.03)	(0.02)
Business combination and other adjustment on consolidation	(1.11)	(2.21)	(0.01)	-	(0.79)
Total comprehensive income allocated to NCI	**10.11**	**45.15**	**21.53**	**(9.75)**	**(24.11)**
Cash flows					
Cash flow from operating activities	43.07	86.08	455.71	54.37	14.45
Cash flow from investing activities	(80.61)	(20.90)	(172.35)	(46.97)	(46.85)
Cash flow from financing activities	(2.77)	(33.62)	(168.69)	0.77	33.46
Net (decrease)/ increase in cash and cash equivalents	**(40.31)**	**31.56**	**114.67**	**8.17**	**1.06**
Cash flows attributable to NCI	**(17.00)**	**15.46**	**15.69**	**1.63**	**0.48**

As at 31 March 2020	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited	KIMS Hospitals Kurnool Private Limited
NCI Percentage	**42.17%**	**49.00%**	**24.74%**	**20.00%**	**45.00%**
Non-current assets	193.42	247.80	1,151.43	886.98	488.60
Current assets	114.01	87.43	156.79	124.75	38.43
Non-current liabilities	(13.52)	(202.13)	(659.32)	(558.85)	(426.24)
Current liabilities	(65.16)	(181.86)	(172.17)	(188.21)	(228.39)
Net Assets	**228.76**	**(48.76)**	**476.73**	**264.66**	**(127.60)**
Net Assets attributable to NCI	**96.47**	**(23.89)**	**117.93**	**52.93**	**(57.42)**
Business combination and other adjustment on consolidation	-	12.56	(2.96)	(65.72)	3.15
Net Assets attributable to NCI	**96.47**	**(11.33)**	**114.97**	**(12.79)**	**(54.27)**
Revenue	393.47	559.43	1,422.43	585.10	409.83
Profit	39.42	(81.58)	114.56	(31.04)	(93.26)
Other comprehensive income ('OCI')	(1.29)	0.10	(0.35)	0.38	0.19
Total comprehensive income	**38.13**	**(81.48)**	**114.21**	**(30.66)**	**(93.07)**
Profit allocated to NCI	16.62	(39.97)	28.34	(6.21)	(41.97)
OCI allocated to NCI	(0.54)	0.05	(0.09)	0.08	0.08
Business combination and other adjustment on consolidation	(0.11)	2.97	-	-	(0.79)
Total comprehensive income allocated to NCI	**15.97**	**(36.95)**	**28.25**	**(6.13)**	**(42.68)**
Cash flows					
Cash flow from operating activities	65.39	1.02	286.36	58.52	20.20
Cash flow from investing activities	(10.49)	(18.84)	(51.57)	(38.29)	(155.50)
Cash flow from financing activities	(13.86)	16.36	(229.05)	(23.94)	131.24
Net (decrease)/ increase in cash and cash equivalents	**41.04**	**(1.46)**	**5.74**	**(3.71)**	**(4.06)**
Cash flows attributable to NCI	**17.31**	**(0.71)**	**1.42**	**(0.74)**	**(1.83)**

35 Non-controlling interest (continued)

As at 31 March 2019	Arunodaya Hospitals Private Limited	Iconkrishi Institute of Medical Sciences Private Limited	KIMS Hospital Enterprises Private Limited	Saveera Institute of Medical Sciences Private Limited
NCI Percentage	**42.17%**	**49.00%**	**49.73%**	**20.00%**
Non-current assets	211.64	257.97	1,157.14	888.14
Current assets	72.40	83.98	112.49	99.60
Non-current liabilities	(12.03)	(137.81)	(752.63)	(526.88)
Current liabilities	(81.62)	(171.67)	(172.67)	(186.19)
Net Assets	**190.39**	**32.47**	**344.33**	**274.67**
Net Assets attributable to NCI	**80.29**	**15.91**	**171.24**	**54.93**
Business combination and other adjustment on consolidation	-	13.96	(8.25)	(65.57)
Net Assets attributable to NCI	**80.29**	**29.87**	**162.99**	**(10.64)**
Revenue	357.90	358.70	1,177.31	228.00
Profit	33.88	(71.01)	33.79	(33.38)
Other comprehensive income ('OCI')	0.59	-	0.13	-
Total comprehensive income	**34.47**	**(71.01)**	**33.92**	**(33.38)**
Profit allocated to NCI	14.29	(34.79)	16.80	(6.68)
OCI allocated to NCI	0.25	-	0.06	-
Total comprehensive income allocated to NCI	**14.54**	**(34.79)**	**16.86**	**(6.68)**
Cash flows				
Cash flow from operating activities	59.77	(64.91)	229.53	(46.74)
Cash flow from investing activities	(63.50)	(107.47)	(67.59)	(70.09)
Cash flow from financing activities	(5.51)	163.69	(165.65)	121.35
Net (decrease)/ increase in cash and cash equivalents	**(9.24)**	**(8.69)**	**(3.71)**	**4.52**
Cash flows attributable to NCI	**(3.90)**	**(4.26)**	**(1.84)**	**0.90**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

36 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013:

31 March 2021

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income/ (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Krishna Institute of Medical Sciences Limited	103.55%	9,073.23	91.81%	1,886.49	-103.23%	(4.79)	91.78%	1,881.70
Subsidiary								
Arunodaya Hospitals Private Limited	2.91%	255.35	0.71%	14.66	15.30%	0.71	0.75%	15.37
KIMS Hospitals Private Limited	1.37%	119.65	-0.15%	(2.98)	0.00%	-	-0.15%	(2.98)
KIMS Swastha Private Limited	-0.03%	(2.46)	-0.03%	(0.54)	0.00%	-	-0.03%	(0.54)
KIMS Cuddles Private Limited	0.00%	-	-0.01%	(0.26)	0.00%	-	-0.01%	(0.26)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.05	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
KIMS Hospital Enterprises Private Limited	7.24%	634.18	6.65%	136.67	-16.38%	(0.76)	6.63%	135.91
Iconkrishi Institute of Medical Sciences Private Limited	0.55%	47.90	2.40%	49.30	-0.22%	(0.01)	2.40%	49.29
Saveera Institute of Medical Sciences Private Limited	2.46%	215.93	-1.89%	(38.87)	-2.37%	(0.11)	-1.90%	(38.98)
KIMS Hospitals Kurnool Private Limited	-1.90%	(166.87)	-1.39%	(28.47)	-0.43%	(0.02)	-1.39%	(28.49)
Non-controlling interests in all subsidiaries	1.42%	124.61	2.07%	42.60	7.33%	0.34	2.09%	42.94
Eliminations	-17.57%	(1,539.62)	-0.18%	(3.78)	0.00%	-	-0.18%	(3.78)
	100.00%	**8,761.95**	**100.00%**	**2,054.79**	**-100.00%**	**(4.64)**	**100.00%**	**2,050.15**

31 March 2020

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income/ (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Krishna Institute of Medical Sciences Limited	102.08%	6,241.30	105.24%	1,211.06	-90.31%	(9.04)	105.37%	1,202.02
Subsidiary								
Arunodaya Hospitals Private Limited	3.74%	228.76	1.98%	22.80	-7.39%	(0.74)	1.93%	22.06
KIMS Hospitals Private Limited	2.01%	122.64	-1.02%	(11.72)	0.00%	-	-1.03%	(11.72)
KIMS Swastha Private Limited	-0.03%	(1.92)	-0.05%	(0.52)	0.00%	-	-0.05%	(0.52)
KIMS Cuddles Private Limited	0.00%	0.26	-0.01%	(0.07)	0.00%	-	-0.01%	(0.07)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.08	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
KIMS Hospital Enterprises Private Limited	7.80%	476.73	7.49%	86.22	-2.60%	(0.26)	7.54%	85.96
Iconkrishi Institute of Medical Sciences Private Limited	-0.80%	(48.76)	-3.62%	(41.60)	0.50%	0.05	-3.64%	(41.55)
Saveera Institute of Medical Sciences Private Limited	4.33%	264.66	-2.16%	(24.83)	3.00%	0.30	-2.15%	(24.53)
KIMS Hospitals Kurnool Private Limited	-1.88%	(127.60)	-4.46%	(51.29)	1.00%	0.10	-4.49%	(51.19)
Non-controlling interests in all subsidiaries	2.18%	133.05	-3.57%	(41.11)	-4.20%	(0.42)	-3.64%	(41.53)
Eliminations	-19.42%	(1,174.90)	0.16%	1.79	0.00%	-	0.16%	1.79
Total	**100.00%**	**6,114.30**	**100.00%**	**1,150.72**	**-100.00%**	**(10.01)**	**100.00%**	**1,140.71**

31 March 2019

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income/ (loss)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Krishna Institute of Medical Sciences Limited	88.87%	5,037.93	-89.69%	(437.75)	-105.82%	(12.91)	-90.08%	(450.66)
Subsidiary								
Arunodaya Hospitals Private Limited	3.36%	190.39	4.01%	19.59	2.79%	0.34	3.98%	19.93
KIMS Hospitals Private Limited	-0.52%	(29.28)	-2.55%	(12.46)	0.00%	-	-2.49%	(12.46)
KIMS Swastha Private Limited	-0.02%	(1.40)	-0.11%	(0.52)	0.00%	-	-0.10%	(0.52)
KIMS Cuddles Private Limited	0.01%	0.33	0.00%	0.01	0.00%	-	0.00%	0.01
KIMS Sahariah Healthcare Private Limited	0.00%	-	-0.02%	(0.08)	0.00%	-	-0.02%	(0.08)
KIMS Hospital (Bhubaneswar) Private Limited	0.00%	0.09	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
KIMS Hospital Enterprises Private Limited	6.07%	344.33	3.48%	16.99	0.49%	0.06	3.41%	17.05
Saveera Institute of Medical Sciences Private Limited	4.85%	274.67	-5.47%	(26.70)	0.00%	-	-5.34%	(26.70)
Iconkrishi Institute of Medical Sciences Private Limited	0.57%	32.47	-7.42%	(36.22)	0.00%	-	-7.24%	(36.22)
Non-controlling interests in all subsidiaries	4.63%	262.51	-2.13%	(10.38)	2.54%	0.31	-2.01%	(10.07)
Eliminations	-7.81%	(442.93)	-0.11%	(0.54)	0.00%	-	-0.11%	(0.54)
Total	**100.00%**	**5,669.11**	**-100.00%**	**(488.07)**	**-100.00%**	**(12.20)**	**-100.00%**	**(500.27)**

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

37 Income tax

a. Amount recognised in the statement of profit and loss

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	778.39	432.98	386.09
Deferred tax attributable to temporary differences	(33.03)	(154.79)	(53.98)
Adjustments for tax relating to earlier years	(10.00)	(23.65)	2.15
Tax expenses for the year	**735.36**	**254.54**	**334.26**

b. Amount recognised in other comprehensive income

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Deferred tax on re-measurement losses on defined benefit plans	1.64	3.42	6.64

c. Reconciliation of effective tax rate

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (loss) before tax	**2,790.15**	**1,405.26**	**(153.81)**
Enacted tax rates	25.168%	25.168%	34.944%
Tax expense/ (benefit) at enacted rates	702.22	416.61	(53.75)
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income			
Non-deductible expenses	24.25	8.57	349.64
Impact of change in rate of tax/ tax polices	7.74	(124.27)	(2.94)
Adjustments for tax relating to earlier years	(10.00)	(23.65)	2.15
(Reversal)/ recognition of tax losses	26.39	(22.28)	26.71
Minimum Alternate Tax (MAT) credit entitlement	(16.26)	-	-
Taxes on Indexation benefit on freehold land	-	-	(0.15)
Others	1.02	(0.44)	12.60
Total	**735.36**	**254.54**	**334.26**

d. Recognition of deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following

Particulars	**31 March 2021**	**31 March 2020**	**31 March 2019**
Deferred tax asset			
Expected credit loss for trade receivables	93.99	88.53	114.93
Provision for employee benefits	79.98	61.47	67.67
Tax losses carried forward	-	-	52.48
Property, plant and equipment	6.24	4.17	17.90
Minimum alternate tax credit entitlement	16.26	21.56	29.52
Others	20.55	15.24	10.21
Total deferred tax asset	**217.01**	**190.97**	**292.71**
Deferred tax liability			
Property, plant and equipment	543.70	531.47	765.36
Others	2.28	2.07	5.03
Total deferred tax liability	**545.97**	**533.54**	**770.39**
Deferred tax liability, net	**(328.96)**	**(342.57)**	**(477.68)**
Net deferred tax liabilities	**(358.31)**	**(356.73)**	**(515.65)**
Net deferred tax asset	**29.35**	**14.16**	**37.97**

37 Income tax (continued)

(ii) Movement in temporary differences

Particulars	Expected credit loss for trade receivables	Minimum Alternate tax credit entitlement	Provision for employee benefits	Others - assets	Tax losses carried forward	Property, plant and equipment (asset)	Property, plant and equipment (liability)	Others- liability	Total
Balance as at 1 April 2018	**50.97**	**0.35**	**47.38**	**15.12**	**66.93**	**4.90**	**(611.16)**	**(6.44)**	**(431.95)**
Addition on business combinations	-	-	-	-	-	-	(106.35)	-	(106.35)
Recognised in Restated Ind AS Consolidated Summary Statement of Profits and Losses during the year	63.96	-	13.65	(4.91)	(14.45)	13.00	(47.85)	1.41	24.81
Recognised in OCI during the year	-	-	6.64	-	-	-	-	-	6.64
Other	-	29.17	-	-	-	-	-	-	29.17
Balance as at 31 March 2019	**114.93**	**29.52**	**67.67**	**10.21**	**52.48**	**17.90**	**(765.36)**	**(5.03)**	**(477.68)**
Ind AS 116 transition adjustment (refer Annexure VII)	-	-	-	-	-	(12.44)	-	-	**(12.44)**
Balance as at 01 April 2019	**114.93**	**29.52**	**67.67**	**10.21**	**52.48**	**5.46**	**(765.36)**	**(5.03)**	**(490.12)**
Addition on business combinations	-	-	-	-	-	-	(3.32)	-	(3.32)
Recognised in Restated Ind AS Consolidated Summary Statement of Profits and Losses during the year	(26.40)	-	(9.62)	5.03	(52.48)	(1.29)	237.21	2.96	155.41
Recognised in OCI during the year	-	-	3.42	-	-	-	-	-	3.42
Other	-	(7.96)	-	-	-	-	-	-	(7.96)
Balance as at 31 March 2020	**88.53**	**21.56**	**61.47**	**15.24**	**-**	**4.17**	**(531.47)**	**(2.07)**	**(342.57)**
Recognised in Restated Ind AS Consolidated Summary Statement of Profits and Losses during the year	5.46	15.76	16.87	5.30	-	2.06	(12.23)	(0.20)	33.03
Recognised in OCI during the year	-	-	1.64	-	-	-	-	-	1.64
Other	-	(21.06)	-	-	-	-	-	-	(21.06)
Balance as at 31 March 2021	**93.99**	**16.26**	**79.98**	**20.55**	**-**	**6.24**	**(543.70)**	**(2.28)**	**(328.96)**

Tax loss and unabsorbed depreciation carry-forward for which no deferred tax assets were recorded with expiry date:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Expiry within 1-5 years	-	-	-
Expiry within 6-8 years	45.25	106.44	-
Indefinite	197.96	180.34	-
	243.21	**286.78**	**-**

Amount of deferred tax asset that has not been recorded as at year end:

	31 March 2021	31 March 2020	31 March 2019
Tax rate	25.17%	25.17%	34.94%
Deferred tax asset not recorded as at year end	61.21	72.18	-

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

38 Goodwill

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at the beginning of the year	847.75	751.90	430.16
Additions on account of business combination during the year (refer note 34)	-	95.86	321.74
Impairment of goodwill	-	-	-
Balance at the end of the year	**847.75**	**847.75**	**751.90**

For impairment testing, goodwill (acquired through business combinations and on consolidation) has been allocated to the Medical and Healthcare Services CGU.

The Group performed its annual impairment test for years ended 31 March 2021, 31 March 2020 and 31 March 2019.

Medical and Health Care CGU
The recoverable amount of the CGU, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by the Management covering a five year period. The pre-tax discount rate applied to cash flow projections for impairment testing during the years is stated in the below table and cash flows beyond the five-year period are extrapolated using a long term growth rate as stated in the below table that is the same as the long-term average growth rate for the Medical and Health care industry.

The following table sets out the key assumption for the Cash Generating Unit ("CGU") for performing the annual impairment test:

	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount rate	16.50%	16.50%	16.40% to 16.61%
Long term growth rate	5.00%	5.00%	2% to 5%

The discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU.

There is no impairment noted in the Medical and Healthcare Services CGU based on the assessment performed by the Management. Management has performed sensitivity analysis around the base assumption and have concluded that no reasonable possible change in key assumptions would cause the recoverable amount of the Medical and Healthcare Services CGU lower than the carrying amount of CGU.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

39 Global Health Pandemic
During the year ended 31 March 2021 and 31 March 2020, the outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy. The Company is closely monitoring the impact of the pandemic on all aspects of it's business, including how it will impact its employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets, and does not foresee any material adverse impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

40 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021, 31 March 2020 and 31 March 2019.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

41 No significant subsequent events have been observed till 25 May 2021 which may require any additional disclosure or an adjustment to the Restated Ind AS Consolidated Summary Statement.

The above statement should be read with Annexure V and Annexure VII to the Restated Ind AS Consolidated Summary Statement.

As per our report on even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: 25 May 2021

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. Bhaskara Rao Bollineni
Managing Director
DIN: 00008985

Dr. Abhinay Bollineni
Chief Executive Officer
DIN: 01681273

Mr. Vikas Maheshwari
Chief Financial Officer

Mr. Uma Shanker Mantha
Company Secretary
Membership No:-A21035

Place: Hyderabad
Date: 25 May 2021

Krishna Institute of Medical Sciences Limited
CIN: U55101TG1973PLC040558
Annexure VII - Statement of Adjustments to the Restated Ind AS Consolidated Summary Statement
(All amounts are in million of Indian Rupees except share data or unless otherwise stated)

Summarised below are the restatement adjustments made to the equity of the Audited Consolidated Financial Statements of the Group for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and their consequential impact on the equity of the Group:

		Note	As at		
			31 March 2021	31 March 2020	31 March 2019
A	**Total Equity as per Audited Consolidated Financial Statements**		**8,761.95**	**6,114.30**	**5,693.95**
B	**Adjustments:**				
	Material restatement Adjustments:				
	(i) Audit qualifications	1	-	-	-
	Total		**-**	**-**	**-**
	(ii) Adjustments due to prior period items / other adjustments				
	Adjustments on account of adoption of Ind AS 116	2 (a)	-	-	(37.28)
	Total		**-**	**-**	**(37.28)**
	(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
	Deferred tax impact on restatement adjustments	2 (b)	-	-	12.44
	Total		**-**	**-**	**12.44**
C	**Total impact of adjustments (i + ii + iii)**		**-**	**-**	**(24.84)**
D	**Total equity as per Restated Ind AS Consolidated Summary Statement (A+C)**		**8,761.95**	**6,114.30**	**5,669.11**

Summarised below are the restatement adjustments made to the profit after tax of the Audited Consolidated Financial Statements of the Group for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 and their consequential impact on the profit/ (loss) of the Group:

		Note	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Profit/ (loss) after tax as per Audited Consolidated Financial Statements**		**2,054.79**	**1,150.72**	**(463.23)**
B	**Adjustments:**				
	Material restatement Adjustment:				
	(i) Audit qualifications	1	-	-	-
	Total		**-**	**-**	**-**
	(ii) Adjustments due to prior period items / other adjustments				
	Adjustments on account of adoption of Ind AS 116	2 (a)	-	-	(37.28)
	Total		**-**	**-**	**(37.28)**
	(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable				
	Deferred tax impact on restatement adjustments	2 (b)	-	-	12.44
	Total		**-**	**-**	**12.44**
C	**Total impact of adjustments (i + ii + iii)**		**-**	**-**	**(24.84)**
D	**Profit/(Loss) after tax as per Restated Ind AS Consolidated Summary Statement (A+C)**		**2,054.79**	**1,150.72**	**(488.07)**

Note:

1. **Adjustments for audit qualification:** None

2. **Material restatement adjustments:**

(a) **Recognition of Right-of-use assets and lease liability:**
A new lease standard i.e., Ind AS 116 has been notified to be effective w.e.f. 1 April 2019 which provide guidelines for the accounting of the lease contracts entered in the capacity of a lessee and a lessor. For the purpose of preparation of Restated Ind AS Consolidated Summary Statement, the management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for the year ended 31 March 2019. Hence in these Restated Ind AS Consolidated Summary Statement, Ind AS 116 has been adopted with effect from 01 April 2018 following modified retrospective method (i.e. on 01 April 2018 the Group has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at an amount equal to the lease liability). Impact of adoption of Ind AS 116 has been adjusted for the purpose of restatement.

(b) **Deferred tax assets (net):**
Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the Restated Ind AS Consolidated Summary Statement.

3. Reconciliation of total equity as per audited financial statements with total equity as per Restated Ind AS Consolidated Summary statement as at 31 March 2019:
The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on 01 April 2019 for transition to Ind AS 116, while preparing the Restated Ind AS Consolidated Summary Statement for each of the years ended 31 March 2021 and 31 March 2020 and 31 March 2019. As specified in the Guidance Note, the equity balance computed under Restated Ind AS Consolidated Summary Statement for the year ended 31 March 2019 and equity balance computed on transition (using modified retrospective approach) to Ind AS 116 on 01 April 2019, differs due to restatement adjustments made for the year ended 31 March 2019. Accordingly, following balances as at 31 March 2019 of the Restated Ind AS Consolidated Summary Statement has not been carried forward to opening balance sheet as at 01 April 2019. The reconciliation difference is as below:

Particulars	Right of Use Asset	Deferred tax	Others	Retained earnings	Non- controlling interest
Restated balance as at 31 March 2019	556.07	(477.68)	-	(2,924.84)	262.51
Add: Adjustment on account of transition to Ind AS 116 (including corresponding deferred tax)	36.80	(12.44)	0.48	13.56	11.28
Balance as at 01 April 2019 as per audited financial statements for the year ended 31 March 2020	**592.87**	**(490.12)**	**0.48**	**(2,911.28)**	**273.79**

4. **Non-adjusting items:**

(a) Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Ind AS Consolidated Summary Statement
Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2003 (as amended), on the financial statements of the Parent Company and its subsidiaries for the year ended 31 March 2021, 31 March 2020 and 31 March 2019 which do not require any corrective adjustment in the Restated Ind AS Consolidated Summary Statement are as follows:

Krishna Institute of Medical Sciences Limited

For the year ended 31 March 2019

Clause (vii) (a) of CARO 2016 Order

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including, Provident fund, Employees' State Insurance, Income-tax, Goods and Service tax, Duty of Customs, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delays in few cases.

Clause (vii) (b) of CARO 2016 Order

According to the information and explanations given to us, there are no dues of Income tax, Goods and Service tax and Duty of Customs which have not been deposited with the appropriate authorities on account of any dispute. However, the following dues of Value added tax, Luxury tax and Service tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of the dues	Amount demanded (Rs.)	Amount paid under protest (Rs.)	Period to which the amount	Forum where the dispute is pending
The Andhra Pradesh tax on Luxuries Act, 1987	Luxury tax*	16.14	7.99	2004-07	Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh
The Andhra Pradesh tax on Luxuries Act, 1987	Luxury tax*	25.88	13.67	2007-09	Sales Tax Appellate Tribunal, Hyderabad
The Andhra Pradesh tax on Luxuries Act, 1987	Penalty on Luxury tax*	14.10	2.12	2008-09	Appellate Deputy Commissioner, Hyderabad
The Andhra Pradesh tax on Luxuries Act, 1987	Luxury tax*	26.15	15.69	2009-11	Appellate Deputy Commissioner, Hyderabad
AP VAT Act, 2005	Value Added Tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
Finance Act, 1994	Service tax and penalty *	31.63	8.90	July 2010 to April 2011	CESTAT, Bangalore

* Interest will be levied as applicable

For the year ended 31 March 2020

Clause (vii) (b) of CARO 2016 Order

According to the records of the Company, the dues outstanding of Value Added Tax and Luxury Tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs)	Amount paid under protest (Rs)	Period to which the amount relates	Forum where the dispute is pending
The Andhra Pradesh tax act, 1987	Luxury tax*	16.14	7.99	2004-07	Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh
The Andhra Pradesh tax act, 1987	Luxury tax*	52.02	29.36	2007-11	Sales Tax Appellate Tribunal, Hyderabad
The Andhra Pradesh tax act, 1987	Penalty on Luxury tax*	14.10	2.12	2008-09	Sales Tax Appellate Tribunal, Hyderabad
AP VAT Act, 2005	Value Added Tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad

* Interest will be levied as applicable

For the year ended 31 March 2021

Clause (vii) (b) of CARO 2016 Order

According to the records of the Company, the dues outstanding of Value Added Tax, Luxury Tax and Good and Service Tax on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs)	Amount paid under protest (Rs)	Period to which the amount relates	Forum where the dispute is pending
The Andhra Pradesh tax act, 1987	Luxury tax*	16.14	7.99	2004-07	Hon'ble High Court of Judicature at Hyderabad for the State of Andhra Pradesh
The Andhra Pradesh tax act, 1987	Luxury tax*	52.02	29.36	2007-11	Sales Tax Appellate Tribunal, Hyderabad
The Andhra Pradesh tax act, 1987	Penalty on Luxury tax*	14.10	2.12	2008-09	Sales Tax Appellate Tribunal, Hyderabad
AP VAT Act, 2005	Value Added Tax	1.76	1.10	November 2009 to February 2013	Appellate Deputy Commissioner, Hyderabad
CGST Act, 2017	CGST and SGST including penalty	6.59	-	July 2017 to August 2019	Assistant Commissioner, Ongole

* Interest will be levied as applicable

Clause (xiv) of CARO 2016 Order

According to the information and explanations given by the management the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of allotment of equity shares against share warrants, issued in earlier years. According to the information and explanations given by the management, we report that the amount raised, are idle/surplus funds amounting to Rs 950,238,283 which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs 950,238,283, of which Rs 950,238,283 was outstanding at the end of the year.

Arunodaya Hospitals Private Limited

For the year ended 31 March 2019

Clause (vii) (a) of CARO 2016 Order

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

Clause (vii) (b) of CARO 2016 Order

According to the information and explanations given to us, there are no dues of Income tax, Goods and Service tax and Value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following dues of Service tax:

Name of the statute	Nature of the dues	Amount demanded (Rs)	Amount paid under protest	Period to which the amount	Forum where the dispute is pending
Finance Act, 1994	Service tax	0.09	-	April 2016 to June 2017	Office of the Assistant Commissioner of Central Tax, Visakhapatnam GST Audit Circle

For the year ended 31 March 2020

Clause (vii) (b) of CARO 2016 Order
According to the records of the Company, the dues outstanding of Service tax on account of any dispute, are as follows

Name of the statute	Nature of the dues	Amount demanded (Rs)	Amount paid under protest	Period to which the amount	Forum where the dispute is pending
Finance Act, 1994	Service tax	0.09	-	April 2016 to June 2017	Office of the Assistant Commissioner of Central Tax, Visakhapatnam GST Audit Circle

For the year ended 31 March 2021

Clause (vii) (b) of CARO 2016 Order
According to the records of the Company, the dues outstanding of Service tax on account of any dispute, are as follows

Name of the statute	Nature of the dues	Amount demanded (Rs)	Amount paid under protest	Period to which the amount	Forum where the dispute is pending
Finance Act, 1994	Service tax	0.09	-	April 2016 to June 2017	Office of the Assistant Commissioner of Central Tax, Visakhapatnam GST Audit Circle

Saveera Institute Of Medical Sciences Private Limited

For the year ended 31 March 2019

Clause (vii) (a) of CARO 2016 Order

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The provisions relating to duty of custom and duty of excise are not applicable to the Company.

Iconkrishi Institute Of Medical Sciences Private Limited

For the year ended 31 March 2019

Clause (vii) (a) of CARO 2016 Order

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Service tax and other material statutory dues, there have been serious delays ranging from 1 day to 133 days in depositing them with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Employees' State Insurance, Income-tax, Goods and Service tax and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except for Provident Fund as mentioned below.

Name of the statute	Nature of the dues	Amount demanded (Rs)	Period to which the amount	Due date	Date of payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.14	May 2018 to August 2018	15th of subsequent month	Yet to be paid

KIMS Hospital Enterprises Private Limited

For the year ended 31 March 2019

Clause (vii) (a) of CARO 2016 Order

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Duty of Customs, Goods and Service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.

5. **Material regrouping:**

a. Medical consumables and pharmacy items consumed of Rs. 2,541.68 and Rs. 2,102.07, as presented in Statement of Profit and loss for the year ended 31 March 2020 and 31 March 2019 respectively, has been regrouped in Restated Ind AS Consolidated Statement of profits and loss as Purchase of medical consumables, drugs and surgical instruments of Rs. 2,572.16 and Rs. 2,169.26, respectively and (Increase)/decrease in inventories of medical consumables, drugs, and surgical instruments of Rs. (30.48) and Rs. (67.19) respectively.

b. Goodwill on business combinations amounting to Rs. 314.17 and Rs. 314.17 as presented in Other Intangible Assets and Goodwill on consolidation amounting to Rs. 533.58 and Rs. 437.72 as at 31 March 2020 and 31 March 2019 respectively, has been regrouped in Restated Ind AS Consolidated Statement of Assets and Liabilities as Goodwill.

c. Leasehold Land, representing perpetual lease, amounting to Rs 151.82 as presented in Right of Use Assets as at 31 March 2020, has been reclassified in Restated Ind AS Consolidated Statement of Assets and Liabilities under Property, Plant and Equipment.

The above regroupings/reclassifications does not have any impact on reported profit/(loss) as well as equity balance of respective years .

As per our report on even date attached

for **S.R.BATLIBOI & ASSOCIATES LLP**
Chartered Accountants
ICAI Firm Registration Number : 101049W/E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: 25 May 2021

for and on behalf of the Board of Directors of
Krishna Institute of Medical Sciences Limited

Dr. Bhaskara Rao Bollineni
Managing Director
DIN: 00008985

Dr. Abhinay Bollineni
Chief Executive Officer
DIN: 01681273

Mr. Vikas Maheshwari
Chief Financial Officer

Mr. Uma Shanker Mantha
Company Secretary
Membership No:-A21035

Place: Hyderabad
Date: 25 May 2021

OTHER FINANCIAL INFORMATION

1. The audited standalone financial statements of our Company as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 ("**Standalone Financial Statements**") are available at https://www.kimshospitals.com/stakeholder-relations. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone Financial Statements do not constitute, (i) a part of this 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 Standalone 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 Group or any of its advisors, nor any BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Standalone Financial Statements, or the opinions expressed therein.

2. The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019*
Earnings per Equity Share (Face value of ₹10/- each)			
Basic EPS^# (in ₹)	26.87	16.00	(6.91)
Diluted EPS^# (in ₹)	26.42	15.87	(6.91)
Return on Net Worth (%)(1)^	23.30%	19.93%	(8.84%)
Net asset value per Equity Share (₹) - Basic (2)^	115.36	80.30	78.18
Weighted average number of Equity Shares for basic earnings per Equity Share^	74,872,204	74,489,552	69,154,797
Weighted average number of Equity Shares for diluted earnings per Equity Share^	76,148,525	75,084,488	69,703,610
Profit/(loss) attributable to owners of the Company (₹ in million)	2,012.19	1,191.83	(477.69)
Equity Share capital (₹ in million)^	775.93	744.90	744.90
Other equity (₹ in million)^	7,861.41	5,236.35	4,661.70
Net Worth, as restated (₹ in million) (3)	8,637.34	5,981.25	5,406.60
EBITDA (₹ in million)	3,810.48	2,510.79	868.24

Note:

 # Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

^ Numbers shown for the year ended March 31, 2021 are after considering conversion of share warrants into Equity Shares on February 16, 2021

** Share warrants are not considered for calculation of diluted earnings per share for the year ended 31 March 2019 as it will have anti-dilutive effect.*

(1) Return on Net Worth = Profit/ (loss) attributable to: owners of the Company divided by total equity attributable to owners of the Company

(2) Net asset value per equity share (₹) - Basic = total equity attributable to owners of the Company divided by weighted average number of equity shares outstanding during the year

(3) Net Worth = Total equity attributable to owners of the Company

*(4) Net worth, return on net worth, net asset value per Equity Share and EBITDA (together, "Non-GAAP Measures"), presented in this Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, net worth, return on net worth, net asset value per Equity Share and EBITDA are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For details, please see "**Risk Factors - This Prospectus contains certain Non-GAAP Measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry."** and **"Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Results of Operations—Non-GAAP Measures**" on pages 50 and 311, respectively.*

Non-GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, "Non-GAAP financial measures" and each a "Non-GAAP financial measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Prospectus, hospital revenue, group revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Profit before tax, Adjusted Profit After Tax, net worth, return on net worth, net asset value per equity share, non-current borrowings (including current maturity of long term debt) / total equity ratio, total borrowings/ total equity ratio are given below:

1) *Reconciliation of net worth and return on net worth* :

(₹ in million, unless otherwise stated)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity share capital as per restated consolidated financials (I)	775.93	744.90	744.90
Other equity as per restated consolidated financials (II)	7,861.41	5,236.35	4,661.70
Net worth (III) = (I+II)	8,637.34	5,981.25	5,406.60
Profit/ (loss) attributable to owners of the Company (IV)	2,012.19	1,191.83	(477.69)
Return on net worth (V= IV/III) (in %)	23.30%	19.93%	(8.84%)

2) *Reconciliation of net asset value per Equity Share - Basic*

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Equity share capital as per restated consolidated financials (I)	775.93	744.90	744.90
Other equity as per restated consolidated financials (II)	7,861.41	5,236.35	4,661.70
Net worth (III) = (I+II)	8,637.34	5,981.25	5,406.60
Weighted average number of equity shares outstanding during the year (No's) – Basic (IV)	74,872,204	74,489,552	69,154,797
Net asset value per equity share (in ₹) - Basic (V = III/IV*10^6)	115.36	80.30	78.18

3) *Reconciliation of our profit/(loss) for the year to our EBITDA and Adjusted EBITDA:*

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) for the year (I)	**2,054.79**	**1,150.72**	**(488.07)**
Add:			
Finance costs (II)	324.97	399.42	457.49
Total tax expense (III)	735.36	254.54	334.26
Depreciation and amortization expense (IV)	695.36	706.11	564.56
EBITDA (V = I + II + III + IV)	**3,810.48**	**2,510.79**	**868.24**
Add:			
Loss on fair value changes in financial instrument (V)	-	-	871.27
Gain on acquisition of control in equity accounted investee (VI)	-	-	-
Share of profit of equity accounted investee (net of tax) (VII)	-	-	-
Adjusted EBITDA (VIII = V+V+VII)	**3,810.48**	**2,510.79**	**1,739.51**

4) *Reconciliation of Adjusted EBITDA margin:*

(₹ in million, unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Adjusted EBITDA (I)	3,810.48	2,510.79	1,739.51
Total income (II)	13,401.02	11,287.28	9,238.69
Adjusted EBITDA Margin (I/II) (in %)	**28.43%**	**22.24%**	**18.83%**

5) *Reconciliation of adjusted profit before tax and adjusted profit after tax:*

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) before tax expense (I)	**2,790.15**	**1,405.26**	**(153.81)**
Add:			
Interest expense on liability component of financial instruments (II)	-	-	120.01
Loss on fair value changes in financial instrument (III)	-	-	871.27
Adjusted Profit Before Tax Expense (IV = I + II + III)	**2,790.15**	**1,405.26**	**837.47**
Less Total tax expense	735.36	254.54	334.26
Adjusted Profit After Tax	**2,054.79**	**1,150.72**	**503.21**

6) *Reconciliation of our total income to our hospital revenue:*

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total income (I)	**13,401.02**	**11,287.28**	**9,238.69**
Add/(Deduct):			
Other income (II)	(101.65)	(60.83)	(58.64)
Income from academic courses (III)	(62.10)	(61.57)	(58.26)
Consolidated Elimination Revenue related to revenue from operations (IV)	42.99	22.54	11.01
Hospital Revenue (I+II+III+IV)	**13,280.26**	**11,187.42**	**9,132.80**

7) *Reconciliation of our total income to our group revenue:*

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Total income (I).....	**13,401.02**	**11,287.28**	**9,238.69**
Add/(Deduct):			
Revenue from non-operating subsidiaries (II)	-	(1.38)	(0.03)
Consolidated Elimination Revenue related to total income (III)	78.89	54.94	35.85
Group revenue (I+II+III)	**13,479.91**	**11,340.84**	**9,274.51**

8) *Reconciliation of our non-current borrowings (including current maturity of long term debt) / total equity ratio:*

(₹ in million, unless otherwise stated)

	as at March 31, 2021
Long-term borrowings (I)	1,846.03
Current maturity of long term debts (II)	305.98
Total non-current borrowings (including current maturity of long term debt) (III = I+II)	2,152.01
Total equity attributable to owners of the Company (IV)	8,637.34
Non-current borrowings (including current maturity of long term debt)/ total equity ratio (V=III/IV)	0.25

9) *Reconciliation of our total borrowings/ total equity ratio:*

(₹ in million, unless otherwise stated)

	as at March 31, 2021
Long-term borrowings (I)	1,846.03
Current maturity of long term debts (II)	305.98
Short-term borrowings (III)	552.67
Total borrowings (IV = I+II+III)	2,704.68
Total equity attributable to owners of the Company (V)	8,637.34
Total borrowings/ total equity ratio (VI=IV/V)	0.31

RELATED PARTY TRANSACTIONS

Details of terms and conditions of the loans given by the Company to its Subsidiaries as on March 31, 2021, are as follows:

Name of the Subsidiary	Amount of loan (₹ in million)	Tenure of loan	Interest rate	Any other terms and conditions
ICIMSPL	85.00	4 years	12.00%	-
SIMSPL	30.00	4 years	12.00%	-
KHKPL	75.60	4 years	12.00%	-

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 SEBI ICDR Regulations, for as at and for the years ended March 31, 2021, March 31, 2020, and March 31, 2019 and as reported in the Restated Financial Statements, see "***Restated Financial Statements - Annexure VI – Notes to Restated Ind AS Consolidated Summary Statement – Note 28***" on page 287.

FINANCIAL INDEBTEDNESS

Our Company and Subsidiaries avail loans and bank facilities in the ordinary course of its business. Pursuant to a resolution of the shareholders of our Company passed at the AGM held on August 26, 2016, our Board has been authorised to borrow, from time to time any sum or sums of money, by way of cash credit, loan, overdraft, discounting of bills, operating of letters of credit, for standing guarantee or counter-guarantee and any other type of credit line or facility up to an amount not exceeding ₹ 6,000 million on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid up capital of our Company and its free reserves.

Borrowings of our Company on consolidated basis

As of March 31, 2021, our Company and our Subsidiaries had total borrowings (long term borrowings (including current maturity of long term debt) and short term borrowings) amounting to ₹ 2,704.68 million and non-fund based borrowings amounting to ₹ 21.73 million. Set forth below is a brief summary of aggregate borrowings of our Company and Subsidiaries:

Outstanding borrowings of our Company and Subsidiaries on consolidated basis

Category of borrowing	Sanctioned amount (in ₹ million)	Outstanding amount (in ₹ million) as on March 31, 2021
Secured		
Term loans from banks and other parties	3,280.07	2,152.01
Working capital facilities*		
- Fund based	700.00	52.67
- Non fund based	61.00	21.73
Unsecured		
Working capital loans from bank	500.00	500.00
Total	**4,541.07**	**2,726.41**

**Includes overdraft facilities and cash credit facilities.*
Note: As certified by SV Rao Associates, Chartered Accountants, by way of their certificate dated May 26, 2021

Principal terms of the borrowings availed by our Company:

Set out below are the principal terms of the borrowing availed by our Company:

1. ***Interest:*** The interest rate for our facilities is typically the base rate of a specified lender and plus a specified spread per annum, subject to a minimum interest rate. The spread varies amongst different loans and typically ranges from 4.90% to 9.50%.

2. ***Tenor:*** The tenor of the facilities availed by us typically ranges from 12 months to 96 months.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

   a) Create security by way of hypothecation on our Company's cash flows, receivables, book debts and revenues, both present and future;

   b) Create security by way of hypothecation on our Company's movable properties, including plant, machinery, spares, tools and accessories, furniture, fixtures, vehicles

   c) Create charge on our movable assets and immovable assets, both present and future; and

   d) Pledge of 29% of our Company's equity shareholding in its subsidiary, KIMS Hospitals Private Limited.

   In most cases, security created in favour of a lender is on a pari passu basis with the other lenders.

   In addition to above, Dr. Bhaskara Rao Bollineni and Dr. Abhinay Bollineni, have provided irrevocable and continuing personal guarantees, and Dr. Bhaskara Rao Bollineni has pledged certain portion of the Equity Shares held by him in our Company to certain of our lenders.

   The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The term loans availed by our Company are typically repayable in monthly instalments and quarterly instalments. The cash credit facilities availed by our Company are typically repayable on demand of the lender.

5. ***Prepayment:*** The loans availed by our Company typically have prepayment provisions which allows for prepayment of

the outstanding loan amount at any given point in time and carry a pre-payment penalty on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents.

6. ***Restrictive Covenants:*** As per the terms of our loan agreements, certain corporate actions for which our Company requires prior written consent of the lenders include:

(a) Formulating any scheme of amalgamation, compromise, reconstruction, consolidation, demerger or merger;

(b) Change in ownership or control of our Company whereby effective beneficial ownership or control of our Company changes;

(c) Effecting any material change in the constitution or management of our Company;

(d) Changing the capital structure of our Company or dilution of shareholding of the promoter of our Company;

(e) Amending the Memorandum of Association and Articles of Association;

(f) Change in management control of our Company;

(g) Undertaking any new business, operations or projects or substantial expansion of any current business, operations or projects;

(h) Declaration of dividends or distribution of profits except where the instalments of principal and interest payable to a particular lender is being paid regularly and there are no irregularities in relation thereto; and

(i) Breach of any covenant, undertaking or conditions set out in the facility documents or breach of agreement, representation or warranty which in the opinion of the bank is prejudicial to their interests.

7. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, amongst others:

(a) untrue representations or statements;

(b) Non-payment or default of any amounts due on the facility or loan obligation;

(c) Breach of any representation, warranty or undertaking by our Company;

(d) Initiation of enforcement and distress proceedings, proceedings relating to winding up/ liquidation/ bankruptcy being initiated against our Company;

(e) Appointment of a receiver over any of our Company's properties;

(f) Occurrence of any circumstances that would, in the opinion of the lender, imperil repayment of the loan or constitute a material adverse effect on our Company's ability to repay the facility amount;

(g) Non-performance or non-compliance of terms of the borrowing arrangements;

(h) In case our Company suspends, ceases or threatens to cease to carry on its business; and

(i) Misuse of facilities by our Company.

Additionally we are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by us for the purpose of availing of loans are not triggered.

8. ***Penalty:*** The loans availed by our Company contain provisions prescribing penalties for prepayment as well as delayed payment or default in the repayment obligations of our Company or delay in creation of the stipulated security, which typically is 2% of the outstanding principal amount.

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 us.

Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, see "***Risk Factors***" on page 27.

Principal terms of the borrowings availed by our Subsidiaries:

Set out below are the principal terms of the borrowing availed by our Subsidiaries:

1. ***Interest:*** The interest rate for the facilities availed by our Subsidiaries is typically the base rate of a specified lender, plus a specified spread per annum, subject to a minimum interest rate. The applicable interest rates amongst different loans availed by our Subsidiaries typically ranges from 7.75% to 12%.

2. ***Tenor:*** The tenor of the facilities availed by our Subsidiaries typically ranges from 12 months to 144 months.

3. ***Security:*** In terms of the borrowings of our Subsidiaries where security needs to be created, our Subsidiaries are typically required to:

(a) Create security by way of hypothecation on their fixed and current assets;

(b) Create security by way of hypothecation on their movable properties, including medical equipment, tools and accessories, furniture and fixtures.

(c) Create charge on their movable assets and immovable assets, including land and property.

In addition to above, our Company, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and certain other doctors of our Company, have provided irrevocable and continuing corporate and personal guarantees respectively.

The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. ***Re-payment:*** The term loans availed by our Subsidiaries are typically repayable in monthly instalments. The cash credit facilities availed by our Subsidiaries are typically repayable on demand of the lender.

5. ***Prepayment/Foreclosure:*** The loans availed by our Subsidiaries typically have foreclosure/prepayment provisions which allows for foreclosure/prepayment of the outstanding loan amount at any given point in time and carry a pre-payment penalty on the pre-paid amount or on the outstanding amount, subject to terms and conditions stipulated under the loan documents.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including, amongst others:

(a) Non-payment or default of any amounts due on the facility or loan obligation;

(b) Breach of any representation or warranty by our Subsidiaries;

(c) Entering into any arrangement or composition with their creditors or committing any act which may lead to the winding up of the Subsidiaries;

(d) Without consent of the lender, create or attempt to create any mortgage, charge, pledge or other encumbrance on the secured assets;

(e) Appointment of a receiver over any of our Subsidiaries' properties;

(f) Occurrence of any event which is prejudicial to or imperils or depreciates the security given to the lender;

(g) Occurrence of any circumstances that would, in the opinion of the lender, prejudice or adversely affect the Subsidiaries' ability to repay the facility amount;

(h) Voluntarily or involuntary becoming the subject of proceedings under any insolvency law or being dissolved; and

(i) In case the net worth of our Subsidiaries becomes negative.

Additionally we are required to ensure that the aforementioned events of default and other events of default, as specified under the various binding documents and agreements entered into by us for the purpose of availing of loans are not triggered.

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 us.

7. ***Penalty:*** The loans availed by our Subsidiaries contain provisions prescribing penalties for prepayment as well as delayed payment or default in the repayment obligations of our Subsidiaries or delay in creation of the stipulated security, which typically is 2% to 3% of the outstanding principal amount.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2021, derived from our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations***", "***Restated Financial Statements***" and "***Risk Factors***" on pages 319, 233 and 27, respectively.

(in ₹ million, unless otherwise stated)

Particulars	Pre-Offer as at March 31, 2021	As adjusted for the proposed Offer[(2)]
Borrowings		
Short term borrowings (**I**)	552.67	552.67
Long term borrowings (including current maturity of long term debt) (**II**)	2,152.01	2,152.01
Total Borrowings (I) + (II) = (A)	**2,704.68**	**2,704.68**
Equity		
Equity Share Capital	775.93	800.30
Other equity	7,861.41	9,837.04
Total Equity (B)	8,637.34	10,637.34
Capitalisation (A) + (B)	**11,342.02**	**13,342.02**
Non-current borrowings (including current maturity of long term debt) /total equity ratio [(3)]	**0.25**	**0.20**
Total borrowings (A) /total equity (B) ratio	**0.31**	**0.25**

Notes:

(1) The above statement does not include lease liability as per Ind AS 116 disclosed under financial liability in the Restated Financial Statements

(2) As adjusted for the proposed Offer column reflects changes in Equity only on account of the proceeds from the fresh issue of ₹ 2,000.00 million, out of which ₹ 24.37 million has been adjusted towards Equity Share capital and ₹1,975.63 million has been adjusted towards other equity. Further, the other equity amount has not been adjusted for share issue expenses on account of the proposed Offer.

(3) the calculations of non current borrowings (including current maturity of long term debt)/ total equity ratio is as per the reconciliation of our non-current borrowings (including current maturity of long term debt) / total equity ratio on page no. 313.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion and analysis of our financial condition and results of operations for Fiscal Years 2021, 2020 and 2019 is based on, and should be read in conjunction with, our Restated Financial Statements, including the schedules, notes and significant accounting policies thereto, included in the section titled "**Restated Financial Statements**" beginning on page 233.*

*Our Restated Financial Statements have been derived from our audited consolidated financial statements and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note. Our consolidated financial statements are prepared in accordance with Indian Accounting Standards ("**Ind AS**"). Ind AS differs in certain material respects from International Financial Reporting Standards ("**IFRS**") and United States Generally Accepted Accounting Principles ("**U.S. GAAP**") and, accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Prospectus will provide meaningful information is entirely dependent on the reader's familiarity with our Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP.*

*This discussion contains forward-looking statements and reflects the current views of our Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "**Risk Factors**", "**Forward-Looking Statements**" and "**Our Business**" beginning on pages 27, 15 and 165 respectively, and elsewhere in this Prospectus.*

*Certain information in this section is derived from the report titled "Assessment of the healthcare delivery market in India" dated February 2021 prepared by CRISIL Research pursuant to engagement with our Company (the "**CRISIL Report**"). For risks in relation to commissioned reports, see "**Risk Factors – Internal Risk Factors – This Prospectus contains industry information that has been extracted or derived from an industry report prepared by CRISIL Research, which was commissioned by our Company**".*

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year", "Fiscal" and "Fiscal Year" are to the 12 month period ended March 31 of that fiscal year. All references to a year are to that Fiscal Year, unless otherwise noted.

OVERVIEW

We are one of the largest corporate healthcare groups in AP and Telangana in terms of number of patients treated and treatments offered, according to the CRISIL Report commissioned by us. We provide multi-disciplinary integrated healthcare services, with a focus on primary secondary & tertiary care in Tier 2-3 cities and primary, secondary, tertiary and quaternary healthcare in Tier 1 cities. We operate 9 multi-specialty hospitals under the "KIMS Hospitals" brand, with an aggregate bed capacity of 3,064, including over 2,500 operational beds as of March 31, 2021. We offer a comprehensive range of healthcare services across over 25 specialties and super specialties, including cardiac sciences, oncology, neurosciences, gastric sciences, orthopaedics, organ transplantation, renal sciences and mother & child care.

We operate and manage all of our hospitals, which provides us with greater control over our facilities and helps us to better deliver high quality and affordable healthcare services. In Fiscal Year 2021, our nine hospitals recorded ARPOB of ₹ 20,609, a bed occupancy rate of 78.60%, and an ALOS of 5.53 days, on an aggregate basis. In Fiscal Year 2021, ARPOB for our hospitals situated in Tier 1 cities was ₹ 39,571 and ARPOB for our hospitals situated in Tier 2-3 cities was ₹ 11,187.

We have approached our network expansion with financial prudence and have been disciplined with taking on financial leverage for capital investments. All of our significant capital investments are carefully deliberated and approved by our experienced Board. Our ability to keep the capex / bed at these levels has been important to our model of providing quality and affordable healthcare services. In Fiscal Year 2020, our capital expenditure per bed was ₹ 6.35 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities, compared to the industry average of ₹ 5.00 – 8.00 million in Tier 1 cities and ₹ 1.00 – 5.00 million in Tier 2-3 cities, according to the CRISIL Report commissioned by us. In Fiscal Year 2021, our capital expenditure per bed was ₹ 6.91 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities. We expect to remain disciplined with expansion.

FACTORS AFFECTING RESULTS OF OUR OPERATIONS

Our results of operations and financial condition are affected by a number of factors, including the following, which are of particular importance:

Patient volume

Our revenue from operations is highly dependent on the number of patients who undergo diagnosis and/or treatment at our hospitals. The revenues from our pharmacies are also dependent on the volume of patients at our hospitals and the average revenue per patient. The number of patients registering for diagnosis and/or treatment at our hospitals depends on, among other things, our and our doctors' reputation and the strength of our brand (including ability to drive patient recommendations and referrals from family and friends), the cost of treatment and the type of services offered. The number of patients registering for diagnosis and/or treatment at

our hospitals also depends on the economic and social conditions of local communities, the degree of competition from other healthcare facilities, seasonal illness cycles and the locations of our facilities and ease of transiting to them.

The table below sets out our inpatient and outpatient volume and revenue for the years indicated.

	As of March 31			2019-2021
	2021	2020	2019	CAGR
Inpatient:				
Volume (no. of patients)	116,592	140,676	111,382	2.31%
Revenue (₹ in millions)[(1)]	10,480.63	8,799.42	7,176.52	20.85%
Outpatient:				
Volume (no. of patients)	830,211	1,137,560	900,043	(3.96)%
Revenue (₹ in millions)	2,799.65	2,388.02	1,956.27	19.63%

(1) Includes usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020.

We experienced a negative CAGR of (3.96)% for our outpatient volume from 2019 to 2021 mainly due to COVID-19 related lockdown, quarantines and other travel related restrictions, which resulted in fewer people traveling to our hospitals to seek outpatient treatment. Our negative outpatient volume CAGR was offset by 2.31% growth of inpatient volume, which resulted in growth of total income, as a large proportion of our inpatients during the COVID-19 pandemic were critical and complex cases with longer stays as well as multiple procedures and treatments being administered throughout the patient's hospitalization.

Occupancy rate

Our revenue from operations is also highly dependent on our hospital occupancy rates. High bed occupancy rates are critical to optimizing revenue generation at our facilities. We closely monitor our occupancy rates and actively manage our facilities and operations to achieve and maintain high occupancy levels. Low occupancy serves as an input for our marketing and branding strategy and high occupancy serves as an indicator of a need to increase existing bed capacity. The important factors influencing the occupancy rates of our facilities include the quality of our facilities, the ability of our brand and market position to drive inpatient volume, the number, quality and specialties of our doctors as well as growth in local population and local economic conditions. Occupancy across the healthcare industry is also affected by improved treatment protocols as a result of advances in medical technology and pharmacology.

Our revenue growth has been driven by our ability to maintain high occupancy rates while reducing our patients' average length of stay ("**ALOS**") because, for in many of our specialties and for many treatments, a significant portion of our inpatient revenues are derived from medical services provided in the initial two to three days of a patient's hospital stay. We seek to improve our ALOS by increasing operating efficiency, improving clinical practices and through the use of technology. Between 2018 and 2020, we increased our average bed occupancy rate while decreasing ALOS, which resulted in strong revenue growth. We believe that our higher occupancy rates were due to our efforts to recruit high-quality doctors and offer high quality care at affordable prices, while the decrease in ALOS over the same period was the product of our adoption of improved medical technology, advancements in medical treatments and more efficient processes for patient diagnosis. In Fiscal Year 2021, our average bed occupancy rate decreased due to the impact of the COVID-19 pandemic, which led to a significant decrease in inpatient volume during the period, particularly in April and May 2020 when India's national lockdown orders were at their strictest. Meanwhile, ALOS increased as a large proportion of our inpatients are COVID-19 medical management cases in internal medicine and pulmonology, which results in longer stays but fewer high revenue generating procedures and treatments.

The table below sets out our occupancy rate, ALOS, and hospital revenue for the years indicated.

	As of March 31		
	2021	2020	2019
Average bed occupancy rate (%) :	78.60%	80.49%	71.83%
ALOS (days) :	5.53	4.34	4.47
Hospital revenue[(1)] (₹ in millions)	13,280.26	11,187.42	9,132.80

(1) "Hospital revenue" for each of our hospitals is revenue from operations excluding income from academic courses. "Hospital revenue" for our Company on a group basis is hospital revenue from each of our hospitals, usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020, excluding revenue from non-operating entities and consolidation eliminations.

Strategic organic and inorganic expansion

We have grown by establishing new hospitals on our own, expanding or upgrading our existing facilities and through acquisitions of standalone hospitals or practices. We have increased the bed capacity at our hospitals from approximately 200 beds at our hospital at Nellore at the time of its establishment in the year 2000 to an aggregate of 3,064 beds in nine hospitals as of March 31, 2021. We continue to invest in new facilities to expand capacity in both existing markets and markets which we have strategically decided to expand into. Since Fiscal Year 2017, we have expanded our hospital network primarily through acquisitions of other hospitals. In Fiscal Year 2017, we acquired our hospital in Ongole, a 350-bed multispecialty hospital founded by local doctors, through a slump sale by Ongole Arogya Hospitals Private Limited. We acquired and re-launched a 434-bed multispecialty hospital in Vizag in April 2018. In addition, we acquired a 250-bed hospital in Anantapur in October 2018 and a 200-bed hospital in Kurnool in April 2019,

which solidified our presence in southern AP and adjoining areas of Karnataka. We plan to expand our hospital network into markets that are adjacent to our core markets of Andhra Pradesh and Telangana, initially focusing on Karnataka, Orissa, Tamil Nadu and Central India. For details in relation to our strategy on expansion, please see "***Our Business – Competitive Strengths – Disciplined approach to acquisitions resulting in successful inorganic growth***" on page 170 and "***Our Business – Our Strategies – Strategically grow our presence in adjacent markets***" on page 171.

A new hospital goes through a gestation period before it matures (particularly with respect to occupancy rates) and may operate at a loss for a certain period before achieving profitability. During such gestation period, the capital expenditure towards such hospital will not contribute towards profitability and will thus reflect negatively on our financial condition. Therefore, the financial performance of a newly added hospital may adversely affect our overall operating margins in the short to medium term. When we add hospitals already in operation to our network through acquisitions, the hospital may continue to operate profitably during the phase of integration into our network, though we may incur additional short-term costs and expenses related to the hospital's integration into our network, such as additional employee benefit expense and consultancy expenses for additional doctors and other healthcare professionals, expenses to align administrative processes and rebranding expenses. In the case of hospital acquisitions, our intangible assets may increase and the resulting amortization expenses may, to a significant extent, offset the benefit of the increase in revenue generated from hospitals established through acquisitions. Much of the infrastructure for a new facility must be put in place when a facility commences operations and many operating expenses, including medical consultancy charges and rent are required to be incurred regardless of patient intake. Thus, initially, operating expenses will represent a higher percentage of a facility's revenue until patient volumes reach targeted levels. In addition, as we expand our capacity and network of hospitals, we expect our operating expenses to continue to increase correspondingly in absolute terms.

We monitor the performance of our hospitals by vintage when we evaluate our strategic organic and inorganic expansion activities. Typically, in the initial stages of operation of a hospital, the number of outpatients is higher, and as the facility matures, the number of inpatients availing of services at such facility increases as the hospitals' and its doctors' reputations strengthen and the hospitals' catchment area expands. We have generally observed higher bed occupancy rates, inpatient and outpatient volumes, revenue and ARPOB in our hospitals that have been in our network for more than four years as compared to hospitals acquired in the last four years.

The following table sets out certain key highlights and operational parameters for our hospitals by vintage for the periods indicated. The vintage of our hospitals established or operational more than four years ago (i.e. prior to January 1, 2017) comprises our hospitals at Secunderabad, Nellore, Rajahmundry, Srikakulam and Kondapur. The vintage of our hospitals operational within the last four Fiscal Years comprises our hospitals at Ongole, Vizag, Anantapur and Kurnool.

In hospitals established/operational more than 4 Fiscal Years ago

Year	Bed Capacity[(1)]	Operating beds	Bed occupancy rate[(2)]	Inpatient Volume	Outpatient Volume	ALOS[(3)]	ARPOB[(4)]	Hospital revenue[(5)]*	Revenue from inpatients[(6)]*	Revenue from outpatient*
2019	1,770	1,555	78.19%	87,161	674,668	4.31	21,475	8,065.87	6,410.31	1,655.55
2020	1,770	1,555	81.94%	94,283	747,565	4.17	23,048	9,071.71	7,213.34	1,858.39
2021	1,830	1,615	72.89%	75,590	540,887	4.83	28,833	10,517.50	8,397.55	2,119.97
2019-2021 CAGR	-	-	-	(6.87)%	(10.46)%	-	-	14.19%	14.46%	13.16%

In hospitals operational within last 4 Fiscal Years

Year	Bed Capacity[(1)]	Operating beds	Bed occupancy rate[(2)]	Inpatient Volume	Outpatient Volume	ALOS[(3)]	ARPOB[(4)]	Hospital revenue[(5)]*	Revenue from inpatients[(6)]*	Revenue from outpatients*
2019	1,034	654	57.50%	24,221	225,375	5.06	8,705	1,066.93	766.20	300.72
2020	1,234	879	78.00%	46,393	389,995	4.69	9,727	2,115.71	1,586.08	529.63
2021	1,234	975	87.55%	41,002	289,324	6.82	9,881	2,762.76	2,083.08	679.68
2019-2021 CAGR	-	-	-	30.11%	13.30%	-	-	60.92%	64.88%	50.34%

Group

Year	Bed Capacity[(1)]	Operating Beds	Bed Occupancy rate[(2)]	Inpatient Volume	Outpatient Volume	ALOS[(3)]	ARPOB[(4)]	Hospital Revenue[(5)]*	Revenue from inpatients[(6)]*	Revenue from outpatients*
2019	2,804	2,209	71.83%	111,382	900,043	4.47	18,334	9,132.80	7,176.52	1,956.27
2020	3,004	2,434	80.49%	140,676	1,137,560	4.34	18,307	11,187.42	8,799.42	2,388.02
2021	3,064	2,590	78.60%	116,592	830,211	5.53	20,609	13,280.26	10,480.63	2,799.65
2019-2021 CAGR	-	-	-	2.31%	(3.96)%	-	-	20.59%	20.85%	19.63%

* ₹ *in millions*

(1) *Includes census and non-census beds.*

(2) *Number of beds occupied divided by number of operational census beds (i.e. excluding day care beds like dialysis, endoscopy, emergency etc.) as of the last day of the relevant year.*

(3) *"ALOS" means average of length of stay, which is the total length of stay days for a year divided by inpatients volume for such year. Length of stay day is based on daily midnight bed count.*

(4) *"ARPOB" means average revenue per occupied bed, which is hospital revenue divided by the total length of stay days.*

(5) *"Hospital revenue" for each of our hospitals is revenue from operations excluding income from academic courses. "Hospital revenue" for our Company on a group basis is hospital revenue from each of our hospitals, usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020, excluding revenue from non-operating entities and consolidation eliminations.*

(6) *Includes usage fees earned on our "PET-CT" (positron emission tomography–computed tomography) equipment and revenue from KIMS Vijayawada, a bariatric unit that we started in fiscal year 2020.*

We experienced a negative CAGR of (3.96)% for our outpatient volume from 2019 to 2021 mainly due to COVID-19 related lockdown, quarantines and other travel related restrictions, which resulted in fewer people traveling to our hospitals to seek outpatient treatment. Our negative outpatient volume CAGR was offset by 2.31% growth of inpatient volume, which resulted in growth of total income, as a large proportion of our inpatients during the COVID-19 pandemic were critical and complex cases with longer stays as well as multiple procedures and treatments being administered throughout the patient's hospitalization.

When we construct a new hospital or acquire an existing hospital, we generally seek to purchase the land where the new hospital will be built or where the existing hospital is located. We believe that when we identify markets early and purchase land on attractive terms, we are able to better manage our long-term costs and control our overall capital investment per bed. In cases where we are not able to purchase the underlying land, we have acquired land rights on long-term, low-cost terms to avoid high fixed rental costs, such as the land for our hospital in Secunderabad, which we hold on a perpetual lease basis, and our KIMS Vizag hospital under an operation and maintenance arrangement without traditional lease fees. With only one hospital (KIMS Kondapur) on traditional lease, we have generally minimized lease expenses and lease renewal risks that often drive up costs in our industry. As a result, in Fiscal Year 2020, our capital expenditure per bed was ₹ 6.35 million for hospitals in Tier 1 cities and ₹ 2.21 million for hospitals in Tier 2-3 cities, compared to the industry average of ₹ 5-8 million in Tier 1 cities and ₹ 1-5 million in Tier 2-3 cities, according to the CRISIL Report commissioned by us.

Our ability to acquire or build and operate a new hospital, or expand our existing hospitals, will be subject to various factors that may involve delays or problems, including, without limitation, delays in project execution resulting in significant time and cost overruns, delays or failure in receiving government approvals, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. In addition to the costs relating to the development or acquisition of the facility, we typically take a number of steps, such as increasing our marketing efforts at the initial stages, when we add a hospital to our network. These efforts often result in additional costs relating to the offered services, facilities and medical staff.

Consultants' charges and employee costs

We engage a significant portion of our doctors on a consultancy basis. Compensation paid to such doctors is recorded as "consultancy charges" in our Restated Financial Statements. Our expenses towards consultancy charges constituted a significant portion of our total income, accounting for 19.66%, 21.82% and 21.76% of our total income for Fiscal Years 2021, 2020 and 2019, respectively. Expenses on employee benefits constituted a significant portion of our total income, representing 16.43%, 17.55% and 17.65% of our total income for Fiscal Years 2021, 2020 and 2019, respectively.

Our ability to attract and retain specialist physicians is critical to our success and, we expect professional fees paid to our doctors to increase as our patient volumes and revenue from operations increase. The healthcare industry is relatively labour intensive and wages and other operating expenses have shown an upward trend. See also "***Risk Factors—We operate in a highly regulated industry, and compliance with applicable safety, health, environmental and other governmental regulations and any violations of existing regulations may adversely affect our business, results of operations and cash flows***". In addition, we fully staff the hospitals that are newer to our network to ensure that they are able to provide the expected level of care, even though, as discussed above, patient volumes and occupancy rates are lower at these hospitals. This further increases our employee costs and expenses, and our employee benefits expense will represent a higher percentage of our revenue in respect of such new facilities before they reach maturity. We try to offset the effects of increasing operating costs by measures such as expanding our range of services, continuing to focus on high end quaternary care, rationalizing manpower and implementing other cost control policies.

Purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments)

Purchase of medical consumables, drugs and surgical instruments represents one of our most significant expenses. This includes disposable medical supplies, as well as drugs and consumables administered to a patient and includes GST, customs duty, other government taxes and freight charges. For Fiscal Years 2021, 2020 and 2019, purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments) represented 21.56%, 22.52% and 22.75% of our total income, respectively.

We have a dedicated purchase department which undertakes centralised purchase of our supplies (including medicines) and equipment for our hospitals. Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability, and we accord approval for such purchase in consultation with the relevant medical departments. We try to reduce our costs of consumption through our efforts in centralizing the procurement function and formulary development, which allows us to maximize the utilization of drugs and lower the overall cost of consumption, and by implementing measures to improve our operating efficiencies. We expect that while prices for drugs and consumables will increase in the future, improved economies

of scale and greater bargaining power that comes with a larger network may offset the cost of drugs, as a percentage of our total expenses.

Government regulations and policies applicable to the healthcare sector

We operate in a highly regulated industry and are subject to extensive regulations. These government regulations can significantly impact our results of operations and continued growth. For example, any cap on treatment costs in private hospitals imposed by the government, or concessional or free medical treatment required to be provided by our facilities would adversely impact our revenues, which is dependent on the fees we are able to charge for the services we provided and the volume of services rendered. Regulations related to price control on specified services and procedures may also dictate the operational mix and volume of services that we provide, which could also impact our results of operations. Profit margins at our onsite pharmacies are also affected by government policies which regulate pricing of items sold at our pharmacies or utilised in medical procedures in our hospitals. For more information, see "***Risk Factors—Internal Risk Factors—Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing and other matters could adversely affect our business, results of operations and cash flows*** ".

As of July 1, 2017, a national goods and service tax ("**GST**") in India replaced taxes levied by central and state governments with a unified tax regime in respect of the supply of goods and services for all of India. The GST implementation has had an adverse impact on healthcare service costs and operating margins since hospitals were unable to utilize input GST credit on output services as hospitals have been classified under the exempt category. The possibility of further regulatory interventions by Government in future is an existing challenge for healthcare service providers in India. Any failure or non-compliance to adequately monitor compliance may subject us to penalties, fines, or suspension of any of our hospitals' license. For more information, see "***Risk Factors—Internal Risk Factors—Failure to obtain or renew approvals, licenses, registrations and permits to operate our business in a timely manner, or at all, may adversely affect our business, financial condition, results of operations and cash flows***".

Financial liability related to a prior investment

During Fiscal Year 2019, we entered into a securities subscription and purchase agreement with General Atlantic and certain of our shareholders at the time, pursuant to which General Atlantic acquired 38.99% of our Shares, including 29.99% of our Shares held by ICICI Venture Funds Management Company Limited (under various funds) (the "Prior Investors"). The Prior Investors ceased to be shareholders in our Company upon completion of General Atlantic's investment on June 20, 2018.

Under the terms of a shareholders' agreement that we entered with the Prior Investors, the Prior Investors were entitled to a return on their Shares equal to the higher of a certain minimum internal rate of return ("IRR") or the fair market value of the Shares. Under Ind AS 109, the Shares held by the Prior Investors were classified as a financial liability instrument representing the cumulative amortized cost of the Shares and were recorded under long-term borrowings on our restated Ind AS consolidated summary statement of assets and liabilities. However, no such amount was recorded in our restated Ind AS consolidated summary statement of assets and liabilities as of March 31, 2019 because the Prior Investors sold their Shares to General Atlantic during Fiscal Year 2019. The accrued annual minimum IRR was recorded as an interest expense on liability component of financial instruments in our restated Ind AS consolidated summary statement of profit and loss. We had interest expense on liability component of financial instruments of ₹ 120.01 million in Fiscal Year and 2019, which related to the Shares held by the Prior Investors until the completion of General Atlantic's investment on June 20, 2018.

Any increase in the fair market value of the Shares in excess of the accrued annual minimum IRR was recorded as a loss on fair value changes in financial instrument in our restated Ind AS consolidated summary statement of profit and loss. We had loss on fair value changes in financial instrument in our restated Ind AS consolidated summary statement of profit and loss of ₹ 871.27 million in Fiscal Year 2019, which related to the Shares held by the Prior Investors until the completion of General Atlantic's investment on June 20, 2018.

The Prior Investors' sale of their Shares to General Atlantic on June 20, 2018 resulted in a de-recognition of existing cumulative liability of ₹ 5,604.93 million, and recognition of a ₹ 6,596.22 million increase in our total equity, comprising equity share capital of ₹ 214.75 million and securities premium of ₹ 6,381.47 million. Following such sale, our Company's net worth stood at ₹ 5,406.60 million as at March 31, 2019.

Our hospital revenue, group revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Profit before tax, Adjusted Profit After Tax, net worth, return on net worth, net asset value per equity share, non-current borrowings (including current maturity of long term debt) /total equity ratio, total borrowings/ total equity ratio reflect our results of operations after making adjustments to reverse the impact of the transactions described above. For more information, see "***—Non-GAAP Measures***".

BUSINESS UPDATE REGARDING COVID-19

Beginning in March 2020 and, in particular in April 2020, we experienced a substantial reduction in inpatient and outpatient volumes due to the nationwide lockdown implemented on March 25, 2020, quarantines, stay-at-home and shelter-in-place orders, the promotion of social distancing, and other travel related restrictions. There was also a reluctance or unwillingness of some patients to seek healthcare services in hospitals due to their perception of an increased risk of infection when traveling to hospitals and

coming into close contact with healthcare professionals. Medical tourism has also slowed. As a result, our monthly inpatient volume decreased in each month from February to April 2020, reaching 5,460 in April 2020, as compared to 11,653 in January, 2020, a decrease of 53.15%. Our revenue from operations increased to ₹ 13,299.37 million in Fiscal Year 2021 from ₹ 11,226.45 million in Fiscal Year 2020 due to increases in both hospital and pharmacy revenues. Food and beverage income remained significantly below our historical levels due to ongoing COVID-19 safety restrictions. ALOS was 5.53 days for Fiscal Year 2021 compared to 4.34 days in Fiscal Year 2020, and ARPOB in our network of hospitals was ₹ 20,609 for Fiscal Year 2021 compared to ₹ 18,307 for Fiscal Year 2020. The increase in revenue, ALOS and ARPOB compared to historical levels reflects the impact of the COVID-19 pandemic on our results of operations as a large proportion of our inpatients during the COVID-19 pandemic were critical and complex cases with longer stays as well as multiple procedures and treatments being administered throughout the patient's hospitalization, as compared to, for example, surgical procedures where the majority of our services are rendered in the first few days of a patient's stay. Our inpatient and outpatient also gradually recovered in the second half of fiscal year 2021, including for non-COVID-19 patients and elective surgeries.

We are closely monitoring the impact of the pandemic on all aspects of our business, including how it will impact our employees, vendors and business partners. We have based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing its impact. Based on the current estimates, we expect to fully recover the carrying amount of assets and do not foresee any material adverse impact on our operations as a result of the COVID-19 pandemic.

In order to reduce the impact of COVID-19 on our operations, we have taken various steps to manage our expenses and liquidity. We made adjustments to the professional fees paid to our doctors and other healthcare professionals, which resulted in our consultancy charges increasing only moderately to ₹ 2,634.58 million Fiscal Year 2021 compared to ₹ 2,462.53 million for Fiscal Year 2020 despite an increase in operational beds in our network between the years. We have also reduced our lease expense for one of our buildings at KIMS Kondapur and scaled down our marketing, branding and travel spend. Although we believe our available working capital and liquidity levels are sufficient to meet our currently expected working capital requirements for the next 12 months, we have also obtained and drew down approximately ₹ 687.50 million from three credit facilities in to further reinforce our available working capital and liquidity levels to meet unforeseen events that may arise due to the COVID-19 pandemic or otherwise.

Our trade receivables as of March 31, 2021 and 2020 amounted to ₹ 1,098.19 million and ₹ 1,322.68 million, respectively. Additionally, in fiscal year 2021 we experienced a decrease in our receivables turnover days as compared to fiscal year 2020, primarily due to an increase in revenue from out-of-pocket payments and insurance programs as a percentage of our total revenue due to COVID-19. Further, as response to the COVID-19 pandemic, government and insurance companies also undertook to facilitate a faster settlement and payment process for healthcare institutions, which further contributed to reducing our receivable turnover days. Beginning around April 2021, a second wave of the COVID-19 cases started to surge in India. Despite the lack of nationwide quarantine measures, different state government have re-imposed lockdown measures. These measures have again resulted in a reduction in outpatient volume. The potential downturn brought by and the duration of the second wave of COVID-19 outbreak may be difficult to assess or predict where actual effects will depend on many factors beyond our control.

As of March 31, 2021, 164 of our operational beds, or 6.33% of our operational beds, were dedicated to treating COVID-19 patients. Due to the evolving nature of the COVID-19 pandemic, we are continuously evaluating the needs of our community in order to right size the number of beds and other resources that we dedicate to the treatment of COVID-19 patients. We retain operational flexibility to dedicate further resources to responding to the COVID-19 pandemic in the future.

We have monitored and considered the impact of known events arising from the COVID-19 pandemic including with respect to our liquidity and going concern, recoverable values of property, plant and equipment, goodwill, intangible assets, trade receivables and the net realisable value of other assets. As the outbreak continues to evolve, we will continue to closely monitor the impact that COVID-19 may have on our Company, including any material changes to future economic condition and our business and prospects. We have implemented safety protocols to ensure the safety and wellbeing of our healthcare professionals during the COVID-19 pandemic. We adopted digital consultation and telephone consultation as alternatives to physical visits in accordance with applicable laws and our confidentiality obligations. We provided personal protection kits to healthcare team and supporting staff, distributed suitable face masks, face shields, and set up a screening team to check the body temperature and other symptoms of individuals entering our hospitals.

In the short- to medium-term, we expect our hospital and pharmacy revenues to remain steady as we continue to treat COVID-19 patients while seeing our non-COVID-19 inpatient outpatient volumes continue to gradually improve. We also expect outpatient volumes to be healthy due to post-discharge monitoring and continuing outpatient treatments related to COVID-19 diagnoses. We also expect the Government to begin allowing private hospitals to undertake vaccination programs, which will drive more patients to our hospitals. There is no assurance that our business will not be adversely affected if the COVID-19 pandemic were to worsen or last for an extended period of time.

As a provider of healthcare services, we are significantly exposed to the public health and economic effects of the COVID-19 pandemic. We have implemented safety protocols to ensure the safety and well-being of our healthcare and administrative

professionals during the COVID-19 pandemic. We also adopted digital consultation and telephone consultation as alternatives to physical visits.

See also "***Risk Factors—Internal Risk Factors—The COVID-19 pandemic has affected our regular business operations and may continue to do so, depending on the severity and duration of the COVID-19 pandemic***".

SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The financial statements comprise the financial statements of the Company and its subsidiaries as of March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period 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. When the end of the reporting period of the parent 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 parent to enable the parent 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 parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the 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. Business combinations policy explains how to account for any related goodwill.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory, property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

f) The consolidated financial statements as at and for the year ended March 31, 2021 have been prepared on the basis of the financial statements of the following subsidiaries which are principally engaged in the business of rendering medical and healthcare services.

Name of the Company	Country of incorporation	Ownership interest (in %)		
		March 31, 2021	31 March 2020	March 31, 2019
Arunodaya Hospitals Private Limited ('AHPL')	India	57.83	57.83	57.83
KIMS Hospital Enterprises Private Limited ('KHEPL')	India	86.32	75.26	50.27
Iconkrishi Institute of Medical Sciences Private Limited ('ICIMSPL')	India	51.00	51.00	51.00
Saveera Institute of Medical Sciences Private Limited ('SIMSPL')	India	80.00	80.00	80.00
KIMS Hospitals Private Limited ('KHPL')	India	100.00	100.00	100.00
KIMS Swastha Private Limited ('KSPL')	India	100.00	100.00	100.00
KIMS Cuddles Private Limited ('KCPL') *	India	100.00	100.00	100.00
KIMS Hospital (Bhubaneswar) Private Limited ('KHBPL')	India	100.00	100.00	100.00
KIMS Hospital Kurnool Private Limited ('KHKPL') (Formerly known as "Kurnool Rainbow Hospitals Private Limited")	India	55.00	55.00	-
KIMS Sahariah Healthcare Private Limited ('KSHPL')**	India	-	-	-

***** the entity has filed necessary closure forms for strike off with Registrar of Companies (RoC) on February 9, 2021.
****** KSHPL was wounded during the year ended 31 March 2019.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling 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.

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 liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- 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.

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.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, 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.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Current–non-current classification

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 held primarily for the purpose of being traded;

iii. it is expected to be realised within 12 months after the reporting date; or

iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

Liabilities

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

i. it is expected to be settled in the Group's normal operating cycle;

ii. it is held primarily for the purpose of being traded;

iii. it is due to be settled within 12 months after the reporting date; or

iv. the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Operating cycle

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.

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 consolidated 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.

The Group's Chief Financial officer determines the policies and procedures for both recurring fair value measurement, such as derivative instruments, and for other non-recurring measurement.

At each reporting date, the Group's Chief Financial officer analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Periodically, the Management present the valuation results to the Board of Directors/ Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

Revenue from contract with customer

The Group's revenue from medical and healthcare services comprises of income from hospital services and sale of pharmacy items.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Income from hospital services comprises of fees charged for inpatient and outpatient hospital services. The performance obligations for this stream of revenue include accommodation, surgery, medical/clinical professional services, food and beverages, investigation and supply of pharmaceutical and related products.

Revenue is measured based on the transaction price, which is the fixed consideration adjusted for components of variable consideration which constitutes discounts, estimated disallowances and any other rights and obligations as specified in the contract with the customer. Revenue also excludes taxes collected from customers and deposited back to the respective statutory authorities.

Revenue is recognised at the point in time for the outpatient hospital services when the related services are rendered at the transaction price. With respect to the inpatients hospital services who are undergoing treatment/ observation on the balance sheet date, revenue is recognised over the period to the extent of services rendered.

Revenue from sale of pharmacy and food and beverages (other than hospital services), where the performance obligation is satisfied at a point in time, is recognised when the control of goods is transferred to the customer.

Revenue from admission fees, tuition fees and other fees for academic courses are recognised on the due date for the receipt of fees and apportioned over the academic term on a time proportion basis. Fee waivers, discounts, rebates provided to students are reduced from fee received.

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. The Group applies the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Contract Balances:

Contract assets represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section (m) Financial instruments – initial recognition and subsequent measurement.

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 instruments – initial recognition and subsequent measurement.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other Income

Interest on deposits, loans and debt instruments are measured at amortized cost. interest income is recorded using the Effective Interest Rate (EIR). EIR 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 gross carrying amount of the financial asset or to the amortized

cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the consolidated statement of profit and loss.

Income-tax

The Income-tax expense comprises current tax and deferred tax. It is recognised in consolidated statement of profit and loss except to the extent that is relates to an item recognised directly in equity or in 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 establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes 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.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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.

Property, plant and equipment

Freehold land is carried at cost net of accumulated impairment, if any. All other items of property, plant and equipment are stated at cost, net of tax / duty credit availed, 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 located. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

The cost of self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other cost directly attributable to bringing the item to working conditions for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date are recognised as capital advance and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital work-in-progress.

The Group has elected to continue with the carrying value for all of its Property, Plant and Equipment recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

De recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de- recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the Consolidated Statement of Profit and Loss when the item is derecognized.

Depreciation

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets

are likely to be used. The Group has estimated the following useful lives to provide depreciation on its Property, plant and equipment which are in compliance with Schedule II of the Companies Act, 2013:

Category of Assets	Useful life (In years)
Buildings	60
Medical and surgical equipment	13-14
Plant and equipment	15
Office equipment	5
Electrical equipment	10
Computers	3-6
Furniture and fixtures	10
Vehicles	8

Based on the planned usage of certain specific assets and technical assessment, the management has estimated the useful lives of Property, plant and equipment as below:

- Individual asset not exceeding ₹ 5,000 have been fully depreciated in the year of purchase.
- Leasehold land is in the nature of perpetual lease without any limited useful life and hence is not amortised.
- Leasehold improvements are amortised over the period of the lease or estimated useful life, whichever is shorter.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

De recognition

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss. when the asset is derecognised.

The Group has elected to continue with the carrying value for all of its other intangibles recognised as of April 01, 2016 (date of transition to Ind AS) measured as per the previous GAAP and used that carrying value as its deemed cost as at the date of transition.

Amortisation

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The estimated useful lives of intangibles are as follows:

Category of Assets	Useful life (In years)
Software	6

Brand	5
Non-Compete fee	5
Customer Contract	5

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use 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.

Leases

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 a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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 accumulated 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 Impairment of non-financial assets.

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.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Inventories

The inventories comprising of medical consumables and pharmacy items are valued at lower of cost or net realisable value. 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. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The Group follows the weighted average method for determining the cost of such inventories. The Comparison of cost and net realisable value is made on item by item basis.

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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For 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 in which the Group operates, or for the market in which the asset is used.

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 consolidated 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 annually as at 31 March and 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.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired

Provisions

Provisions are recognised when the Group has 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 and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not 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 its existence in the consolidated financial statements.

A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the consolidated financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Retirement and other employee benefits

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The group has no obligation, other than the contribution payable to the provident fund. The group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method.

The gratuity scheme is administered by third party. Re-measurements 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). Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group determines the net interest expense (income) on the net defined liability (assets) for the period by applying the discount rate used to measure the net defined obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes to the defined benefit liability (asset) as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the consolidated statement of profit and loss. The Group recognises gains and losses in the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

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 in the consolidated statement of profit and loss on the earlier of amendment or curtailment.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short term employee benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the relative 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 the past service provided by the employee, and the amount of obligation can be estimated reliably.

Compensated absences

As per the leave encashment policy of the Group, the employees have to utilise their eligible leave during the calendar year and lapses at the end of the calendar year. Accrual towards compensated absences at the end of the financial year are based on last salary drawn and outstanding leave absence at the end of the financial year.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused

entitlement that has accumulated at the reporting date. The group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the Consolidated Financial Statements if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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 OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in to following categories

- Financial assets at amortised cost
- Financial assets at fair value through OCI (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- 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.

This category is the most relevant to the Group. 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 interest income in the consolidated statement of profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI)

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group’s debt instruments are not fair value through OCI assets.

Financial assets at fair value through profit or loss

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

Equity instruments measured at fair value through other comprehensive income (FVTOCI)

All equity instruments 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 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 FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 recognized in the consolidated 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.

Derecognition

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. 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.

Impairment of financials 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:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

- 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.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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 recognizing impairment loss allowance based on 12-month ECL.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. 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.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, 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 including bank overdrafts and financial guarantee contracts.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

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.

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/ losses are not subsequently transferred to consolidated statement of profit & loss. 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 and loss. The Group has not designated any financial liability as at fair value through profit or loss.

Financial instrument are classified as a liability or equity components based on the terms of the contract and in accordance with Ind AS 32 (Financial instruments: Presentation). Financial instrument issued by the Group classified as equity is carried at its transaction value and shown within "other equity". Financial instrument issued by the Company classified as liability is initially recognised at fair value (issue price). Subsequent to initial recognition, such Financial instrument is fair valued through the statement of profit or loss. On modification of Financial instrument from liability to equity, the Financial instrument is recorded at the fair value of Financial instrument classified as equity and the difference in fair value is recorded as a gain/ loss on modification in the statement of profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. 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 consolidated statement of profit and loss. This category generally applies to borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet 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.

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 consolidated statement of profit and loss.

Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the consolidated 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 Group’s cash management.

Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders of parent company for the year by the weighted average number of equity shares outstanding during the year.

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

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 is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the chief operating decision maker.

Corporate social responsibility

The Group charges its Corporate Social Responsibility expenditure to the consolidated statement of profit and loss.

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 consolidated financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

This discussion and analysis of our financial condition and results of operations is based upon the Restated Financial Statements.

The preparation of the Restated Financial Statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected in the Restated Financial Statements include, but are not limited to, provision for expected credit losses of trade receivables and contract assets

Actual results could materially differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

We have described below certain of our critical accounting policies that require estimates and assumptions. The following is not intended to be a comprehensive list or description of all our significant accounting policies.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan 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, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available

(such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted cash flow model ("DCF model"). The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group.

Classification of financial instruments as equity

We have entered into a shareholders agreement ('SHA") with private equity ("PE" or the "Investors") investors for purchase of equity shares. As per the terms of the SHA, we need to provide an exit to Investor either through an Initial Public Offering ("IPO") based on best effort basis, till such time that IPO is successful or Marketed sale process based on best effort basis, which are in the control of the Company. Accordingly, the Company has classified and measured the aforesaid instruments as equity.

DESCRIPTION OF MAIN LINE ITEMS OF OUR PROFIT AND LOSS STATEMENT

Revenue from operations

Revenue from contracts with customers

Our revenue from operations primarily comprises revenue from contracts with customers. Revenue from contracts with customers comprises of income from hospital services (including revenue from medical devices and other items used in medical procedures) and income from our pharmacies.

Other operating revenues

Revenue from operations also includes other operating revenues, which we generate from academic courses, sale of food and beverages and other hospital income.

Other income

Our other income primarily comprises miscellaneous income and also includes interest income, lease income, liabilities no longer required to be written back, net gain on disposal of property, plant and equipment, sponsorship income and guarantee commission income.

Purchase of medical consumables, drugs and surgical instruments

Purchase of medical consumables, drugs and surgical instruments primarily reflect the purchase of medicines, consumables and surgical instruments, as well as other items necessary for the provision of healthcare services during the year, as adjusted for the existing inventory.

(Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments

Additions to inventories of medical consumables, drugs and surgical instruments as a result of purchases as well as acquisitions through business combinations and depletion of stock during the year are recorded as credits and expenses, respectively, in our restated Ind AS consolidated summary statement of profit and loss.

Employee benefits expenses

Employee benefits expenses primarily comprises of salaries, wages and bonus. It also includes contribution to provident and other funds and staff welfare expenses.

Finance cost

Finance cost consists of interest on term loans, interest on other loans, interest expense of lease liabilities, unwinding of discount of security deposit and other costs. In Fiscal Year 2018 and 2019, finance cost also included interest expense on liability component of financial instruments. See "—Factors Affecting Results of Our Operations—Financial liability related to a prior investment".

Depreciation and amortization expenses

Depreciation and amortization expense consists of depreciation on property, plant and equipment (such as land, buildings, plants and equipment, medical and surgical equipment, office equipment, electrical equipment, computer and related assets, furniture and fixtures) and amortization of right-of-use assets and other intangible assets (such as software).

Other expenses

The most significant component of operating expenses is consultancy charges, which comprise of professional fees paid to our medical consultants, who act as independent contractors. Apart from this, other components for our operating expenses include housekeeping expenses, power and fuel, catering and patient welfare expenses, rent related to medical equipment, hospitals, offices and residential premises under cancellable operating lease arrangements, tests and investigations outsourced by our hospital to outside facilities, expenses in relation to academic courses, repairs and maintenance of medical equipment, hospital building and others.

Other expenses also include printing and stationery, legal and professional charges, rates and taxes, travelling and conveyance, advertisement expense, communication cost, trade receivable written off, expected credit loss for trade receivables, insurance, subscription and membership fees, donations, bank charges, contribution towards corporate social responsibility, loss on sale of property, plant and equipment (net), investment written off, directors sitting fee and miscellaneous expenses. In Fiscal Year 2018 and 2019, other expenses also included loss on fair value changes in financial instrument. See "—Factors Affecting Results of Our Operations—Financial liability related to a prior investment".

OUR RESULTS OF OPERATIONS

Set forth below is a summary of information derived from our Restated Ind AS Consolidated Summary Statement of Profits and Losses, the components of which are expressed as a percentage of total income for the years indicated.

Particulars	For the year ended March 31					
	2021		2020		2019	
	₹ millions	% of total income	₹ millions	% of total income	₹ millions	% of total income
Revenue						
Revenue from operations	13,299.37	99.24%	11,226.45	99.46%	9,180.05	99.37%
Other income	101.65	0.76%	60.83	0.54%	58.64	0.63%
Total income	13,401.02	**100.00%**	**11,287.28**	**100.00%**	**9,238.69**	**100.00%**
Expenses						
Purchase of medical consumables, drugs and surgical instruments	2,826.39	21.09%	2,572.16	22.79%	2,169.26	23.48%
(Increase)/ decrease in inventories of medical consumables, drugs and surgical instruments	62.92	0.47%	(30.48)	(0.27%)	(67.19)	(0.73%)
Employee benefits expense	2,202.09	16.43%	1,980.46	17.55%	1,630.28	17.65%
Finance costs	324.97	2.42%	399.42	3.54%	457.49	4.95%
Depreciation and amortisation expense	695.36	5.19%	706.11	6.26%	564.56	6.11%
Other expenses	4,499.14	33.57%	4,254.35	37.69%	4,638.10	50.20%
Total expenses	**10,610.87**	**79.18%**	**9,882.02**	**87.55%**	**9,392.50**	**101.66%**
Profit/(loss) before tax expense	**2,790.15**	**20.82%**	**1,405.26**	**12.45%**	**(153.81)**	**(1.66%)**
Total tax expense	**735.36**	**5.49%**	**254.54**	**2.26%**	**334.26**	**3.62%**
Profit/(loss) for the year	**2,054.79**	**15.33%**	**1,150.72**	**10.19%**	**(488.07)**	**(5.28%)**

Non-GAAP Measures

The table below sets forth our hospital revenue, group revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, adjusted profit before tax, adjusted profit after tax, net worth, return on net worth, net asset value per equity share, non-current borrowings (including current maturity of long term debt) / total equity ratio, total borrowings/ total equity ratio for the years indicated. These non-GAAP measures are in a supplemental measure of our performance and liquidity that is not required by, or presented in

accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We consider these non-GAAP measures as useful in evaluating our business and financial performances. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. There are no standard methodologies in the industries for computing such measures, and those non-GAAP measures we included in this Prospectus may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. See also, "***Other Financial Information***" on page 311.

	Fiscal year, 2021	***Fiscal year 2020***	***Fiscal year 2019***
Hospital revenue (₹ in millions)	13,280.26	11,187.42	9,132.80
Group revenue (₹ in millions)	13,479.91	11,340.84	9,274.49
Adjusted Profit Before Tax Expense (₹ in millions)	2,790.15	1,405.26	837.47
Adjusted Profit After Tax (₹ in millions)	2,054.79	1,150.72	503.21
Adjusted EBITDA (₹ in millions)	3,810.48	2,510.79	1,739.51
Adjusted EBITDA Margin (%)	28.43%	22.24%	18.83%

*Note: Adjusted EBITDA, Adjusted EBITDA Margin, Hospital revenue, Group revenue, adjusted profit before tax expense and adjusted profit after tax are non-GAAP measures. These non-GAAP measures are not meant to be considered in isolation or as a substitute for our profit before tax expense, profit after tax or any other financial measure prepared in accordance with Ind AS. The non-GAAP measures presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure. For information on how these non-GAAP measures are calculated and a reconciliation to our most directly comparable GAAP measures, see "**Other Financial Information—Non-GAAP Measures**" on page 311. Please see, "**This Prospectus contains certain Non-GAAP Measures financial and operational measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the industry**" on page 50.*

Fiscal year 2021 compared to fiscal year 2020

Revenue from operations

Our revenue from operations increased by ₹ 2,072.92 million, or 18.46%, from ₹ 11,226.45 million in Fiscal year 2020 to ₹ 13,299.37 million in fiscal year 2021.

Revenue from contracts with customers

Revenue from contracts with customers increased by ₹ 2,085.06 million, or 18.89%, from ₹ 11,037.06 million in fiscal year 2020 to ₹ 13,122.12 million in fiscal year 2021.

Income from hospital services. Our income from hospital services increased by ₹ 1,521.63 million, or 20.73%, from ₹ 7,339.77 million in fiscal year 2020 to ₹ 8,861.40 million in fiscal year 2021. The increase was primarily due to longer inpatient stays and an increase in operational beds, which offset a decrease in inpatient volumes. Revenue increased in the year despite the adverse impact of the COVID-19 pandemic on inpatient volumes during the first quarter of fiscal year 2021 as further described in "*—Business Update Regarding COVID-19*".

Income from pharmacy . Our income from pharmacy increased by ₹ 563.43 million, or 15.24%, from ₹ 3,697.29 million in fiscal year 2020 to ₹ 4,260.72 million in fiscal year 2021, mainly due to the gradual normalization of our operations in fiscal year 2021 under the impact of the COVID-19 pandemic.

Other operating revenues

Our operating revenues decreased by ₹ 12.14 million, or 6.41%, from ₹ 189.39 million in fiscal year 2020 to ₹ 177.25 million primarily due to a decrease in income from sale of food and beverages as we scaled down our food and beverage operations in light of safe distancing measures and other safety protocols at our hospitals during the COVID-19 pandemic.

Other income

Our other income increased by ₹ 40.82 million, or 67.11%, from ₹ 60.83 million in fiscal year 2020 to ₹ 101.65 million in fiscal year 2021, primarily due to interest income received on TDS tax refunds and fixed deposits, which was partially offset by a decrease in miscellaneous income related to trade discounts and scrap sales.

Total income

Our total income increased by ₹ 2,113.74 million, or 18.73%, from ₹ 11,287.28 million in fiscal year 2020 to ₹ 13,401.02 million in fiscal year 2021 primarily due to the increases in income from hospital services and income from pharmacy for the reasons described above.

Purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments)

Our purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments) increased by ₹ 347.63 million, or 13.68%, from ₹ 2,541.68 million in fiscal year 2020 to ₹ 2,889.31 million in fiscal year 2021 primarily due to normal market increases in prices and more hospital services rendered. Our purchase of medical consumables, drugs and surgical instruments increased at a slower rate during the year than in fiscal year 2020, reflecting measures we implemented to manage our expenses during the COVID-19 pandemic.

Employee benefits expense

Our employee benefits expenses increased by ₹ 221.63 million, or 11.19%, from ₹ 1,980.46 million in fiscal year 2020 to ₹ 2,202.09 million in fiscal year 2021 primarily due to higher salaries, wages and bonus paid to our employees and an increase in our number of employees.

Finance costs

Our finance costs decreased by ₹ 74.45 million, or 18.64%, from ₹ 399.42 million in fiscal year 2020 to ₹ 324.97 million in fiscal year 2021 primarily due to lower weighted average outstanding amounts of our terms loans during the financial year and low interest rates throughout the year.

Depreciation and amortization expense

Depreciation and amortization expense decreased by ₹ 10.75 million, or 1.52%, from ₹ 706.11 million in fiscal year 2020 to ₹ 695.36 million in fiscal year 2021 primarily due to a decrease in depreciation on property, plant and equipment as a result of an Ind AS 116 transition adjustment.

Other expenses

Our other expenses increased by ₹ 244.79 million, or 5.75%, from ₹ 4,254.35 million in fiscal year 2020 to ₹ 4,499.14 million in fiscal year 2021.

Consultancy charges, which is the largest component of our other expenses, increased by ₹ 172.05 million, or 6.99%, from ₹ 2,462.53 million in fiscal year 2020 to ₹ 2,634.58 million in fiscal year 2021, reflecting the growth of our business. Payments made to such consultants are linked to the fee/revenue generated by such doctors and therefore, an increase in revenue from medical and healthcare services results in increased payments made to such doctor. However, consultancy charges as a percentage of total income decreased from 21.82% in fiscal year 2020 to 19.66% in fiscal year 2021 due to rationalization of professional fees paid to our doctors and other healthcare professionals during the COVID-19 pandemic.

Other key components of other expenses that increased were rent and repairs and maintenance on medical equipment and hospital building and others. Those increases were offset by decreases in expected credit loss for trade receivables and legal and professional fees, among others.

Total expenses

Our total expenses increased by ₹ 728.85 million, or 7.38%, from ₹ 9,882.02 million in fiscal year 2020 to ₹ 10,610.87 million in fiscal year 2021 primarily due to the increases in consultancy charges, purchase of medical consumables, drugs and surgical instruments, employee benefits expense and finance costs, while tax rates remained stable. Total expenses as a percentage of total income decreased from 87.55% in fiscal year 2020 to 79.18% in fiscal year 2021, reflecting the various steps we implemented to manage our expenses and liquidity while still growing our business during the COVID-19 pandemic.

Profit before tax expense

Our profit before tax expense increased by ₹ 1,384.89 million, or 98.55%, from ₹ 1,405.26 million in fiscal year 2020 to ₹ 2,790.15 million in fiscal year 2021 primarily due to the increase in revenue from operations for the reasons described above.

Total tax expense

Our total tax expense increased by ₹ 480.82 million, or 188.90%, from ₹ 254.54 million in fiscal year 2020 to ₹ 735.36 million in fiscal year 2021 primarily due to an increase in current tax from ₹ 432.98 million in fiscal year 2020 to ₹ 778.39 million in fiscal year 2021 in line with our increase in profit before tax as well as a reduction in deferred tax credit by ₹ 121.76 million, primarily due to a one-time credit in fiscal year 2020 on account of reduction in corporate tax rate

Profit for the year

For the reasons described above, our profit for the year increased by ₹ 904.07 million, or 78.57%, from ₹ 1,150.72 million in fiscal year 2020 to ₹ 2,054.79 million in fiscal year 2021.

Fiscal year 2020 compared to fiscal year 2019

Revenue from operations

Our revenue from operations increased by ₹ 2,046.40 million, or 22.29%, from ₹ 9,180.05 million in fiscal year 2019 to ₹ 11,226.45 million in fiscal 2020.

Revenue from contracts with customers

Income from hospital services. Our income from hospital services increased by ₹ 1,302.79 million, or 21.58%, from ₹ 6,036.98 million in fiscal year 2019 to ₹ 7,339.77 million in fiscal year 2020. This was primarily due to an increase in total patient volumes due to the continued integration of KIMS Ongole, KIMS Anantapur and KIMS Vizag, which we acquired in fiscal year 2017 and October 2018 and May 2018, the acquisition of KIMS Kurnool in April 2019 and an increase in tariffs of services across our hospital network.

Income from pharmacy. Our income from pharmacy increased by ₹ 726.30 million, or 24.45%, from ₹ 2,970.99 million in fiscal year 2019 to ₹ 3,697.29 million in fiscal year 2020, primarily due to the increase in patient volumes at our hospitals and the expansion of our hospital network.

Other operating revenues

Our operating revenues increased by ₹ 17.31 million, or 10.06%, from ₹ 172.08 million in fiscal year 2019 to ₹ 189.39 million in fiscal year 2020 primarily due to an increase in income from sale of food and beverages in line with the increase in patient volumes at our hospitals.

Other income

Our other income increased by ₹ 2.19 million, or 3.73%, from ₹ 58.64 million in fiscal year 2019 to ₹ 60.83 million in fiscal year 2020, primarily due to an increase in miscellaneous income related to scrap sales, which was partially offset by a decrease in liabilities / provisions no longer written back relating to unclaimed payments from creditors and staff.

Total income

Our total income increased by ₹ 2,048.59 million, or 22.17%, from ₹ 9,238.69 million in fiscal year 2019 to ₹ 11,287.28 million in fiscal year 2020 primarily due to the increases in income from hospital services and income from pharmacy for the reasons described above.

Purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments)

Our purchase of medical consumables, drugs and surgical instruments (net of (increase)/decrease in inventories of medical consumables, drugs and surgical instruments) increased ₹ 439.61 million, or 20.91%, from ₹ 2,102.07 million in fiscal year 2019 to ₹ 2,541.68 million in fiscal year 2020 primarily due to the expansion of our operations and revenue.

Employee benefits expenses

Our employee benefits expenses increased by ₹ 350.18 million, or 21.48%, from ₹ 1,630.28 million in fiscal year 2019 to ₹ 1,980.46 million in fiscal year 2020 primarily due to our acquisitions of our hospitals in Anantapur and Vizag, a higher salaries, wages and bonus paid to our employees and an increase in our number of employees.

Finance costs

Our finance costs decreased by ₹ 58.07 million, or 12.69%, from ₹ 457.49 million in fiscal year 2019 to ₹ 399.42 million in fiscal year 2020. We had higher finance costs in fiscal year 2019 primarily due to interest expense on liability component of financial instruments related to the Prior Investors' investment. For more information, see "*—Factors Affecting Results of Operations—Financial liability related to prior investment*".

Excluding interest expense on liability component of financial instruments of ₹ 120.01 million in fiscal year 2019 related to the Prior Investors' investment, we had finance costs of ₹ 337.48 million in fiscal year 2019, and finance costs increased in fiscal year 2020 due to our borrowings to finance the acquisitions of our hospitals in Anantapur and Vizag.

Depreciation and amortization expense

Depreciation and amortization expense increased by ₹ 141.55 million, or 25.07%, from ₹ 564.56 million in fiscal year 2019 to ₹ 706.11 million in fiscal year 2020 primarily due to an increase in depreciation on property, plant and equipment related to the addition of assets on acquisition of our hospitals in Anantapur and Vizag and a one-time lease period adjustment at one of our hospitals.

Other expenses

Our other expenses decreased by ₹ 383.75 million, or 8.27%, from ₹ 4,638.10 million in fiscal year 2019 to ₹ 4,254.35 million in fiscal year 2020.

Other expenses in fiscal year 2019 includes ₹ 871.27 million in loss on fair value changes in financial instrument related to the Prior Investors' investment. For more information, see "*—Factors Affecting Results of Operations—Financial liability related to prior investment*". Excluding loss on fair value changes in financial instrument of ₹ 871.27 million in fiscal year 2019 related to the Prior Investors' investment, we had other expenses of ₹ 3,766.83 million, and other expenses increased primarily due to an increase in consultancy charges.

Consultancy charges, which is the largest component of our other expenses, increased by ₹ 452.61 million, or 22.52%, from ₹ 2,009.92 million in fiscal year 2019 to ₹ 2,462.53 million in fiscal year 2020 primarily due to an increase in payments made to our doctors who are retained on a consultancy basis and additional fixed and variable doctor costs due to the acquisitions of our hospitals at Anantapur and Vizag. Payments made to such consultants are linked to the fee/revenue generated by such doctors and therefore, an increase in revenue from medical and healthcare services results in increased payments made to such doctor. The increase in consultancy charges was partially offset by a decrease in expected credit loss for trade receivables due to improved collections and provisions taken in earlier years.

Total expenses

Our total expenses increased by ₹ 489.52 million, or 5.21%, from ₹ 9,392.50 million in fiscal year 2019 to ₹ 9,882.02 million in fiscal year 2020 due to the increases in purchase of medical consumables, drugs and surgical instruments, employee benefits expense, finance costs and depreciation and amortization expense while tax rates remained stable, which were partially offset by lower finance costs and other expenses.

Profit/(loss) before tax expense

We had profit before tax expense of ₹ 1,405.26 million in fiscal year 2020 compared to a loss before tax expense of ₹ 153.81 million in fiscal year 2019 primarily due the increase in revenue from operations described above. In addition, the loss before tax expense in fiscal year 2019 reflected interest expense on liability component of financial instruments and loss on fair value changes in financial instrument described above.

Total tax expense

Our total tax expense decreased by ₹ 79.72 million, or 23.85%, from ₹ 334.26 million in fiscal year 2019 to ₹ 254.54 million in fiscal year 2020 primarily due to a deferred tax credit of ₹ 154.79 million that we recorded in fiscal year 2020 due to a reduction in the corporate tax rate, which was partially offset by a 12.14% increase in current tax expense from ₹ 386.09 million in fiscal year 2019 to ₹ 432.98 million in fiscal year 2020 in line with the increase in our revenue from operations.

Profit/(loss) for the year

For the reasons described above, we had profit for the year of ₹ 1,150.72 million in fiscal year 2020 compared to a loss for the year of ₹ 488.07 million in fiscal year 2019.

LIQUIDITY AND CAPITAL RESOURCES

Our primary liquidity needs have been to finance our operations and working capital needs and investments in our subsidiaries. We have financed our operations primarily by way of cash flow from operations and long-term and short-term borrowings.

Our Company expects to meet its working capital, capital expenditure and investment requirements for the next 12 months primarily from internal accruals. It may also from time to time seek other sources of funding, which may include debt or equity financings, including rupee-denominated loans from Indian banks and net proceeds from the Fresh Issue, depending on its financing needs and market conditions.

Our anticipated cash flows are however dependent on several factors beyond our control. See "***Risk Factors***" on page 27. Set forth below is a summary of our cash flow data for the years indicated.

Particulars	Year ended March 31,		
	2021	2020	2019
		₹ in millions	
Net cash flows from operating activities	3,559.73	2,015.00	1,339.04
Net cash flows used in investing activities	(3,541.78)	(1,247.11)	(1,097.64)
Net cash flows generated from/(used in) financing activities	98.20	(443.38)	(270.39)
Net increase / (decrease) in cash and cash equivalent	116.15	324.51	(28.99)
Cash and cash equivalents at the beginning of the year	405.14	80.63	109.62
Cash and cash equivalents at the end of the year	**521.29**	**405.14**	**80.63**

Cash flows from operating activities

Our net cash flows from operating activities fiscal year 2021 was ₹ 3,559.73 million. In fiscal year 2021, our operating profit before working capital changes was ₹ 3,795.70 million primarily as a result of adjustments made for depreciation and amortization and finance cost. Our working capital adjustments to our net cash flows from operating activities for fiscal year 2021 primarily comprised a decrease in trade receivables of ₹ 177.46 million, an increase in trade payables, other financial liabilities and provisions of ₹ 239.20 million, and increase in other financial assets and other assets of ₹ 338.11 million.

Our net cash flows from operating activities in fiscal year 2020 was ₹ 2,015.00 million. For fiscal year 2020, our operating profit before working capital changes was ₹ 2,550.57 million primarily as a result of adjustments made for depreciation and amortization and finance cost. Our working capital adjustments to our net cash flows from operating activities for fiscal year 2020 primarily comprised an increase in trade receivables of ₹ 132.61 million, an increase in trade payables, other financial liabilities and provisions of ₹ 134.34 million.

Our net cash flows from operating activities in fiscal year 2019 was ₹ 1,339.04 million. For fiscal year 2019, our operating profit before working capital changes was ₹ 1,934.85 million primarily as a result of adjustments made for loss on fair value changes in financial instruments, depreciation and amortization and finance cost. Our working capital adjustments to our net cash generated flows from operating activities for fiscal year 2019 primarily comprised an increase in trade receivables of ₹ 316.44 million.

Cash flows used in investing activities

Our net cash flows used in investing activities for fiscal year 2021 was ₹ 3,541.78 million, primarily reflecting investment in bank deposits (having original maturity of more than three months) of ₹ 2,409.59 million and purchase of property, plant and equipment, capital work in progress and intangible assets of ₹ 944.26 million.

Our net cash flows used in investing activities for fiscal year 2020 was ₹ 1,247.11 million, primarily reflecting payments made for purchase of property, plant and equipment, capital work in progress and intangible assets of ₹ 519.80 million, investment in bank deposits (having original maturity of more than three months) of ₹ 170.36 million and redemption of bank deposits (having original maturity of more than three months) of ₹ 146.45 million.

Our net cash flows used in investing activities for fiscal year 2019 was ₹ 1,097.64 million, primarily reflecting payments made for purchase of property, plant and equipment, capital work in progress and intangible assets of ₹ 773.49 million, and payment of acquisition of business, net of cash acquired of ₹ 197.27 million.

Cash flow generated from/(used in) financing activities

Our net cash flows generated from financing activities for fiscal year 2021 was ₹ 98.20 million, primarily comprising proceeds from the issue of shares of ₹ 950.23 million, proceeds from long-term borrowings of ₹ 455.05 million and (repayment of)/ proceeds from short-term borrowings (net) of ₹ 451.56 million, partially offset by repayment of long-term borrowings of ₹ 1,413.97 million.

Our net cash flows used in financing activities for fiscal year 2020 was ₹ 443.38 million, primarily comprising proceeds from long-term borrowing of ₹ 808.76 million, and repayment of long-term borrowings of ₹ 715.38 million.

Our net cash flows used in financing activities for fiscal year 2019 was ₹ 270.39 million, primarily comprising repayment of long-term borrowings of ₹ 1,863.78 million, finance costs of ₹ 260.94 million and (repayment of)/ proceeds from short-term borrowings (net) of ₹ 250.91 million, partially offset by proceeds from the issue of shares of ₹ 880.00 million.

CAPITAL EXPENDITURE

Capital expenditures consist primarily of investments in new hospital facilities, medical equipment and surgical instruments, electrical installations and generators. We also make investments at our hospitals to add new technologies, modernize facilities and

expand our services. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace medical equipment and the timing of certain projects, such as investment in new technologies and acquisition opportunities.

Particulars	Year ended March 31,		
	2021	2020	2019
	₹ In millions		
Assets			
Capital work-in-progress	92.44	22.32	2.32
Cash spent / cash flows			
Purchase of property, plant and equipment, capital work in progress and intangible assets	944.26	519.80	773.49

We expect to fund our budgeted capital expenditures principally through cash from operations and from borrowings. As such, however, our historical expenditures, including the figures stated above, may not be indicative of our future capital expenditures.

BORROWINGS

To fund our working capital and capital expenditure requirements, we have entered into various loans and facility agreements with various financial institutions. The following table sets out our long term borrowings (including current maturity of long term debt) as of the dates indicated.

Particulars	Year ended March 31,		
	2021	2020	2019
	₹ in millions		
Secured loans			
Term loans from banks	1,573.28	2,287.58	1,727.54
Term loans from other parties	578.73	819.10	977.90
Total secured loans	**2,152.01**	**3,106.68**	**2,705.44**
Total unsecured loans	**-**	**-**	**-**
Total	**2,152.01**	**3,106.68**	**2,705.44**

(1) See "—Factors Affecting Results of Our Operations—Financial liability related to a prior investment".

CONTRACTUAL COMMITMENTS

The following table sets forth our commitments to make future payments as of March 31, 2021. We expect that such commitments and liabilities will not have any material effect on our liquidity and cash flows in future years.

(in ₹ million)

Particulars	Payments due by period			
	Total	Less than 1 year	1-5 years	More than 5 years
Long-term borrowings (excluding current maturities)	1,849.65	-	1,499.25	350.40
Lease liabilities	734.16	72.89	298.10	363.17
Short-term borrowings	552.67	552.67		-
Trade payables	1,318.70	1,318.70		-
Other financial liabilities	472.85	467.26	2.43	3.16
Total	**4,928.04**	**2,411.52**	**1,799.78**	**716.74**

CONTINGENT LIABILITIES

The following table sets forth our contingent liabilities as per Ind AS 37 for the years indicated. We expect that such commitments and liabilities will not have any material effect on our liquidity and cash flows in future years.

(*₹ in million*)

Particulars	As of March 31		
	2021	2020	2019
Luxury tax matters in dispute	82.27	82.27	82.27
Service tax matters in dispute	0.09	0.09	31.72
Good and Service tax matters in dispute	6.59	-	-
VAT matters in dispute	1.76	1.76	1.76
Medical claims (gross, excluding interests/costs)	124.78	100.68	88.38
Other claims	23.76	23.76	23.76

OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2021, we do not have any off-balance sheet arrangements, derivative instruments or other relationships with any entities that would have been established for the purpose of facilitating off balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

We are exposed to market risks that are related to the normal course of our operations such as interest rate, liquidity risk, foreign exchange risk and reputational risk, which may affect economic growth in India and the value of our financial liabilities, our cash flows and our results of operations.

Interest Rate Risk

Our Company's exposure to interest rate risk relates primarily to its long term and short term debt. As of March 31, 2021, we had variable rate long-term borrowings (including current maturities) and short-term borrowings of ₹ 2,201.64 million. Therefore, fluctuations in interest rates could have the effect of increasing the interest due on our Company's outstanding debt and increases in such rates could make it more difficult for our Company to procure new debt on attractive terms.

For fiscal years 2021 and 2020, a 1% increase or decrease in MCLR would have a ₹ 22.02 million and ₹ 30.72 million impact on our profit or loss.

Liquidity Risk

Our Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due. Our Company manages its liquidity profile through the efficient management of existing funds and effective forward planning for future funding requirements.

Going forward, and to the extent it is able to do so, our Company intends to primarily use internally generated funds to meet its financing requirements.

Credit Risk

Credit risk is a risk of financial loss to us arising from counterparty failure to repay according to contractual terms or obligations. Majority of our transactions are earned in cash or cash equivalents. The trade receivables comprise mainly of receivables from insurance companies, corporate customers, public sector undertakings, and state/central governments. The insurance companies are required to maintain minimum reserve levels and the corporate customers are enterprises with high credit ratings. Accordingly, our exposure to credit risk in relation to trade receivables is considered low. Before accepting any new credit customer, we use an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed annually. The outstanding with the debtors is reviewed periodically.

We have established an allowance for credit losses that represent our estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trends. The maximum exposure to credit risk as of March 31, 2021 is primarily from trade receivables and contract assets amounting to ₹ 1,643.58 million.

Related Party Transactions

We have engaged in the past, and may engage in future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions are ordinarily for payments for professional services, payment of rent and loans and advances. For further information, see "***Other Financial Information - Related Party Transactions***" on page 314.

Known Trends or Uncertainties

Other than as described in this Prospectus, particularly above and in "***Risk Factors***" on page 27, to our knowledge, there are no trends or uncertainties that have had or are expected to have a material adverse impact on our income from continuing operations, on our results of operations or financial condition.

Unusual or Infrequent Events or Transactions

Except as described in this Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

While we do not characterize our business as seasonal, our income and profits may vary from quarter to quarter depending on factors including change in weather, outbreak of viral and seasonal diseases.

Future Relationship between Costs and Income

Other than as described above and in "***Risk Factors***" on page 27, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We have a wide customer base and our business is not dependent on any single or few customers. For more information, see "***Our Business***" on page 165.

New Products or Business Segment

Apart from the recent business initiatives discussed in "***Our Business***" on page 165, we currently have no plans to develop new products or establish new business segments.

Competitive Conditions

For information on our competitive conditions and our competitors, see "***Risk Factors***" and "***Our Business***" on pages 27 and 165, respectively.

SIGNIFICANT DEVELOPMENTS

Other than as disclosed in this Prospectus, no circumstances have arisen since March 31, 2021, which may materially and adversely affect or are likely to affect, our results of operations and profitability, or the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Subsidiaries, Promoters and/or Directors; (ii) outstanding actions taken by statutory or regulatory authorities involving our Company, Subsidiaries, Promoters and/or Directors; (iii) outstanding claims involving our Company, Subsidiaries, Promoters and/or Directors related to direct and indirect tax liabilities, in a consolidated manner; (iv) outstanding litigations as determined to be material by our Board as per the Materiality Policy; (v) disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action; and (vi) outstanding litigation involving our Group Companies which has a material impact on our Companies.

*In accordance with the Materiality Policy, all pending litigation involving our Company, Subsidiaries, Promoters or Directors ("**Relevant Parties**"), other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material', if the monetary amount of claim made by or against the Relevant Party in any such pending litigation is in excess of 1.00% of the profit after tax of our Company for Financial Year 2021, being ₹ 20.55 million (as per the Restated Financial Statements) or any such litigation, an adverse outcome of which would materially and adversely affect our Company's business, operations, prospects, financial position or reputation, irrespective of the amount involved in such litigation. Accordingly, the following types of outstanding litigation involving the Relevant Parties have been considered material and disclosed in this section (a) where the aggregate amount involved in such individual litigation exceeds ₹ 20.55 million individually; (b) 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 ₹ 20.55 million; (c) all outstanding litigation filed against the Company, which are winding up petitions under the Companies Act, 2013 or are corporate insolvency resolution petitions under the Insolvency and Bankruptcy Code, 2016, as amended; and (d) all other outstanding litigation which may not meet the specific threshold and parameters as set out in (a) or (b) above, or where the monetary liability is not quantifiable, but where an adverse outcome of such legal proceedings would materially and adversely affect the business, operations, performance, prospects or financial position or reputation of our Company.*

Further, it is clarified that for the purpose of the above, pre-litigation notices received by our Company, Subsidiaries, Promoters or Directors from third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) shall, in any event, not be considered as litigation and accordingly have not been disclosed in this section until such time that the Company, Subsidiaries, Promoters or Directors are impleaded as defendants in litigation proceedings before any judicial forum.

We have disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

I. Litigation involving our Company

A. Outstanding criminal proceedings involving our Company

Criminal proceedings against our Company

1. D. Swetha Bindu, Drugs Inspector, Marredpally Zone (Sales), Secunderabad ("**Drugs Inspector**") received certain complaints from third parties wherein it was alleged, amongst others, that our Secunderabad hospital had stocked certain drugs for sale on unlicensed premises ("**Initial Complaints**"). Pursuant to Initial Complaints, the Drug Inspector conducted an inspection of our Secunderabad hospital on April 21, 2015. Based on the inspection, the Drug Inspector filed a complaint ("**Complaint**") before the XI Additional Chief Metropolitan Magistrate Court, Secunderabad ("**Court**") against Dr. Bhaskara Rao Bollineni, in his capacity as the Managing Director of our Company. The Court issued summons under Section 61 of the Code of Criminal Procedure, 1973 ("**CrPC**") to Dr. Bhaskara Rao Bollineni pursuant to which Dr. Bhaskara Rao Bollineni appeared before the Court. Subsequently, Dr. Bhaskara Rao Bollineni filed a petition ("**Petition**") before the High Court, Hyderabad under Section 482 of the CrPC for quashing the Complaint. The High Court, Hyderabad pursuant to the Petition granted interim stay on the matter *vide* order dated April 12, 2016. The matter is currently pending.

2. J. Narsimha Reddy, a patient suffering from chronic calcific pancreatitis ("**Patient**"), was transferred from a third party hospital to our Secunderabad hospital on November 4, 2015, in critical condition. Despite providing treatment, the Patient passed away on November 5, 2015. Subsequently, Kishan Reddy Junnuthula, the Patient's brother, filed a first information report ("**FIR**") dated December 18, 2015 under Section 304A of the Indian Penal Code, 1860 with the Ramagopalpet Police Station against the management and the doctors of our Company at that time. In response to the FIR, a criminal petition was instituted by Dr. Bhaskara Rao Bollineni (in his capacity as the chief executive officer of our Company) along with Dr. Sharath Kumar Putta (doctor at our Secunderabad hospital) before the High Court, Hyderabad for quashing of the FIR. The High Court, Hyderabad *vide* order dated February 17, 2016 rejected the prayer for quashing of the FIR and ordered the police to investigate the case. In furtherance of the investigation, the police filed a charge sheet before the XI Additional Chief Metropolitan Magistrate, Secunderabad on August 31, 2017, wherein the police charged Dr. Bhaskara Rao Bollineni,

Dr. Sharath Kumar Putta and the management of our Company under Section 304-A read with Section 109 of the Indian Penal Code, 1860. Additionally, Junnuthula Aruna, the Patient's wife, has also filed a consumer complaint before the Telangana State Consumer Disputes Redressal Commission, Hyderabad, on November 14, 2017, against, amongst others, our Company, represented by our Managing Director, alleging, amongst others, negligence and deficiency in medical service; and has sought for a compensation of ₹ 5.00 million. These matters are currently pending.

3. U. Pundareekudu ("**Complainant**"), a patient who underwent surgery for a back problem in our Secunderabad hospital allegedly developed certain complications in his lower body and was re-operated at Secunderabad hospital. Subsequently, the Complainant filed a first information report dated December 25, 2015 ("**FIR**") under Sections 338, 269 and 420 of the Indian Penal Code, 1860 against Dr. Bhaskara Rao Bollineni, in his capacity as the Managing Director of our Company with the Ramgopalpet Police Station, Hyderabad alleging, amongst others, criminal breach of trust and cheating. In response to the FIR, Dr. Bhaskara Rao Bollineni and others filed a criminal petition before the High Court, Hyderabad to quash the FIR and stay of all proceedings pursuant to the FIR. The High Court, Hyderabad, *vide* order dated February 23, 2016 rejected the prayer for quashing of the FIR and ordered the police to investigate the matter. In furtherance of the investigation, the police filed a charge sheet before the XXII Additional Metropolitan Magistrate, Secunderabad on April 16, 2018. The matter is currently pending.

4. Gajula Rama Murthy ("**Complainant**"), a patient who underwent a keyhole surgery for sciatica pain at our Secunderabad hospital allegedly developed certain complications in his right leg and was re-operated at our Secunderabad hospital. Post second surgery, the Complainant developed numbness in certain parts of his body. Subsequent to the examination, the Complainant filed a first information report dated July 10, 2018, with the Ramgopalpet Police Station, Hyderabad, against Dr. Sujeeth Kumar Vidiayala and the management of our Company, alleging commission of offences under Section 337 of the Indian Penal Code, 1860 in relation to criminal negligence. The Complainant also filed a consumer complaint dated September 19, 2018 before the Telangana State Consumer Disputes Redressal Commission, Hyderabad, against, amongst others, our Company, represented by our Managing Director, alleging amongst others, negligence, and deficiency in medical service; and has sought a compensation of ₹ 9.00 million. These matters are currently pending.

Criminal proceedings by our Company

1. Our Company had received a complaint dated June 12, 2021 ("**Complaint**") alleging that one of our promoters, Bollineni Ramanaiah Memorial Hospitals Private Limited ("**BRMH**") has been in default of payment of interest in relation to alleged deposits accepted by BRMH and repayment of such deposits taken in Fiscal 2016 and Fiscal 2017. BRMH and our Company, through their letters, both dated June 14, 2021, responded to the Complaint stating that all the allegations, insinuation and statements made in the Complaint are false, and that BRMH has not accepted any deposits from public for the financial years ended March 31, 2016, March 31, 2017, March 31, 2018, March 31, 2019, March 31, 2020 and March 31, 2021. Subsequently, the Complaint has been withdrawn by way of letter dated June 15, 2021. In this regard, an FIR dated June 15, 2021 bearing no. 120/2021 has been filed by us with Ramgopalpet Police Station, Secunderabad against certain unknown person on fraudulent and unauthorised use of name, logo and address of BRMH and fabricated payment receipts to indicate alleged acceptance of public deposits by BRMH, and requesting for initiation of appropriate action in the matter. The matter is currently pending.

B. Outstanding material civil litigation involving our Company

Civil proceedings against our Company

2. Dr. Masaram Vijaya Kumar, a patient suffering from headache ("**Patient**") was admitted to a third party hospital where he was undergoing a treatment. The Patient's health condition became critical and so the relatives of the Patient approached our hospital at Secunderabad for a specialist opinion; and accordingly, opinion of the specialist doctors was extended to the Patient's relatives. Thereafter, the Patient was declared dead at the third party hospital on October 30, 2017. Subsequently the relatives of the Patient, including amongst others, the Patient's wife, Dr. Masaram Ranjana ("**Complainant**"), filed a complaint ("**Complaint**") before the National Consumer Disputes Redressal Commission, New Delhi ("**NCDRC**") against, amongst others, our Company, represented by its managing director (as 5th respondent) and Dr. Sujit Kumar Vidiyala, a neurology surgeon at our Secunderabad hospital (as 6th respondent) ("**Respondents**") alleging, amongst others, negligence in consultation. The Complainant has sought for a compensation of ₹ 235.01 million, along with an interest of 18 percent per annum. The NCDRC *vide* its order dated February 8, 2019 issued a notice to the Respondents to show cause as why the matter should not be admitted by NCDRC. The matter is currently pending.

3. Usha Rani Palanki ("**Complainant**"), filed a consumer complaint under applicable provisions of the Consumer Protection Act, 2019, on October 6, 2020, before the District Consumer Disputes Redressal Commission, Ranga Reddy Hyderabad ("**DCDRC**") against, amongst others, our Company, represented by our managing director (as 3rd respondent) alleging, amongst others, negligence in identification of breast cancer at an early stage. The Complainant has sought for a compensation of ₹ 22.18 million. The matter is currently pending.

4. Trademark opposition proceedings have been filed against our trademark applications for our corporate logo 'KIMS HOSPITALS'  by KIMS Health Care Management Limited ("**KHCML**") and against our trademark applications for the logo 'KIMS – THE FUTURE OF HEALTH'  and for the trademark 'KIMS HOSPITALS' and 'KIMS Krishna Institute of Medical Science' by Kamineni Educational Society ("**KES**"), separately in each case, before the Registrar of Trade Marks, Chennai. These opposition applications have been filed on various grounds including, amongst others, deceptive similarity with certain trademarks used by the opposing parties, claiming that grant of registration of these trademarks to our Company could lead to loss of distinctive character and reputation of their trademarks. These opposition proceedings are currently pending. For risk associated with our intellectual property, please see, "***Risk Factors - We may fail to protect our intellectual property rights and may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation***" on page 37.

Civil proceedings by our Company

1. Our Company instituted a writ petition before the High Court, Hyderabad against the state of Andhra Pradesh, Nellore Municipality Corporation and others (**"Respondents"**) praying for a declaration that the proposed action of Respondents of seeking to demolish our Company's hospital situated at Nellore (**"Property"**) as illegal, arbitrary and requested for directions to the effect that the Respondents shall not take any coercive steps in respect of the Property. The High Court, Hyderabad *vide* order dated November 11, 2014 passed interim order wherein it ordered the Respondents to restrain from demolishing the Property. The matter is currently pending.

C. Outstanding actions by statutory or regulatory authorities against our Company

There are no actions by statutory or regulatory authorities pending which have been initiated against our Company.

D. Outstanding tax proceedings against our Company

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (*in ₹ million*)*
Direct tax		
Nil	NA	NA
Sub-total (A)	NA	NA
Indirect tax		
Luxury tax	8	82.27
Goods and services tax	1	6.59
Value added tax	1	1.76
Sub-total (B)	10	90.62
Total (A+B)	**10**	**90.62**

**To the extent quantifiable*

E. Outstanding dues to creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 68.16 million, which is 5% of the total trade payables of our Company for the Financial Year ended March 31, 2021 (as per the Restated Financial Statements) were considered 'material' creditors. Based on the above, there are no material creditors of our Company as on March 31, 2021. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2021, by our Company, are set out below:

Type of creditors	Number of creditors	Amount involved (*in ₹ million*)
Micro, small and medium enterprises	60	17.90
Material creditors	-	-
Other creditors	4,744	1,345.23
Total	4,804	1,363.13

For outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended.

As on March 31, 2021, our Company does not have any material creditors and therefore no details are required to be disclosed on our website.

II. Litigation involving our Promoters

A. Outstanding criminal litigation involving our Promoters

1. Central Bureau of Investigation, Hyderabad ("**CBI**") received a complaint ("**Complaint**") from M/s. United India Insurance Co. Ltd. ("**Complainant**"), alleging that certain hospitals including Bollineni Super Specialty Hospital, Nellore (hospital owned by BRMH) are involved in fraudulent activities of raising mediclaims which caused a financial loss of ₹ 1.40 million of the Complainant. Pursuant to the Complaint, CBI instituted a criminal case on July 12, 2007 against Dr. Bhaskara Rao Bollineni, BRMH (the Promoters of our Company) and two other persons in 2007 before the XIV Additional Chief Metropolitan Magistrate, Hyderabad under Sections 120-B, 420, 468 and 471 of the Indian Penal Code, 1860 and Section 13(2) read with Section 13(1) (d) of the Prevention of Corruption Act, 1988. Dr. Bhaskara Rao Bollineni and BRMH instituted quashing petitions before the High Court, Hyderabad on March 26, 2013 against this case ("**Matter**"). The Matter was last heard by the Hon'ble Chief Justice of High Court for the State of Telangana at Hyderabad on March 6, 2020 pursuant to which an order dated March 6, 2020 ("**Interim Order**") was passed, granting extension of four weeks on the stay of all further proceedings in relation to the Matter. Subsequently, an interim application has been filed on March 3, 2021, to grant further extension to the Interim Order. The Matter is currently pending.

Criminal proceedings by our Promoters

There are no criminal proceedings pending which have been initiated by our Promoters.

B. Outstanding material civil litigation involving our Promoters

Civil proceedings against our Promoters

There are no material civil proceedings pending against our Promoters.

Civil proceedings by Promoters

There are no material civil proceedings pending which have been initiated by our Promoters.

C. Outstanding actions by statutory or regulatory authorities against our Promoters

There are no pending actions by statutory or regulatory authorities against our Promoters.

D. Outstanding disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoters in the last five financial years

1. Our Company, Dr. Bhaskara Rao Bollineni, Krishnaiah Bollineni and Sambasiva Rao Mayeni ("**Applicants**") filed an application dated June 10, 2017 before the Regional Director, South East Region, Hyderabad ("**RD**") / National Company Law Tribunal, Hyderabad under Section 621A of the Companies Act, 1956 and under Section 441 of the Companies Act, 2013 praying for condonation and compounding of contravention of Section 67(3) of the Companies Act, 1956. Our Company issued 733,535 Equity Shares by way of preferential allotment to 64 persons on September 14, 2005 and was therefore in violation of Section 67(3) of the Companies Act, 1956 ("**Offence**"). The RD vide its order dated June 23, 2017 compounded the aforementioned offence and levied a compounding fee of ₹ 5,000 on each of the Applicants. Further, in relation to the Offence, our Company has completed the process of exit offer as directed by SEBI pursuant to a press release dated November 30, 2015 and circulars dated December 31, 2015 and May 3, 2016. As on the date of this Prospectus, there are no actions pending against the Applicants in relation the Offence.

2. Our Promoters, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni were the promoters of APL, which was previously listed on HSEL and MSEL, erstwhile stock exchanges, that were de-recognised as a stock exchange by the Central government pursuant to a notification dated September 19, 2007 and by SEBI pursuant to its order dated May 14, 2015, respectively. Accordingly, APL was identified as an exclusively listed company and was placed on the dissemination board of NSE. While APL was on the dissemination board, pursuant to the SEBI 2016 Circular and the SEBI 2017 Circular, NSE issued a public notice dated June 22, 2018 stating that in accordance with the SEBI 2017 Circular pertaining to action against exclusively listed companies and its promoters and directors, it was decided to freeze the demat accounts of the directors and promoters of, amongst other companies, APL with effect from June 22, 2018. Further, all promoters and directors of such companies were debarred from accessing the capital markets for raising capital, and were not eligible to become directors of any listed company until the exit option was granted to the public shareholders of these companies. Subsequently, APL *vide* a letter dated July 20, 2018 had submitted its plan of action to NSE by opting to provide exit opportunity to its public shareholders. Thereafter, APL was removed from the dissemination board of NSE with effect from September 18, 2018 vide a notice dated September 12, 2018 issued by NSE in accordance with the SEBI 2016 Circular and the SEBI 2017 Circular and the demat accounts of our Promoters, Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni were unfrozen. As on the date of this Prospectus, there are no actions pending against Dr. Bhaskara Rao Bollineni, Dr. Abhinay Bollineni and Adwik Bollineni in respect of their association with APL.

E. Outstanding tax proceedings involving our Promoters

There are no direct or indirect tax proceedings involving our Promoters.

III. Litigation involving our Directors

A. Outstanding criminal litigation involving our Directors

Criminal proceedings against our Directors

Dr. Bhaskara Rao Bollineni

1. Central Bureau of Investigation, Hyderabad ("**CBI**") received a complaint ("**Complaint**") from M/s. United India Insurance Co. Ltd. ("**Complainant**"), alleging that certain hospitals including Bollineni Super Specialty Hospital, Nellore (hospital owned by BRMH) are involved in fraudulent activities of raising mediclaims which caused a financial loss of ₹ 1.40 million of the Complainant. Pursuant to the Complaint, CBI instituted a criminal case on July 12, 2007 against Dr. Bhaskara Rao Bollineni, BRMH (the Promoters of our Company) and two other persons in 2007 before the XIV Additional Chief Metropolitan Magistrate, Hyderabad under Sections 120-B, 420, 468 and 471 of the Indian Penal Code, 1860 and Section 13(2) read with Section 13(1) (d) of the Prevention of Corruption Act, 1988. For details, see "- ***Outstanding criminal litigation involving our Promoters***" on page 353.

2. D. Swetha Bindu, Drugs Inspector, Marredpally Zone (Sales), Secunderabad ("**Drugs Inspector**") received certain complaints from third parties wherein it was alleged, amongst others, that our Secunderabad hospital had stocked certain drugs for sale on unlicensed premises ("**Initial Complaints**"). Pursuant to Initial Complaints, the Drug Inspector conducted an inspection of our Secunderabad hospital on April 21, 2015. Based on the inspection, the Drug Inspector filed a complaint ("**Complaint**") before the XI Additional Chief Metropolitan Magistrate Court, Secunderabad ("**Court**") against Dr. Bhaskara Rao Bollineni, in his capacity as the Managing Director of our Company. For details, see "- ***Outstanding criminal proceedings involving our Company***" on page 351.

3. J. Narsimha Reddy, a patient suffering from chronic calcific pancreatitis ("**Patient**"), was transferred from a third party hospital to our Secunderabad hospital on November 4, 2015, in critical condition. Despite providing treatment, the Patient passed away on November 5, 2015. Subsequently, Kishan Reddy Junnuthula, the Patient's brother, filed a first information report ("**FIR**") dated December 18, 2015 under Section 304A of the Indian Penal Code, 1860 with the Ramagopalpet Police Station against the management and the doctors of our Company at that time. In response to the FIR, a criminal petition was instituted by Dr. Bhaskara Rao Bollineni (in his capacity as the chief executive officer of our Company) along with Dr. Sharath Kumar Putta (doctor at our Secunderabad hospital) before the High Court, Hyderabad for quashing of the FIR. For details, see "- ***Outstanding criminal proceedings involving our Company***" on page 351.

4. U. Pundareekudu ("**Complainant**"), a patient who underwent surgery for a back problem in our Secunderabad hospital allegedly developed certain complications in his lower body and was re-operated at Secunderabad hospital. Subsequently, the Complainant filed a first information report dated December 25, 2015 ("**FIR**") under Sections 338, 269 and 420 of the Indian Penal Code, 1860 against Dr. Bhaskara Rao Bollineni, in his capacity as the Managing Director of our Company with the Ramgopalpet Police Station, Hyderabad alleging, amongst others, criminal breach of trust and cheating. For details, see "- ***Outstanding criminal proceedings involving our Company***" on page 351.

5. Gajula Rama Murthy ("**Complainant**"), a patient who underwent a keyhole surgery for sciatica pain at our Secunderabad hospital allegedly developed certain complications in his right leg and was re-operated at our Secunderabad hospital. Post second surgery, the Complainant developed numbness in certain parts of his body. Subsequent to the examination, the Complainant filed a first information report dated July 10, 2018, with the Ramgopalpet Police Station, Hyderabad, against Dr. Sujeeth Kumar Vidiayala and the management of our Company, alleging commission of offences under Section 337 of the Indian Penal Code, 1860 in relation to criminal negligence. For details, see "- ***Outstanding criminal proceedings involving our Company***" on page 351.

Shantanu Rastogi

1. Vijay Arisetty on behalf of Vivish Technologies Private Limited ("**Complainant**") filed a first information report ("**FIR**") dated June 19, 2020 under Section 154 of the Code of Criminal Procedure, 1973 ("**CrPC**") at Cyber Crime Police Station (sub-division Crime Investigation Department) before the First Additional Chief Metropolitan Magistrate, Nrupatunga Road, against, amongst others, Shantanu Rastogi (as accused no. 3 of 7 accused parties) ("**Accused Parties**"). It has been alleged, amongst others, in the FIR that the Accused Parties have been using the Complainant's proprietary confidential information for their benefit and have been approaching the Complainant's employees with bribes and threats to procure proprietary confidential information of the Complainant. The matter is currently pending.

Criminal proceedings by our Directors

There are no criminal proceedings pending which have been initiated by our Directors.

B. Outstanding material civil litigation involving our Directors

Civil proceedings against our Directors

There are no material civil proceedings pending against our Directors.

Civil proceedings by our Directors

There are no material civil proceedings pending which have been initiated by our Directors.

C. Outstanding actions by statutory or regulatory authorities against any of our Directors

There are no pending actions by statutory or regulatory authorities against our Directors.

D. Outstanding tax proceedings involving our Directors

There are no direct or indirect tax proceedings pending involving our Directors.

IV. Litigation involving our Subsidiaries

A. Outstanding criminal litigation involving our Subsidiaries

Criminal proceedings against our Subsidiaries

There are no criminal proceedings pending against our Subsidiaries.

Criminal proceedings by our Subsidiaries

There are no criminal proceedings pending which have been initiated by our Subsidiaries.

B. Outstanding material civil litigation involving our Subsidiaries

Civil proceedings against our Subsidiaries

1. Geddam David Nelson Babu ("**Plaintiff**") instituted a suit dated August 3, 2017 against KIMS Hospitals Private Limited and five others ("**Defendants**") before the I Additional Junior Civil Judge, Rajamahendravaram ("**AJCJ**") seeking declaration that the lease deed dated August 25, 2011 and rectification deed dated April 11, 2014 pertaining to a piece of land in Rajahmundry (sub-leased to KIMS Hospitals Private Limited) are illegal and void ("**Matter**"). Subsequently, pursuant to an order dated July 5, 2019, passed by the Principal District Judge, East Godavari, at Rajamahendravaram, the Matter has been transferred from AJCJ to V Additional District Court, Rajamahendravaram. The matter is currently pending and the amount involved therein is not ascertainable.

Civil proceedings by our Subsidiaries

There are no material civil proceedings pending which have been initiated by our Subsidiaries.

C. Outstanding actions by statutory or regulatory authorities against any of our Subsidiaries

There are no pending actions by statutory or regulatory authorities against our Subsidiaries.

D. Outstanding tax proceedings involving our Subsidiaries

AHPL

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (*in ₹ million*)*
Direct tax		
Nil	NA	NA
Sub-total (A)	NA	NA
Indirect tax		
Service tax	1	0.09
Sub-total (B)	1	0.09
Total (A+B)	**1**	**0.09**

**To the extent quantifiable*

V. Outstanding litigation involving our Group Companies that have material impact on our Company

There are no litigation involving our Group Companies that has a material impact on our Company.

Material Developments

Other than as stated in the section entitled "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments***" on page 350, there have not arisen, since the date of the last financial information disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability 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 business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, registrations and permits obtained by our Company and our Subsidiaries which are necessary for undertaking their respective businesses ("**Material Approvals**"). Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer. Additionally, unless otherwise stated herein and in the section "***Risk Factors***" on page 27, these approvals, consents, licenses, registrations and permits are valid as on the date of this Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.

We have also set forth below (i) approvals or renewals applied for but not received; (ii) approvals expired and renewal yet to be applied for; and (iii) approvals required however yet to be obtained or applied for. For further details in connection with the applicable regulatory and legal framework, see "***Key Industry Regulations and Policies***" on page 190.

(a) Approvals in relation to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "***Other Regulatory and Statutory Disclosures - Authority for the Offer***" on page 361.

(b) Material Approvals in relation to our business and Operations

We operate a chain of multi-specialty hospitals owned by us and our Subsidiaries. For details, see "***Our Business - Overview***" on page 165. In view of our business model, our Company and Subsidiaries are required to obtain various approvals, licenses and registrations in relation to our business. Such approvals, licenses and registrations may differ on the basis of location, as well the nature of facilities, provided at each of our hospitals. The Material Approvals typically required for the operation of our business are:

1. Business-related approvals

a. *Registration as a 'private medical care establishment'*: We operate nine hospitals in the states of Andhra Pradesh and Telangana. Each of these hospitals is required to be registered as a 'private medical care establishment' under the Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 ("**APMCE Act**").

b. *Licenses to sell, stock, exhibit and distribute drugs*: We are required to obtain certain licenses under the Drugs and Cosmetics Act, 1940 ("**DC Act**") with respect to the pharmacies stocking, selling and distributing drugs within the premises of our hospitals. We also need to comply with the conditions laid down in the DC Act, the Drugs and Cosmetic Rules, 1945 and such conditions as may be specified in the license.

c. *Licenses under the Narcotics Drugs and Psychotropic Act, 1985 ("**NDPS Act**")*: We are required to obtain a license under the NDPS Act, with respect to our purchase, sale and usage of certain 'narcotic drugs' and 'psychotropic substances', as defined in the NDPS Act.

d. *Registration for pre-conception and pre-natal diagnostic testing*: We undertake pre-conception and pre-natal diagnostic testing at some of our hospitals, and are consequently required to obtain registration under the Pre-Natal Diagnostic Techniques (Registration and Prevention of Misuse) Rules, 1996 from the appropriate authority under the Pre-Natal Diagnostic Techniques (Registration and Prevention of Misuse) Act, 1994 ("**PNDT Act**"). Such registration is required to conduct one or more specified pre-natal diagnostic tests or procedures, depending on the availability of place, equipment, qualified employees, and standards maintained at each of the facility.

e. *Registration for medical termination of pregnancy*: In order to be able to provide the facility of medical termination of pregnancy, we require government authorisation under the Medical Termination of Pregnancy (Amendment) Act, 2002 ("**MTP Act**"). Such license is issued by the government after conducting inspection and subject to satisfaction that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

f. *Registration for harvesting and transplantation of organs*: We are required to obtain a certificate of registration under the Transplantation of Human Organs Act, 1995 ("**THO Act**"), in order to be able to engage in the removal, storage or transplantation of any human organ or tissue for therapeutic purposes.

g. *Registration for installing radiation generating equipment and handling radio-active material*: We are required to obtain licenses from the Atomic Energy Regulatory Board ("**AERB**") with respect to nuclear medicine and radiation oncology facilities being operated by us, the radiation generating equipment like medical diagnostic or analytical X-ray machines installed therein, the radio-active material stored and used in our premises, and for the disposal of radioactive waste. We

are required to comply with notified radiation surveillance procedures, including maintaining medical records of workers and ensuring rehabilitation of affected workers.

h. *Building and fire-safety related approvals:* We are required to obtain building plan approvals and occupancy certificates from local authorities, as applicable, with respect to the premises wherein our hospitals are being operated. In the event certain buildings have been constructed without authorisation or constructed in deviation from the building plan, we are required to compulsorily apply for regularisation before the relevant authorities. Failure to apply for such regularisation could lead to actions by the authorities, including demolition, imposition of penalties and non-consideration of any further building approvals for the impugned site. Further, we are also required to obtain no-objection certificates for occupancy, with respect to our various hospital premises from relevant fire services departments, as applicable.

In addition to the afore stated approvals, we are also required to obtain licenses (i) to operate boilers; (ii) to possess and use denatured spirits in our hospitals from relevant authorities; (iii) to operate canteens in our hospitals; (iv) to operate diesel generators above a prescribed voltage and (iv) under applicable labour legislations.

2. Environmental approvals

We are required to obtain consents/ authorisations under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management and Transboundary, Movement) Rules, 2016 and Bio-Medical Waste Management Rules, 2016, from the relevant state pollution control boards where such hospitals are situated. These consents/ authorisations may also prescribe additional conditions that would need to be complied with. Such authorisations are subject to renewals, as applicable.

(c) Certain other Material Approvals

1. Certificates of incorporation issued by the RoC. For details of certificates of incorporation, see "***History and Certain Corporate Matters***" on page 198 and "***General Information***" on page 77.

2. PAN and TAN, issued by the Income Tax Department, GoI.

3. GST registrations have been obtained by our Company and our Subsidiaries.

(d) Material approvals or renewals applied for but not received

S No.	Description	Authority	Date
KIMS Visakhapatnam			
1.	Application for renewal of annual periodical fire certificate	Andhra Pradesh State Disaster Response and Fire Services Department	July 25, 2020
KIMS Srikakulam			
2.	Application for renewal of private medical care establishment under the Allopathic Private, Medical Care Establishments (Registration and Regulations), Act, 2002	District Medical and Health Officer	May 3, 2021
KIMS Kurnool			
3.	Application for renewal of NDPS license under the NDPS Act	Drugs Control Administration	December 30, 2020
KIMS Nellore			
4.	Applicaton for renewal of fire NoC	Fire Protection and Control, Government of Andhra Pradesh	May 7, 2021
KIMS Kondapur			
5.	Application for provisional fire NoC for Block II	Telangana State Disaster Response and Fire Services Department	December 2, 2020
6.	Application for regularisation of Block I of the hospital*	Greater Hyderabad Municipal Corporation	January 31, 2016

**As KIMS Kondapur is being run on leased premises, the application has been filed by S Sunand, one of the lessors of the premises, which is currently pending with Greater Hyderabad Municipal Corporation for unidentified reasons.*

(e) Material approvals required or expired but not applied for

S No.	Description	Authority
KIMS Kondapur		
1.	Fire NoC for Block I*	Telangana State Disaster Response and Fire Services Department

** As KIMS Kondapur is being run on leased premises, the no-objection certificate for occupancy from the fire services department was previously issued in the name of one of the lessors, S Sunand. Upon its expiry, S Sunand filed a renewal application dated April 16, 2015 and on October 11, 2019 before the Fire Prevention Wing, Greater Hyderabad Municipal Corporation, which was rejected by the Telangana State Disaster Response and Fire Services Department informing on March 17, 2021. Please see, "**Risk Factors - One of our hospital buildings taken on lease, KIMS Kondapur, does not possess the requisite occupancy certificate from the relevant municipal authority and fire NoC from Telangana State Disaster Response and Fire Services Department. We may be subject to adverse regulatory action and may be required to vacate this facility, which may materially and adversely affect our business, reputation and financial condition" on page 30.*"

(f) Intellectual property related approvals

Our Company has filed applications for the registration of the following trademarks in accordance with the Trade Marks Act, 1999, as amended the status is provided below:

S. no.	Description	Class	Application no.	Date of application	Status of application
1.		44	2752898	June 9, 2014	Opposed
2.	KIMS HOSPITALS	35	2951449	April 28, 2015	Opposed
3.	KIMS HOSPITALS	39	2935677	April 7, 2015	Opposed
4.	KIMS HOSPITALS	44	2951448	April 28, 2015	Opposed
5.	KIMS HOSPITALS	10	2951447	April 28, 2015	Opposed
6.		44	3162880	January 19, 2016	Opposed
7.		39	3162878	January 19, 2016	Opposed
8.	KIMS Krishna Institute of Medical Science	35	4597850	August 6, 2020	Opposed
9.	KIMS Krishna Institute of Medical Science	39	4597849	August 6, 2020	Opposed
10.	KIMS Krishna Institute of Medical Science	41	4597851	August 6, 2020	Objected
11.	KIMS Krishna Institute of Medical Science	44	4597848	August 6, 2020	Objected

In addition to the above, our Company has registered its website domain name: www.kimshospitals.com.

The details of copyright registered in the name of our Company, under the Copyright Act, 1957, as amended is provided below:

S. no.	Copyright	Category	Diary no.	Date of registration
1.		Artistic work	4705/2009-CO/A	June 4, 2009

For risk associated with our intellectual property please see, "***Risk Factors - We may fail to protect our intellectual property rights and may be exposed to misappropriation and infringement claims by third parties, either of which may have a material adverse effect on our business and reputation***" on page 37.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Fresh Issue pursuant to the resolution passed at its meeting held on February 8, 2021. Further, our Shareholders have approved the Fresh Issue pursuant to a special resolution passed on February 10, 2021 under Section 62(1)(c) of the Companies Act, 2013. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on February 22, 2021 and May 26, 2021. Our Board has approved the Red Herring Prospectus pursuant to its resolution dated June 9, 2021 and our Company (through the IPO Committee) has approved this Prospectus pursuant to its resolution dated June 22, 2021.

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

S. No.	Name of the Selling Shareholder	Maximum number of Offered Shares	Date of Selling Shareholder's Consent Letter	Date of corporate authorisation/board resolution
Investor Selling Shareholder				
1.	General Atlantic	16,003,615	May 26, 2021	May 26, 2021
Promoter Selling Shareholders				
1.	Dr. Bhaskara Rao Bollineni	387,966	May 21, 2021	-
2.	Rajyasri Bollineni	775,933	May 21, 2021	-
3.	BRMH	387,966	February 12, 2021	February 12, 2021
Other Selling Shareholders				
1.	Persons listed in Annexure A.	6,005,058	As listed in Annexure A	-

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated March 23, 2021 and March 24, 2021, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and persons in control of our Promoters and the Selling Shareholders, are not debarred or prohibited from accessing the capital markets 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 Directors and Promoters are not directors or promoters of any other company which is debarred from accessing the capital markets by SEBI.

Our Company, Promoters 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 Promoters or Directors have not been declared as Fugitive Economic Offenders.

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 Prospectus. For further information see "***Capital Structure***" on page 85.

Directors associated with the Securities Market

Except as stated below none of our Directors are associated with the securities market:

Our Non-executive Directors, Sandeep Naik and Shantanu Rastogi are on the board of directors of KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited), which is registered with SEBI under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993

Our Non-executive Directors, Sandeep Naik and Shantanu Rastogi and our Independent Director, Pankaj Vaish are on the board of directors of IIFL Wealth Management Limited which is registered with SEBI under SEBI (Merchant Bankers) Regulations 1992, and SEBI (Research Analysts) Regulations 2014.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, the Selling Shareholders, Promoters and members of the Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended ("**SBO Rules**"), to the extent applicable to each of them as on the date of this Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations which states the following:

"*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 at the time of filing of the Draft Red Herring Prospectus and are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. Regardless of whether the Company meets the eligibility under Regulation 6(1) of the SEBI ICDR Regulations, the Offer shall be undertaken in terms of 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 is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and has ensured compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees shall not be less than 1,000.

Each of the Selling Shareholders confirm that they have held their respective portion of the Offered Shares for a continuous period of at least one year prior to the date of the Draft Red Herring Prospectus and accordingly each of the Selling Shareholders are in compliance with Regulation 8 of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND IIFL SECURITIES LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR ITS RESPECTIVE PORTION OF OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 26, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, our Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website www.kimshospitals.com, or the respective websites of the members of the Promoter Group and affiliates, would be doing so at his or her own risk.

Each of the Selling Shareholders, its respective directors, partners, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by such Selling Shareholder in relation to itself and its respective portions of the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, each of the Selling Shareholders (to the extent that the information pertain to its and its respective portions of the Offered Shares) and the BRLMs to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None amongst our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, partners, designated partners, 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, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India.

Disclaimer clause of BSE

BSE Limited ("the Exchange") has given vide its letter dated March 23, 2021 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:-

a. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b. warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
c. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/944 dated March 24, 2021 permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not

have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Bidders eligible under Indian law to participate in the Offer

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA Non-debt Instruments Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Red Herring Prospectus and this Prospectus does not, however constitute an invitation to subscribe to shares offered hereby in any jurisdiction, other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer made only pursuant to the Red Herring Prospectus if the recipient was in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient was outside India.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer 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 persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this 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 are made. 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 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 Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) 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.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of the Red Herring Prospectus, this Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs on behalf of itself and, if it is acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (each, a "purchaser"), that it has received a copy of the Red Herring Prospectus, this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

i. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

ii. the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Equity Shares involves a considerable degree of risk and that the Equity Shares are a speculative

investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment;

iii. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer 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;

iv. 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;

v. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

vi. the purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Equity Shares in any jurisdiction other than the filing of the Red Herring Prospectus and this Prospectus with SEBI and the Stock Exchanges); and it will not offer, resell, pledge or otherwise transfer any of the Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Equity Shares of the restrictions set forth in the Red Herring Prospectus and this Prospectus under the heading "Eligibility and Transfer Restrictions";

vii. 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, and the purchaser agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Equity Shares are "restricted securities", it will not reoffer, resell, pledge or otherwise transfer any Equity Shares which it may acquire, or any beneficial interest therein, except in an offshore transaction complying with Regulation S under the U.S. Securities Act;

viii. 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;

ix. the purchaser acknowledges and agrees that it is not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the US Securities Act);

x. 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;

xi. 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 IN AN OFFSHORE TRANSACTION COMPLYING WITH REGULATION S UNDER THE U.S. SECURITIES ACT, AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS.

xii. neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilisation or manipulation of the price of any security of the Company to facilitate the sale or resale of the Equity Shares pursuant to the Offer;

xiii. prior to making any investment decision to subscribe for the Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Red Herring Prospectus and this Prospectus; (iii) will have possessed and carefully read and reviewed all information relating to our Company and the Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Equity Shares; (v) will have conducted its own due diligence on our Company and this Offer, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty

of or view expressed by or on behalf of our Company (other than in the Red Herring Prospectus and and this Prospectus), the BRLMS or their affiliates; and (vi) will have made its own determination that any investment decision to subscribe for the Equity Shares is suitable and appropriate, both in the nature and number of Equity Shares being subscribed;

xiv. our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

xv. the purchaser acknowledges that our Company, the Selling Shareholders, 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 Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of the Red Herring Prospectus, this Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholders and the BRLMs on behalf of itself and, if it is acquiring the Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (each, a "purchaser"), that it has received a copy of the Red Herring Prospectus, this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(i) each of the acknowledgements, representations and agreements in paragraphs (i)-(iii), (v)-(viii), (xi)-(xiv) under the heading "Eligibility and Transfer Restrictions—Equity Shares Offered and Sold within the United States";

(ii) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Regulation S under the U.S. Securities Act;

(iii) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, 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;

(iv) the purchaser agrees that no offer or sale of the Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S under the Securities Act) and 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" in the United States with respect to the Equity Shares;

(v) the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Equity Shares in compliance with applicable securities and other laws of their jurisdiction of residence;

(vi) our Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(vii) the purchaser acknowledges that our Company, the Selling Shareholders, 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.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no Equity Shares have been offered or will be offered pursuant to the Offer to the public in that Relevant State prior to the publication of a prospectus in relation to the

Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Equity Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this paragraph, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

a. to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Global Co-ordinator for any such offer; or

c. in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the Equity Shares shall require the Issuer or any Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

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 offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for listing and trading of the Equity Shares. BSE 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 and this Prospectus and each of the Selling Shareholders will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to such Selling Shareholder and to the extent of its respective portion the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date. Further, each of the Selling Shareholders confirms that it shall provide reasonable assistance to our Company, and the BRLMs, with respect to its respective portion of the Offered Shares, for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date, to the extent of the Offered Shares.

If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by 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 for the delayed period.

Except for listing fees which shall be solely borne by our Company, all Offer expenses will be shared, upon successful completion of the Offer, between our Company and each of the Selling Shareholders on a pro-rata basis, in proportion to the Equity Shares issued and allotted by our Company in the Fresh Issue and the Equity Shares sold by each of the Selling Shareholders in the Offer for Sale, respectively. However, in the event that the Offer is withdrawn by our Company or not completed for any reason whatsoever, all the Offer related expenses will be solely borne by our Company. Upon successful completion of the Offer, any payments by our Company in relation to the Offer expenses on behalf of any of the Selling Shareholders shall be reimbursed by such Selling Shareholder to our Company inclusive of taxes.

Consents

Consents in writing of each the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal advisors, the BRLMs, the Registrar to the Offer, CRISIL, independent chartered accountant, the Syndicate Member, Monitoring Agency, Escrow Collection Bank, Refund Bank and Sponsor Bank to act in their respective capacities, have been obtained and filed along with a copy of this Prospectus with the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of this Prospectus for filing with the RoC.

Experts to the Offer

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

Our Company has received written consent dated June 22, 2021 from S. R. Batliboi & Associates LLP, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated May 25, 2021 on our Restated Financial Statements; and (ii) their report dated May 25, 2021, on the 'Statement of special tax benefits' in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Capital issue during the previous three years by our Company

Except as disclosed in "***Capital Structure – Notes to the capital structure***" on page 85, our Company has not made any capital issues during the previous three years.

Particulars regarding public or rights issues during the last five years

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Prospectus.

Performance vis-à-vis Objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Prospectus.

Performance *vis-à-vis* Objects – Public/ rights issue of the listed Subsidiaries of our Company

None of our Subsidiaries are listed on any stock exchange.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in last five years

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for the Equity Shares since our Company's inception.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

(i) Kotak Mahindra Capital Company Limited

- **Price information of past issues handled by Kotak Mahindra Capital Company Limited**

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Macrotech Developers Limited	25,000.00	486	April 19, 2021	436.00	+30.22%[+5.21%]	-	-
2.	Home First Finance Company India Limited	11,537.19	518	February 3, 2021	618.80	+4.98%,[+1.97%]	-5.64% [-1.05%]	-
3.	Indigo Paints Limited	11,691.24	1,490[1]	February 2, 2021	2,607.50	+75.72%[+4.08%]	+55.40% [-0.11%]	-
4.	Burger King India Limited	8,100.00	60	December 14, 2020	115.35	+146.50%[+7.41%]	+135.08%[+10.86%]	+168.25%[+16.53%]
5.	Gland Pharma Limited	64,795.45	1,500	November 20, 2020	1,710.00	+48.43%[+7.01%]	+57.27%,[+18.27%]	+104.17%[+17.49%]
6.	UTI Asset Management Company Limited	21,598.84	554	October 12, 2020	500.00	-10.43%[+5.87%]	-0.60%[+20.25%]	+5.81% [+24.34%]
7.	Computer Age Management Services Limited	22,421.05	1,230[2]	October 1, 2020	1,518.00	+5.43% [+2.37%]	+49.52%[+23.04%]	+43.80%[+26.65%]
8.	SBI Cards And Payment Services Limited	103,407.88	755[3]	March 16, 2020	661.00	-33.05% [-2.21%]	-21.79% [+8.43%]	+12.50%[+24.65%]
9.	Ujjivan Small Finance Bank Limited	7,459.46	37[4]	December 12, 2019	58.75	+41.08% [+2.38%]	+10.27% [-12.70%]	-16.62% [-15.07%]
10.	Polycab India Limited	13,452.60	538[5]	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70% [-1.99%]	+23.76% [-4.09%]

Source: www.nseindia.com and www.bseindia.com

Notes:

1. *In Indigo Paints Limited, the issue price to eligible employees was ₹ 1,342 after a discount of ₹ 148 per equity share*
2. *In Computer Age Management Services Limited, the issue price to eligible employees was ₹ 1,108 after a discount of ₹ 122 per equity share*
3. *In SBI Cards and Payment Services Limited, the issue price to eligible employees was ₹ 680 after a discount of ₹ 75 per equity share*
4. *In Ujjivan Small Finance Bank Limited, the issue price to eligible shareholders of Ujjivan Financial Services Limited was ₹ 35 per equity share*
5. *In Polycab India Limited, the issue price to employees was ₹ 485 after a discount of ₹ 53 per equity share.*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
8. *Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index.*
9. *Restricted to last 10 equity initial public issues.*

- **Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited:**

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	1	25,000.00	-	-	-	-	1	-	-	-	-	-	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	2	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

*

Note:

1. *The information is as on the date of this Prospectus*
2. *The information for each of the financial years is based on issues listed during such financial year.*

(ii) ***Axis Capital Limited***

- **Price information of past issues handled by Axis Capital 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.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	436.00	+30.22%, [+5.21%]	-	-
2.	Barbeque – Nation Hospitality Limited	4,528.74	500.00	April 7, 2021	489.85	+18.77%, [-0.64%]	-	-
3.	Suryoday Small Finance Bank Limited[$]	5,808.39	305.00	March 26, 2021	292.00	-18.38%, [-1.14%]	-	-
4.	Kalyan Jewellers India Limited[#]	11,748.16	87.00	March 26, 2021	73.95	-24.60%, [-1.14%]	-	-
5.	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%, [+0.11%]	-	-
6.	Laxmi Organic Industries Limited	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	-	-
7.	Anupam Rasayan India Limited[^]	7,600.00	555.00	March 24, 2021	520.00	-0.11%, [-0.98%]	+30.49%, [+8.23%]	-
8.	Easy Trip Planners Limited	5,100.00	187.00	March 19, 2021	212.25	-7.27%, [-0.86%]	+124.68%, [+6.94%]	-
9.	Home First Finance Company India Limited	11,537.19	518.00	February 3, 2021	618.80	+4.98%, [+1.97%]	-5.64%, [-1.05%]	-
10.	Mazagon Dock Shipbuilders Limited	4,436.86	145.00	October 12, 2020	214.90	+18.90%, [+5.87%]	+52.90%, [+20.25%]	+45.79%, [+24.34%]

Source: www.nseindia.com
$ Offer Price was ₹275.00 per equity share to Eligible Employees
 # Offer Price was ₹79.00 per equity share to Eligible Employees
Note:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY is considered as the Benchmark Index.*
3. *Price on NSE is considered for all of the above calculations.*
4. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
5. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

- **Summary statement of price information of past issues handled by Axis Capital Limited:**

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-2022*	2	29,528.74	-	-	-	-	1	1	-	-	-	-	-	-
2020-2021	11	93,028.90	-	-	6	2	1	2	-	-	-	2	1	1
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

**The information is as on the date of the document*
Note:
1. *The information for each of the financial years is based on issues listed during such financial year.*
2. *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.*

(iii) ***Credit Suisse Securities (India) Private Limited***

- **Price information of past issues handled by Credit Suisse Securities (India) Private Limited:**

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Metropolis Healthcare Limited	12,042.90	880.00	April 15, 2019	958.00	3.75%, [-4.01%]	21.39%, [-1.18%]	45.93%, [-3.30%]
2.	Sterling and Wilson Solar Limited	28,809.42	780.00	August 20, 2019	706.00	-21.88%, [-1.60%]	-48.63%, [7.97%]	-64.78%, [9.95%]
3.	Home First Finance Company India Limited	11,537.19	518.00	February 03, 2021	618.80	4.98%, [1.97%]	-5.64%, [-1.05%]	NA*

Source: Source: www.nseindia.com for the price information and prospectus for issue details.

**Data not available*

Note:

1. *30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading date.*
2. *% of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *NIFTY is considered as the benchmark index*

- **Summary statement of price information of past issues handled by Credit Suisse Securities (India) Private Limited:**

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020-21	1	11,537.19	-	-	-	-	-	1	-	-	-	-	-	-
2019-20	2	40,852.32	-	-	1	-	-	1	1	-	-	-	1	-

(iv) ***IIFL Securities Limited***

- **Price information of past issues handled by IIFL Securities 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.	Equitas Small Finance Bank Ltd	5,176.00	33.00	November 2, 2020	31.10	+5.45%, [+12.34%]	+19.55%, [16.84%]	+68.18%, [+25.38%]
2.	Mrs. Bectors Food Specialities Ltd	5,405.40	288.00	December 24, 2020	500.00	+37.69%, [+4.53%]	+19.93%, [+7.75%]	+40.59%, [+14.53%]
3.	Antony Waste Handling Cell Limited	2,999.85	315.00	January 1, 2021	436.10	-10.27%, [-2.74%]	-23.21%, [+4.80%]	N.A.
4.	MTAR Technologies Limited	5964.14	575.00	March 15, 2021	1,050.00	+69.45%,[-2.84%]	+78.83%, [+5.83%]	N.A.
5.	Anupam Rasayan India Ltd	7,600.00	555.00	March 24, 2021	520.00	-0.11%,[-0.98%]	+30.49%, [+8.23%]	N.A.

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
6.	Craftsman Automation Limited	8,236.96	1,490.00	March 25, 2021	1,359.00	-13.82%,[+0.11%]	N.A.	N.A.
7.	Suryoday Small Finance Bank Ltd	5,808.39	305.00	March 26, 2021	292.00	-18.38%,[-1.14%]	N.A.	N.A.
8.	Nazara Technologies Ltd	5,826.91	1,101.00	March 30, 2021	1,990.00	+62.57%,[0.13%]	N.A.	N.A.
9.	Barbeque-Nation Hospitality Limited	4,528.74	500.00	April 7, 2021	489.85	+18.77%,[-0.64%]	N.A.	N.A.
10.	Macrotech Developers Ltd	25,000.00	486.00	April 19, 2021	436.00	+30.22%,[+5.21%]	N.A.	N.A.

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. The Nifty 50 index is considered as the benchmark index. NA means Not Applicable.

- **Summary statement of price information of past issues handled by IIFL Securities Limited:**

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019–20	5	65,827.61	-	-	2	-	1	2	1	1	1	-	-	2
2020-21	8	47,017.65	-	-	4	2	1	1	-	-	-	1	1	-
2021-22	2	29,528.74	-	-	-	-	1	1	-	-	-	-	-	-

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the BRLMs, as set forth in the table below:

S. No.	Name of the BRLM	Website
•	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
•	Axis Capital Limited	www.axiscapital.co.in
•	Credit Suisse Securities (India) Private Limited	www.credit-suisse.com/in/en/investment-banking/regional-presence/asia-pacific/india/ipo.html
•	IIFL Securities Limited	www.iiflcap.com

Redressal of investor grievancess

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole

or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post- Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has obtained authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES. Our Company has also appointed Umashankar Mantha, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "***General Information***" on page 77.

Disposal of Investor Grievances by our Company

Our Company has constituted a Stakeholders' Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For details, see "***Our Management – Stakeholders' Relationship Committee***" on page 218.

Our Company estimates that the average time required by our Company and/or Registrar to the Offer for the redressal of routine investor grievances shall be seven (7) Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

As on the date of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus, there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted pursuant to this Offer shall be subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, SCRA, SCRR, the MoA, the AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, Offer for Sale and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the GoI, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of the Allotment. For further details, see "***Main Provisions of Articles of Association***" on page 398.

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 MoA and AoA and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to Allottees, for the entire year, in accordance with applicable law. For further details, in relation to dividends, see "***Dividend Policy***" and "***Main Provisions of Articles of Association***" on pages 232 and 398, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ 825 per Equity Share. The Anchor Investor Offer Price is ₹ 825 per Equity Share.

The Offer Price, Price Band and the minimum Bid Lot was decided by our Company (through the IPO Committee) in consultation with the BRLMs, and were advertised at least two Working Days prior to the Bid/ Offer Opening Date in all editions of Business Standard, an English national daily newspaper, all editions of Business Standard, a Hindi national daily newspaper and Hyderabad edition of Suryaa, a Telugu newspaper, Telugu being the regional language of Telangana, where our Registered and Corporate Office is located, each with wide circulation and were 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, were required to be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time, there shall be only one denomination of the Equity Shares.

The Offer

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

Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "***Objects of the Offer - Offer Related Expenses***" on page 105.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act, 2013;
- 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; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013 the SEBI Listing Regulations and our MoA and AoA.

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***" on page 398.

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. As per the SEBI ICDR Regulations and the SEBI Listing Regulations, the trading of the Equity Shares shall also only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated April 10, 2021 amongst our Company, NSDL and the Registrar to the Offer.
- Tripartite agreement dated April 9, 2021 amongst our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 18 Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, India.

Joint holders

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. For the method of basis of allotment, see "***Offer Procedure***" on page 382.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of Sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only in the prescribed form available on request at our Registered and Corporate Office or to the Registrar and Transfer Agent of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by 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, the 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 monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Board or the IPO Committee, as applicable, in consultation with the BRLMs, reserve the right not to proceed with the Fresh Issue, and each of the Selling Shareholder reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre- Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank (in case of RIB's 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.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of this Prospectus with the RoC. If our Board or the IPO Committee, as applicable, in consultation with the BRLMs withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they 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/Offer Programme

BID/OFFER OPENED ON(1)	**Wednesday, June 16, 2021**
BID/OFFER CLOSED ON	**Friday, June 18, 2021**

(1) The Anchor Investor Bid/Offer Period was Tuesday, June 15, 2021.

(2) UPI mandate end time and date was at 12:00 pm on Monday, June 21, 2021.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	Friday, June 18, 2021
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Wednesday, June 23, 2021
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Thursday, June 24, 2021
Credit of Equity Shares to demat accounts of Allottees	On or about Friday, June 25, 2021
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Monday, June 28, 2021

** In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement between the Company and the SCSBs to the extent applicable.*

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or such period as may be prescribed, with reasonable support and co-operation of each of the Selling Shareholders, as may be required in respect of its respective portion of the Offered Shares, the timetable may change due to various factors, such as 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. Each of the Selling Shareholders, severally and not jointly, confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. All grievances in relation to the Bidding process may be addressed to the BRLMs and the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum

Application Form was submitted. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement between the Company with the SCSBs to the extent applicable.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10:00 a.m. IST and 5:00 p.m. IST
Bid/Offer Closing Date*	
Submission and Revision in Bids	Only between 10:00 a.m. IST and 3:00 p.m. IST

* *UPI mandate end time and date was at 12:00 pm on Monday, June 21, 2021.*

On the Bid/Offer Closing Date, the Bids were uploaded until:

(i) 4:00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5:00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding under the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time was granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Prospectus is IST. Bidders were cautioned that, in the event a large number of Bids were received on the Bid/Offer Closing Date, some Bids would not get uploaded due to lack of sufficient time. Such Bids that could not be uploaded have not be considered for allocation under this Offer. Bids and any revision in Bids were accepted only during Working Days, during the Bid/Offer Period.

None amongst our Company and the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR including through devolvement of underwriters, as applicable, within 60 days from the date of Bid/Offer Closing Date; or the minimum subscription of 90% of the Fresh Issue on Bid/Offer Closing Date; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, 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, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum.

In the event of an undersubscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum-subscription of 90% of the Fresh Issue, the Offered Shares shall be allocated prior to the Equity Shares offered pursuant to the Fresh Issue.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company will ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Board or the IPO Committee, as applicable, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

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-Offer capital of our Company, lock-in of the Promoters' contribution and the Anchor Investor lock-in as provided in "***Capital Structure***" on page 95 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of the Equity Shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "***Main Provisions of Articles of Association***" on page 398.

OFFER STRUCTURE

Offer of 25,997,133[*] Equity Shares for cash at a price of ₹ 825^ per Equity Share (including a share premium of ₹ 815 per Equity Share) aggregating to ₹ 21,437.44 million comprising a Fresh Issue of 2,436,595[*] Equity Shares (including 254,777 Equity Shares under Employee Reservation Portion to be issued at a price of ₹ 785^ aggregating to ₹ 200.00 million) aggregating to ₹ 2,000.00 million by our Company and an Offer for Sale of to 23,560,538[*] Equity Shares aggregating to ₹ 19,437.44 million by the Selling Shareholders.

The Offer included a reservation of 254,777[*] Equity Shares, aggregating to ₹ 200.00^ million (constituting 3.04% of the post-Offer paid-up Equity Share capital), for subscription by Eligible Employees (the "**Employee Reservation Portion**"). The Employee Reservation Portion of 254,777[*] Equity Shares does not exceed 5% of our post-Offer paid-up Equity Share capital. The Offer and Net Offer constitutes 32.48% and 32.17% of the post-Offer paid-up Equity Share Capital of the Company, respectively. The face value of each Equity Share is ₹ 10 each.

The Offer is being made through the Book Building Process.

[*]Subject to finalisation of the Basis of Allotment
^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation*[(2)]	Not more than 254,777^ Equity Shares	Not less than 19,306,768 Equity Shares	Not more than 3,861,353 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not more than 2,574,235 Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	The Employee Reservation Portion constituted 0.98% of Offer Size	Not less than 75% of the Net Offer was made available for allocation to QIB Bidders. However, 5% of the QIB Portion (excluding Anchor Investor Portion) was made available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion was made available for allocation to QIBs	Not more than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs was made available for allocation	Not more than 10% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders was made available for allocation
Basis of Allotment if respective category is oversubscribed *	Proportionate[#]; the value of allocation to an Eligible Employee will not exceed ₹ 200,000.00.	Proportionate as follows (excluding the Anchor Investor Portion): (a) At least 386,136[*] Equity Shares were made available for allocation on a proportionate basis to Mutual Funds only; and (b) 7,722,708[*] Equity Shares were made available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. 60% of the QIB Portion Equity Shares comprising 11,584,060[*] Equity Shares	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 further details, see "***Offer Procedure***" on page 382.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
		were allocated on a discretionary basis to Anchor Investors of which one-third were made available for allocation to Mutual Funds only.		
Minimum Bid	18 Equity Shares	Such number of Equity Shares and in multiples of 18 Equity Shares that the Bid Amount exceeds ₹200,000.00	Such number of Equity Shares in multiples of 18 Equity Shares that the Bid Amount exceeds ₹200,000.00	18 Equity Shares and in multiples of 18 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of 18 Equity Shares, so that the Bid Amount did not exceed ₹ 500,000.00	Such number of Equity Shares in multiples of 18 Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of 18 Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of 18 Equity Shares so that the Bid Amount did not exceed ₹200,000.00
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	18 Equity Shares and in multiples of 18 Equity Shares thereafter			
Allotment Lot	A minimum of 18 Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply[(3)]	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million National Investment Fund set up by the GoI, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts, FPIs who are individuals, corporate bodies, family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of karta)
Terms of Payment	**In case of Anchor Investors:** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(4)] **In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process (except for Anchor Investors)			

** Subject to finalisation of the Basis of Allotment*

^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.

[#] Eligible Employees Bidding in the Employee Reservation Portion could Bid up to a Bid Amount of ₹ 500,000.00. However, a Bid by an Eligible Employee in the Employee Reservation Portion was considered for allocation, in the first instance, for a Bid Amount of up to ₹ 200,000.00. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion was made available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.00. Further, an Eligible Employee Bidding in the Employee Reservation Portion could also Bid in the Net Offer and such Bids were not treated as multiple Bids subject to applicable limits. Further, the undsubscribed portion, if any, in the Employee Reservation Portion was added back to the Net Offer.

(1) Our Company (through the IPO Committee), in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis

*in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "**Offer Procedure**" on page 382.*

(2) This is an Offer in terms of Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations, in compliance with Regulation 6(2) of the SEBI ICDR Regulations.

(3) If the Bid was submitted in joint names, the Bid cum Application Form could 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 was required in the Bid cum Application Form and such first Bidder has been deemed to have signed on behalf of the joint holders. Bidders were required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

(4) Full Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price was payable by the Anchor Investor Pay-In Date as indicated in the CAN.

*The Bids by FPIs with certain structures as described under "**Offer Procedure - Bids by FPIs**" on page 386 and having same PAN has been collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) has been proportionately distributed.*

Bidders were required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band could make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price had to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, have been allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company (through the IPO Committee) in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 which is issued in supersession of the Circular dated October 23, 2013 and the UPI Circulars which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013 the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (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, 2013 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 mandatory 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 Offer has been undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by 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 read with the SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. The BRLMs shall be the nodal entity for any issues arising out of the public issuance process. In case of any grievances or concerns, the Syndicate Member and investors may also reach out to the BRLMs on the dedicated email addresses mentioned on the cover page of this Prospectus.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders were advised to make their independent investigations and ensure that their Bids were submitted in accordance with applicable laws and did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

Book Building Procedure

The Offer has been made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Net Offer was made available for allocation on a proportionate basis to QIBs. Our Company (through the IPO Committee) in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids having been received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion was made available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion was made vailable for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids having been received at or above the Offer Price. Further, not more than 15% of the Net Offer was made available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer was made available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids having been received at or above the Offer Price. Furthermore, 254,777[*^] Equity Shares, aggregating to ₹ 200.00 million were made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids having been received at or above the Offer Price, if any.

** Subject to finalisation of the Basis of Allotment.*
^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders 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, for RIBs, as applicable. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, were required to be treated as incomplete and are liable to be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, 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, amongst others, 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 would be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIBs 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 Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries were required to upload the Bids till such time as were 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/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus were made available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form was also available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form were made available with the BRLMs.

All Bidders (other than Anchor Investors) were required to mandatorily participate in the Offer only through the ASBA process. The RIBs could additionally Bid through the UPI Mechanism.

All ASBA Bidders were required to provide either, (i) 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 and the ASBA Forms that did not contain such details were liable to be rejected. Applications made by the RIBs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

RIBs bidding using the UPI Mechanism were required to provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that did not contain the UPI ID were liable to be rejected.

ASBA Bidders shall ensure that the Bids were made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp were liable to be rejected. RIBs using UPI Mechanism, could submit their ASBA Forms with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account could submit their ASBA Forms with the SCSBs. ASBA Bidders were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could be blocked by the SCSB or by Sponsor Bank under the UPI Mechanism, as applicable at the time of submitting the Bid.

Anchor Investors were not permitted to participate in the Offer through the ASBA process.

The prescribed colour of the Bid cum Application Form for the various categories were as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, RIBs and Eligible NRIs applying on a non-repatriation basis	White
Non-residents including Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus were also made available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors were made available at the offices of the BRLMs

In case of ASBA Forms, Designated Intermediaries were required to 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) were required to submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and were required to not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges were required to 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 were required to 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 were required to 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 were required to initiate request for blocking of funds through NPCI to RIBs, who were required to accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI are required to 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 was with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction had come to a halt. The NPCI was required to share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The

Sponsor Bank and the Banker to the Offer were required to provide the audit trail to the BRLMs for analysing the same and fixing liability.

The Sponsor Bank was required to undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and was also required to ensure that all the responses received from NPCI were sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank is required to under take 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 were required to 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 was required to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by Promoters and members of the Promoter Group of our Company, the BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Member could Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation havig been 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 Member, have been treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associates of the BRLMs could apply in the Offer 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 associate of the BRLMs.

Further, persons related to our Promoters and Promoter Group were not permitted to apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who had the following rights were deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor were deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate was required to be lodged along with the Bid cum Application Form. Failing this, our Company (through the IPO Committee) in consultation with the BRLMs, reserved the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds were required to specifically state names of the concerned schemes for which such Bids were made.

In case of a Mutual Fund, a separate Bid could 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 were not treated as multiple Bids provided that such Bids clearly indicated the scheme concerned for which the Bid were made.

No Mutual Fund scheme could 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% was applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes could own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs could obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange were considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms were required to authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms were required to authorise their respective SCSB or confirm or accept the UPI Mandate Request (in case of RIBs Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer were subject to the FEMA Regulations.

Eligible NRIs were permitted to apply in the Offer through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs could use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Offer, provided the UPI facility was enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on non-repatriation basis were advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis were advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

For details of investment by NRIs, see "***Restrictions on Foreign Ownership of Indian Securities***" on page 397. Participation of Eligible NRIs were subject to the FEMA Regulations.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, were required to be made in the individual name of the Karta. The Bidder was required to specify that the Bid was being made in the name of the HUF in the Bid cum Application Form/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 investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company on a fully-diluted basis. With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital 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 was required to be attached to the Bid cum Application Form, failing which our Company reserved the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer were advised to use the Bid cum Application Form for Non-Residents (blue in colour).

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs were permitted to participate in the Offer subject to compliance with conditions and restrictions specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

In accordance with the FEMA Non-Debt Instrument Rules, the total holding by any individual NRI, on a repatriation basis, shall

not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 % may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, amongst others, the following conditions:

(a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by FPIs submitted under the multiple investment managers structure with the same PAN but with different beneficiary account numbers, Client ID and DP ID may not be treated as multiple Bids.

As specified in 4.1.4.2 (b) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN were treated as multiple Bids and were liable to be rejected, except for Bids from FPIs that utilised the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids were been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who did not utilise the MIM Structure, and bear the same PAN, were liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilise the MIM Structure 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 were liable to be rejected. Further, in the following cases, the bids by FPIs were not considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) 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; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as collective investment scheme having multiple share classes.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations as amended, amongst others, 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.

There was no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders were treated on the same basis with other categories for the purpose of allocation.

All non-resident investors were required to note that refunds (in case of Anchor Investors), dividends and other distributions, if any, were payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, as amended, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, as amended, was required to be attached to the Bid cum Application Form. Failing this, our Company (through the IPO Committee) in consultation with the BRLMs reserved 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 were required to be attached to the Bid cum Application Form, failing which our Company (through the IPO Committee) in consultation with the BRLMs reserved the right to reject any Bid without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, ("**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, 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 banking company's paid-up share capital and reserves, whichever is lower.

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 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.

Further, the aggregate investment by a banking company in all its subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments, cannot exceed 20% of the banking company's paid up share capital and reserves. The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of the RBI to make (investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer were required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs were 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 could 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 was required to be attached to the Bid cum Application Form. Failing this our Company (through the IPO Committee) in consultation with the BRLMs reserved 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 were 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 was required to be attached to the Bid cum Application Form. Failing this our Company (through the IPO Committee) in consultation with the BRLMs reserved 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, AIFs, Mutual Funds, NBFC – SI, 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 were required to be attached with the Bid cum Application Form. Failing this our Company (through the IPO Committee) in consultation with the BRLMs reserved the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company (through the IPO Committee) in consultation with the BRLMs in their absolute discretion, reserved 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 (through the IPO Committee) in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, were required to be attached to the Bid cum Application Form. Failing this our Company (through the IPO Committee) in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid was required to be for a minimum of 18 Equity Shares and in multiples of 18 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹ 500,000.00 on a net basis. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion did not exceed ₹ 200,000.00. Allotment in the Employee Reservation Portion will be as detailed in the section "***Offer Structure***" on page 379.

However, Allotments to Eligible Employees in excess of ₹ 200,000.00 was considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.00. Subsequent undersubscription, if any, in the Employee Reservation Portion was added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion could Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees were:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) were eligible to apply in this Offer under the Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder was the Eligible Employee.
- Bids by Eligible Employees could be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price were considered for allocation under this portion.
- If the aggregate demand in this portion is less than or equal to 254,777*^ Equity Shares at or above the Offer Price, full allocation were made to the Eligible Employees to the extent of their demand.
- Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion were not treated as multiple Bids. Our Company reserved the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- Eligible Employees were required to not Bid through the UPI mechanism.
- Under-subscription, if any, in the Employee Reservation Portion was added back to the Net Offer.

** Subject to finalisation of the Basis of Allotment*
^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.

Under-subscription in the Employee Reservation Portion, the unsubscribed portion were available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000.00, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000.00.

If the aggregate demand in this portion was greater than 254,777*^ Equity Shares at or above the Offer Price, the allocation was made on a proportionate basis. For the method of proportionate basis of Allotment, see "***Offer Procedure***" on page 382.

** Subject to finalisation of the Basis of Allotment*
^A discount of ₹ 40 per Equity Share was offered to Eligible Employees Bidding in the Employee Reservation Portion.

The above information was given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus or may occur after the date of this Prospectus. Bidders were 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 Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

In accordance with existing regulations issued by the RBI, OCBs could not participate in this Offer.

Information for Bidders

The relevant Designated Intermediary were required to enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options were 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 did not guarantee that the Equity Shares will be allocated/Allotted. Such Acknowledgement Slip is non-negotiable and by itself will not create any obligation of any kind. A Bidder was required to surrender the earlier Acknowledgement Slip if he/she revised his or her Bid, and was required to 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 could not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor did it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor did it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor did it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus and this 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 were 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 could revise their Bid(s) during the Bid/Offer Period and withdraw their Bid(s) until Bid/Offer Closing Date. Anchor Investors were not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bid/Offer 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 in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

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 Offer;

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 Offer 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 Offer 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 Offer 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. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

25. 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;

26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

27. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form are liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 are 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 ₹ 200,000.00 (for Bids by Retail Individual Bidders) and ₹ 500,000.00 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

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 General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit 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/Offer Closing Date;

23. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

24. Do not 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. RIB shall scan revise or withdraw their Bids on or before the Bid/Offer 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; and

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; and

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).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "***General Information***" on page 78.

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 page 79.

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 Offer through the Red Herring Prospectus and this 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 Net Offer 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 RIBs 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 RIBs shall not be less than the minimum bid lot, subject to the availability of shares in 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, decided the list of Anchor Investors to whom the CAN were sent, pursuant to which the details of the Equity Shares allocated to them in their respective names were notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) were required to be drawn in favour of:

(a) In case of resident Anchor Investors: "KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED–Anchor Resident Account (KIMS Ltd–Resident Anchor A/c)"

(b) In case of non-resident Anchor Investors: "KRISHNA INSTITUTE OF MEDICAL SCIENCES LIMITED–Non Resident Anchor Account (KIMS Ltd–NR Anchor A/c)"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Our Company, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Business Standard (a widely circulated English national daily newspaper), all editions of Business Standard (a widely circulated Hindi national daily newspaper) and Hyderabad edition of Suryaa, a Telugu daily newspaper (Telugu being the regional language of Telangana where our Registered and Corporate Office is located)

In the pre-Offer advertisement, we stated the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information was given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders were 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, the Selling Shareholders and the Syndicate have entered into an Underwriting Agreement.

(b) After signing the Underwriting Agreement, this Prospectus is being filed with the RoC in accordance with applicable law. This Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and is complete in all material respects.

Undertakings by our Company

Our Company undertakes the following:

1. adequate arrangements were made to collect all Bid cum Application Forms;

2. the complaints received in respect of the Offer were attended to by our Company expeditiously and satisfactorily;

3. 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;

4. 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;

5. the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

6. 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;

7. compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

8. Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees; and

9. Except for Equity Shares to be allotted pursuant to the Offer, 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.

Undertakings by the Selling Shareholders

Each of the Selling Shareholder undertakes, severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares that:

1. the Equity Shares offered by it in the Offer for Sale are eligible for being offered in the Offer for Sale in terms of the SEBI ICDR Regulations and shall be in dematerialised form at the time of transfer;

2. it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;

3. it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances in relation to its respective Offered Shares and statements specifically made or confirmed by it in relation to itself as a Selling Shareholder;

4. it shall provide such reasonable cooperation to our Company in relation to its respective portion of the Offered Shares, (a) for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges, and/ or (b) refund orders (if applicable); and

5. it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price will be taken by our Board or the IPO Committee, as applicable, in consultation with the BRLMs. The Offer Price was decided by our our Company (through the IPO Committee) in consultation with the BRLMs, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus.

Only the statements and undertakings in relation to each of the Selling Shareholders and its portion of the Equity Shares offered in the Offer for Sale which are specifically "confirmed" or "undertaken" by it in the Red Herring Prospectus, shall be deemed to be "statements and undertakings specifically confirmed or undertaken" by such Selling Shareholders. All other statements and/ or undertakings in the Red Herring Prospectus and this Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders.

Utilisation of Offer Proceeds

Our Board certifies and declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested. Our Company confirms and declares that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub section 3 of Section 40 of the Companies Act, 2013.

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—*

(g) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(h) 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

(i) 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 ₹ 1.00 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 ₹ 5.00 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 GoI 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. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases.

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI, earlier known as Department of Industrial Policy and Promotion ("**DPIIT**") issued the Consolidated FDI Policy Circular of 2020 ("**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 FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted in the sector of "Manufacturing", which includes manufacture of chemicals and chemical products. For details, see "***Key Industry Regulations and Policies***" on page 190.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

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, GoI has also made a similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the GoI is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

The Equity Shares offered in the Offer 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 persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in the Red Herring Prospectus and this 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 the Red Herring Prospectus and this 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.

For further details, see "***Offer Procedure***" on page 382.

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 the Red Herring Prospectus and this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company comprise two parts, Part I and Part II. In case of inconsistency or conflict between Part I and Part II, the provisions of Part II shall be applicable; however, Part II shall stand deleted, not have any force and be deemed to be removed from the Articles of Association upon the commencement of listing and trading of the equity shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the equity shares of the Company, without any further corporate or other action by the Company or its shareholders.

PART I OF THE ARTICLES OF ASSOCIATION

Application of Table F

The 'Preliminary' section provides that the regulations contained in Table 'F' to Schedule I of the Companies Act, 2013 shall not apply to the Company except in so far as the same are expressly made applicable to the Company by the regulations contemplated herein or by any special resolution of the Company. In case of any contradiction between the provisions of Table 'F' and these Articles, the provisions of these Articles will prevail.

Share Capital, payment of commission and variation of rights

Article 10 provides that "Subject to the applicable provisions of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provisions of Section 53 of the Act) at a discount at such time as they may from time to time think fit and with the sanction of the Company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the general meeting."

Article 13 provides that "(i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of Section 40 of the Act. (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other."

Article 14 provides that "(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 (two) persons holding at least one-third of the issued shares of the class in question."

Article 15 provides that "The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith."

Article 16 provides that "Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine."

Further issue of shares

Article 17 provides that (1) "Where at the time in terms of Section 62 of the Act, the Company proposes to increase the subscribed capital by the issue of further shares, either out of the unissued capital or out of the increased share capital then:

(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid-up on those shares at the date;

(b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer, if not accepted within such time period, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) hereof shall contain a statement of this right. Provided that the Directors may decline, subject to Section 58 of the Act, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him;

(d) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner and to such person(s) as they may think in their sole discretion, fit for the benefit of the Company.

(e) employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or

(f) any persons, whether or not those persons include the persons referred to above, either for cash or for a consideration other than cash, if the price of such Equity Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a special resolution to this effect is passed by the Company in a general meeting.

(2) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in general meeting, or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the central government is satisfied, on an application made by the Board in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or

(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued or loans raised by the Company:

(a) To convert such debentures or loans into shares in the Company; or

(b) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the central government before the issue of debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and

(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from the government or any institution specified by the central government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

Company's lien on shares

Article 18 provides that "The Company shall have a first and paramount lien: (a) on every share/debentures (not being a fully paid share/debentures) and upon the proceeds of sale thereof, for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/ debenture; and (b) on all shares/ debentures (not being fully paid shares/debentures) standing registered (in the name of a single person or jointly with others), for all monies presently payable by him or his estate to the Company

No equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien if any, on such shares.

Provided that the Board may at any time declare any share/ debenture to be wholly or in part exempt from the provisions of this clause.

It is hereby clarified that all fully paid shares shall be free from all lien and that in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares."

Article 19 provides that "The 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: (i) unless a sum in respect of which the lien exists is presently payable; or (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency."

Article 20 provides that "(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale."

Article 21 provides that "(i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale."

Calls on shares

Article 22 provides that "(i) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of 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 1 (one) month from the date fixed for the payment of the last preceding call. (ii) Each Member shall, subject to receiving at least 14 (fourteen) 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. (iii) A call may be revoked or postponed at the discretion of the Board.

Article 23 provides that "A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments."

Article 25 provides that "(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part."

Article 26 provides that "(i) 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 regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) In case of non-payment of such sum, all the relevant provisions of these regulations 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 27 provides that "The Board: (i) may, if it thinks fit, subject to the provision of the Act, 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 beyond the sums actually called for; and (ii) upon all or any of the monies so advanced, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which advance has been made 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, 12% (twelve per cent) per annum, as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this clause shall confer on the Member (a) any right to participate in profits or dividends or (b) 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. The provisions of this Article shall mutatis mutandis apply to the calls on debentures of the Company."

Transfer and transmission of shares

Article 33 provides that "Subject to the provisions of Sections 58 and 59 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a Member of the Company but in such cases, the Directors shall within one

month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused."

Article 34 provides that "(i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent Member could have made. (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency."

Forfeiture of shares

Article 38 provides that "If a Member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued."

Article 40 provides that "If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect."

Article 42 provides that "(i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares."

Article 44 provides that "The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified."

Alteration of Share Capital

Article 45 provides that "The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution."

Article 46 provides that "Subject to the provisions of the Act, the Company may, by ordinary resolution:

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(iii) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association; and

(iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person."

Article 48 provides that "The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

(i) its share capital;

(ii) any capital redemption reserve account; or

(iii) any share premium account."

Capitalisation of profits

Article 49 provides that "(i) The Company in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such Members respectively;

(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

(e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

Article 50 provides that "(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

(b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power:

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy Back of shares

Article 51 provides that "Notwithstanding anything contained in these Articles but subject to the provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities."

General meetings and the proceedings at the general meetings

Article 56 provides that "All general meetings other than annual general meeting shall be called extra-ordinary general meeting."

Article 58 provides that "The Board may, whenever it thinks fit, call an extraordinary general meeting after giving notice as per the Act."

Article 59 provides that "(i) 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. (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in the Act."

Article 60 provides that "The chairperson, if any, of the Board shall preside as the chairperson at every general meeting of the Company."

Voting Rights

Article 64 provides that "Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(i) on a show of hands, every Member present in person shall have 1 (one) vote; and

(ii) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company."

Article 65 provides that "A Member may exercise his vote at a meeting by electronic means in accordance with the provisions of the Act and shall vote only once."

Article 68 provides that "Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

Article 69 provides that "No Member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid."

Article 70 provides that "(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive."

Proxy

Article 73 provides that "A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used."

Directors and proceedings of the Board

Article 74 provides that "The number of Directors shall be a maximum of 15 in accordance with the provisions under the Act, of whom:

(a) two (2) Directors shall be nominated for appointment by the Shareholder (the "Shareholder Directors"), provided that in the event the Shareholder (along with its Affiliates) holds:

(i) less than twenty five per cent (25%) of the Equity Shares, however more than ten per cent (10%) of the Equity Shares on a fully diluted basis, it shall be entitled to nominate only one (1) Director on the Board; and

(ii) equal to or more than twenty five per cent. (25%) of the Equity Shares, on a fully diluted basis, it shall be entitled to nominate only two (2) Directors on the Board

The above is however, subject to the Shareholders' approval by way of special resolution in the first general meeting of the Company held post listing of the Equity Shares pursuant to such IPO and applicable laws for this right to be reinstated in the Articles.

Article 75 provides that "The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. Subject to provisions of the Act, each Director shall be entitled to a sitting fee as determined by the Board for every meeting of the Board or committees thereof attended by him/her as may be determined by Board."

Article 81 provides that "The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register."

Article 86 provides that "(i) 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.

(ii) Subject to the provisions of these Articles, the Board may in accordance with and subject to provisions of section 161(2) of the Act appoint any person to act as alternate Director for a Director during the latter's absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held. An alternate Director shall be entitled to receive notice of all meetings of the Board, to attend and vote at any such meeting at which the Director for whom he acts as an alternate is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointer as a Director. It is clarified that references in these Articles to a Director shall include an alternate appointed in accordance with these Articles. An alternate Director shall, in addition to any ground under the Act on which he vacates his office, automatically vacate his office as an alternate director if the Director who appointed him ceases to be a Director.

(iii) Without prejudice to the right of the Board to appoint additional and alternate Directors in accordance with these Articles, the Directors of the Company shall be appointed in the general meeting of the Company including reappointment or replacement of a Director who retires by rotation in accordance with the applicable laws at such general meeting.

(iv) The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act or the rules framed thereunder. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing addressed to the Board and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following general meeting. Such Director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director

shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.

Article 87 provides that "(i) The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may and the managing Director or the chairman on the requisition of any director may at any time, summon a meeting of the Board."

Dividends and reserve

Article 102 provides that "The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board."

Article 103 provides that "Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company."

Article 104 provides that "(i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve."

Article 105 provides that "(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly."

Article 106 provides that "The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company."

Article 107 provides that "(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent."

Article 108 provides that "Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share."

Article 109 provides that "Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act."

Article 110 provides that "No dividend shall bear interest against the Company."

Indemnity

Article 117 provides that "Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, 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, the Company Law Board or the National Company Law Tribunal (as applicable)."

PART II OF THE ARTICLES OF ASSOCIATION

Part II of the Articles of Association provides for, amongst other things, the rights of certain shareholders pursuant to the SHA executed with certain shareholders of our Company. For more details on the SHA, see "***History and Certain Corporate Matters – Shareholders' agreements and other agreements***" on page 202.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been 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 the Red Herring Prospectus) which are deemed material and were attached to the copy of the Red Herring Prospectus which was delivered to the RoC for filing, and will also be attached to the copy of this Prospectus which will be delivered to the RoC for filing. Copies of the contracts and also the documents for inspection referred to hereunder, were provided for inspection at the Registered and Corporate Office between 10 a.m. IST and 5 p.m. IST on all Working Days from date of the Red Herring Prospectus until the Bid/Offer Closing Date. Due to the COVID-19 pandemic, SEBI pursuant to its Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, granted the relaxation to provide procedure for inspection of material documents electronically, and accordingly, copies of the documents for inspection referred to hereunder, were also available on the website of the Company at www.kimshospitals.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

(1) Material Contracts for the Offer

1. Offer Agreement dated February 26, 2021 and amendment to the Offer Agreement dated May 26, 2021, both amongst our Company, the Selling Shareholders, and the BRLMs.

2. Registrar Agreement dated April 14, 2021 and amendment to the Registrar Agreement dated June 8, 2021, amongst our Company, the Selling Shareholders, and the Registrar to the Offer.

3. Share Escrow Agreement dated May 26, 2021 amongst our Company, the Selling Shareholders, and the Share Escrow Agent.

4. Escrow and Sponsor Bank Agreement dated June 7, 2021 amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, and the Banker to the Offer.

5. Syndicate Agreement dated June 8, 2021 amongst our Company, the Selling Shareholders, the BRLMs, the Syndicate Member, and the Registrar to the Offer.

6. Underwriting Agreement dated June 22, 2021 amongst our Company, the Selling Shareholders, and the Underwriters.

7. Monitoring Agency Agreement dated May 4, 2021 between our Company and the Monitoring Agency.

(2) Material Documents

1. Certified copies of our Memorandum and Articles of Association of our Company, as amended from time to time.

2. Certified copies of the certificates of incorporation dated July 26, 1973 and fresh certificate of incorporation consequent to name changes dated February 21, 2003, January 2, 2004 and January 29, 2004, respectively.

3. Resolution of the Board dated February 8, 2021, authorising the Offer and other related matters.

4. Shareholders' resolution dated February 10, 2021, in relation to the Fresh Issue and other related matters.

5. Resolution of the Board dated February 25, 2021, approving the Draft Red Herring Prospectus for filing with SEBI and the Stock Exchanges.

6. Resolution of the IPO Committee dated February 26, 2021 approving the Draft Red Herring Prospectus.

7. Resolution of the Board dated June 9, 2021 approving the Red Herring Prospectus for filing with the Registrar of Companies and subsequently with SEBI and the Stock Exchanges.

8. Resolution of the Board dated June 22, 2021 approving this Prospectus.

9. Consent letter dated May 26, 2021 and resolution of the board of directors of General Atlantic, dated May 26, 2021 approving the participation of General Atlantic in the Offer and other related matters.

10. Consent letter dated February 12, 2021 and resolution of the board of directors of BRMH, dated February 12, 2021 approving the participation of BRMH in the Offer and other related matters.

11. Consent letters of the Other Selling Shareholders for participation in the Offer for Sale, as detailed in "***The Offer***" on page 61 and **Annexure A** on page 413.

12. The examination report dated May 25, 2021 of the Statutory Auditors on our Restated Financial Statements.

13. The report dated May 25, 2021 on the 'Statement of special tax benefits' from the Statutory Auditors.

14. Consent letters of the Directors, the BRLMs, the Syndicate Member, Legal Counsel to our Company as to Indian Law, Indian Legal Counsel to the Investor Selling Shareholder, Legal Counsel to the BRLMs as to Indian Law, Legal Counsel to the BRLMs as to International Law, each of the Selling Shareholders, Registrar to the Offer, Escrow Collection Bank, Public Offer Bank, Refund Bank, Sponsor Bank, Company Secretary and Compliance Officer, to act in their respective capacities.

15. Consent letter dated June 22, 2021 from S. R. Batliboi & Associates LLP, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Prospectus and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated May 25, 2021, on our Restated Financial Statements; and (ii) their report dated May 25, 2021 on the 'Statement of special tax benefits' in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

16. Scheme of arrangement between BRMH, BHCL and our Company.

17. Slump sale agreement with OAHPL dated October 25, 2016.

18. Shareholders' agreement dated June 14, 2018 and amendment agreement dated February 18, 2021, amongst the Company, Bhaskara Rao Bollineni, Dr. Abhinay Bollineni, Seenaiah Bollineni, Krishnaiah Bollineni, BRMH, Rajyasri Bollineni, Sujatha Bollineni, Adwik Bollineni, Aishwarya Bollineni, Sweata Raavi, Rajendra Kumar Premchand, Venkata Krishna Kumar Kodali, Sahariah Sarbeswar, Raghu Rama Pillarisetty, T N C Padmanabhan, N S Rama Raju, T Giri Naidu, and S Ram Mohan and General Atlantic.

19. Board resolution dated January 24, 2017 and Shareholders' resolution dated March 21, 2017 approving the remuneration of Dr. Bhaskara Rao Bollineni.

20. Board resolution dated March 30, 2021 and Shareholders' resolution dated April 29, 2021 approving the remuneration of Anitha Dandamudi.

21. Board resolution dated March 30, 2021 and Shareholders' resolution dated April 29, 2021 approving the remuneration of Dr. Abhinay Bollineni.

22. Copies of annual reports for the last three Financial Years, i.e., Financial Years 2021, 2020 and 2019.

23. Report titled 'Assessment of the healthcare delivery market in India' dated February 2021 issued by CRISIL Research, and commissioned by our Company.

24. Consent letter from CRISIL dated February 24, 2021 to rely on and reproduce part or whole of the CRISIL Report commissioned by our Company and to include their name in this Prospectus.

25. Due diligence certificate dated February 26, 2021, addressed to SEBI from the BRLMs.

26. In principle listing approvals dated March 23, 2021 and March 24, 2021, issued by BSE and NSE, respectively.

27. SEBI interim observation letter bearing reference number SEBI/CFD/DIL1/2021/5723/1 dated March 9, 2021 and SEBI final observation letter bearing reference number SEBI/CFD/DIL1/OW/9599/1/2021 and dated April 28, 2021.

28. Tripartite agreement dated April 10, 2021 amongst our Company, NSDL and the Registrar to the Offer.

29. Tripartite agreement dated April 9, 2021 amongst our Company, CDSL and the Registrar to the Offer.

Any of the contracts or documents mentioned in this 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 rules made or guidelines or regulations issued by the GoI 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 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 made or guidelines or regulations issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

_____

Dr. Bhaskara Rao Bollineni
(Managing Director)

_____

Anitha Dandamudi
(Whole-time Director)

_____

Dr. Abhinay Bollineni
(Executive Director and Chief Executive Officer)

_____

Sandeep Naik
(Non-executive Director)

_____

Shantanu Rastogi
(Non-executive Director)

_____

Pankaj Vaish
(Independent Director)

_____

Rajeswara Rao Gandu
(Independent Director)

_____

Ratna Kishore Kaza
(Independent Director)

_____

Saumen Chakraborty
(Independent Director)

_____

Venkata Ramudu Jasthi
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____

Vikas Maheshwari
(Chief Financial Officer)

Place: Hyderabad

Date: June 22, 2021

DECLARATION BY GENERAL ATLANTIC SINGAPORE KH PTE. LTD.

General Atlantic Singapore KH Pte. Ltd., hereby confirms that all statements, disclosures and undertakings made by it in this Prospectus in relation to itself, as an Investor Selling Shareholder and its portion of the Offered Shares, are true and correct. General Atlantic Singapore KH Pte. Ltd. assumes no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other Selling Shareholders, or any other person(s) in this Prospectus.

FOR AND ON BEHALF OF GENERAL ATLANTIC SINGAPORE KH PTE. LTD.

_____

Name: Ong Yu Huat

Designation: Director

Place: Singapore

Date: June 22, 2021

DECLARATION

I, Dr. Bhaskara Rao Bollineni, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as a Promoter Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

SIGNED BY DR. BHASKARA RAO BOLLINENI

_____

Date: June 22, 2021

Place: Hyderabad

DECLARATION

I, Rajyasri Bollineni, hereby confirm that all statements, disclosures and undertakings specifically made by me in this Prospectus in relation to myself, as a Promoter Selling Shareholder and my Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

SIGNED BY DR. BHASKARA RAO BOLLINENI ON BEHALF OF RAJYASRI BOLLINENI

_____

Date: June 22, 2021

Place: Hyderabad

DECLARATION

Bollineni Ramanaiah Memorial Hospitals Private Limited, hereby confirms that all statements, disclosures and undertakings made by it in this Prospectus in relation to itself, as the Corporate Promoter Selling Shareholder and its portion of the Offered Shares, are true and correct. Bollineni Ramanaiah Memorial Hospitals Private Limited assumes no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other Selling Shareholders, or any other person(s) in this Prospectus.

SIGNED BY DR. BHASKARA RAO BOLLINENI ON BEHALF OF BOLLINENI RAMANAIAH MEMORIAL HOSPITALS PRIVATE LIMITED

_____

Date: June 22, 2021

Place: Hyderabad

DECLARATION

I, Dr. Bhaskara Rao Bollineni, hereby confirm on behalf of the Other Selling Shareholders that all statements, disclosures and undertakings specifically made by them in this Prospectus in relation to themselves and their Offered Shares, are true and correct. The Other Selling Shareholders assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

SIGNED BY DR. BHASKARA RAO BOLLINENI ON BEHALF OF OTHER SELLING SHAREHOLDERS

_____

Date: June 22, 2021

Place: Hyderabad

ANNEXURE A

LIST OF OTHER SELLING SHAREHOLDERS

Sl. No.	Name	No. of Equity Shares proposed to be offered	Date of Selling Shareholder's Consent Letter
1	Seenaiah Bollineni	1,163,899	May 17, 2021
2	Bollineni Aishwarya	2,521,782	May 17, 2021
3	PVN Raju	4,000	February 12, 2021
4	Jwala Srikala Mulugu	7,000	February 12, 2021
5	Mulukutla Sambasiva Sastry	2,000	February 12, 2021
6	K Kalyana Chowdary	2,850	February 12, 2021
7	Darshan Jayantilal Rathod	4,000	February 12, 2021
8	Vaka Krishna Sree	22,500	February 12, 2021
9	Hygriv Rao Bhaganagarapu	2,000	February 12, 2021
10	Konduri Rajender Nath	2,500	February 12, 2021
11	Rajendra Kumar Premchand	568,000	February 12, 2021
12	Sasikala Vasthimal	46,945	February 12, 2021
13	Rajendrakumar Premchand Shah (HUF)	37,889	February 12, 2021
14	Naresh Rajendra Shah	18,200	February 12, 2021
15	Sahariah Sarbeswar	87,624	February 12, 2021
16	Dr. V. S. V. Prasad	178,856	February 12, 2021
17	V S Srinath	63,812	February 12, 2021
18	T N C Padmanabhan	39,336	February 12, 2021
19	Sudhakar Kanthamaneni	100,000	February 12, 2021
20	Sitaram Prasad Gogineni	261,202	February 12, 2021
21	Venkata Krishna Kumar Kodali	50,000	February 12, 2021
22	Gavini Satyanarayana	20,000	February 12, 2021
23	Gavini Jayanthi	20,000	February 12, 2021
24	Srivalli Marakathamani	65,113	February 12, 2021
25	Meka Yanadi Naidu	4,000	February 12, 2021
26	Krishna Rao Inturi	5,000	February 12, 2021
27	Raghu Rama Pillarisetty	192,960	February 12, 2021
28	S Vyjayanthi	35,000	February 12, 2021
29	Kotha Usha Lakshmi Kumari	1,460	February 12, 2021
30	Vijay Kumar Devraj	20,000	February 12, 2021
31	Doppalapudi Pooja Lakshmi	36,660	February 12, 2021
32	K Ch Subba Rao	119,935	February 12, 2021
33	Rama Devi Kolla	28,000	February 12, 2021
34	Kolla Sridevi	20,000	February 12, 2021
35	Srikanth Kolla	36,000	February 12, 2021
36	N.S. Ramaraju	40,000	February 12, 2021
37	Atluri Naaga Deepthi	60,000	February 12, 2021
38	Praveen Mallikarjuna Mulukuntla	1,000	February 12, 2021
39	Pyar Ali A Jiwani	40,000	February 12, 2021
40	Ravikanth Garipalli	30,000	February 12, 2021
41	Thota Narender Kumar	3,035	February 12, 2021
42	G Rajender	2,500	February 12, 2021
43	C. Naresh Kumar Reddy	10,000	February 12, 2021
44	Bala Padmaja Chowdary	30,000	February 12, 2021