



## SKANRAY TECHNOLOGIES LIMITED

Our Company was incorporated as Skanray Technologies Private Limited, a private limited company, at Bengaluru under the Companies Act, 1956 on February 14, 2007 and was granted the certificate of incorporation by the Registrar of Companies, Karnataka at Bengaluru. Subsequently, the name of the Company was changed to Skanray Technologies Limited pursuant to a special resolution passed by the shareholders of the Company on March 8, 2021, and a fresh certificate of incorporation dated March 19, 2021 was issued by the Registrar of Companies, Karnataka at Bengaluru consequent upon change of name and conversion into a public limited company under the Companies Act, 2013. For further details of change in name and registered office of the Company, see "History and Certain Corporate Matters" on page 159.

Corporate Identity Number: U72200KA2007PLC041774

Registered and Corporate Office: Plot No 15-17 Hebbal Industrial Area, Mysore - 570 016, Karnataka, India; Tel: +91 821 241 5559

Contact Person: Bhagya M G, Company Secretary and Compliance Officer; E-mail: investors@skanray.com; Website: www.skanray.com

### OUR PROMOTERS: VISHWAPRASAD ALVA, AGNUS CAPITAL LLP, CHAYADEEP PROPERTIES PRIVATE LIMITED, AND SKANRAY HEALTHCARE PARTNERS LLP

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SKANRAY TECHNOLOGIES LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE, INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE, (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION, COMPRISING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹4,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 400,000 EQUITY SHARES BY VISHWAPRASAD ALVA, 1,000,000 EQUITY SHARES BY CHAYADEEP PROPERTIES PRIVATE LIMITED (COLLECTIVELY, THE "PROMOTER SELLING SHAREHOLDERS"), 8,000,000 EQUITY SHARES BY ASCENT CAPITAL (DEFINED HEREIN BELOW, THE "INVESTOR SELLING SHAREHOLDER"), 1,890,600 EQUITY SHARES BY CHAYADEEP VENTURES LLP, 1,264,865 EQUITY SHARES BY AGNUS HOLDINGS PRIVATE LIMITED, 665,582 EQUITY SHARES BY AXIS DOT VENTURES PTE LTD, 201,880 EQUITY SHARES BY GIRISH T R, 144,160 EQUITY SHARES BY SURESH SUBRAMANYAM, 110,713 EQUITY SHARES BY BALASUBRAMANIAN KANDANKUMARATH, 73,259 EQUITY SHARES BY VIJENDRA NATH MALHOTRA, 55,952 EQUITY SHARES BY SEBASTIAN SWAMY 48,092 EQUITY SHARES BY SREEDHARA N, 35,088 EQUITY SHARES BY PARASURAMAPPA BELUR, 33,693 EQUITY SHARES BY K S CHANDRASHEKARA RAJU, 26,079 EQUITY SHARES BY SUDHEENDRA B VARNA, 20,531 EQUITY SHARES BY PRASHANT A, 20,000 EQUITY SHARES BY JANARDHAN BHAT, 17,500 EQUITY SHARES BY AJAY BALARAM ACHATH, 10,836 EQUITY SHARES BY MOHITH MANOJ, 10,615 EQUITY SHARES BY SUNIL RAO, 10,000 EQUITY SHARES BY UMA REDDY, 9,953 EQUITY SHARES BY DEEPIKA K R, 9,496 EQUITY SHARES BY LINGARAJU P, 9,077 EQUITY SHARES BY JAYASHREE BALASUBRAMANIAN, 6,887 EQUITY SHARES BY SANTOSH KUMAR MOHAN, 5,643 EQUITY SHARES BY KOTEPPIA GATTI, 4,727 EQUITY SHARES BY RAVISHANKAR R K, 4,718 EQUITY SHARES BY ARUN KUMAR PILLAI, 4,255 EQUITY SHARES BY DIPJYOTI BHARALI, 3,348 EQUITY SHARES BY PREMA S, 3,307 EQUITY SHARES BY SIDDARAJU A, AND 1,500 EQUITY SHARES BY THIRUMALESHWARA HASANDKA (COLLECTIVELY, THE "SELLING SHAREHOLDERS"), AGGREGATING UP TO 14,106,347 EQUITY SHARES ("OFFERED SHARES") AND AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE") AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), CONSIDER A PRE-ISSUE PLACEMENT OF AN AGGREGATE AMOUNT NOT EXCEEDING ₹3,500 MILLION, CONSISTING OF A FRESH ISSUE OF EQUITY SHARES OF AN AGGREGATE AMOUNT NOT EXCEEDING ₹1500.00 MILLION AND A SALE OF EQUITY SHARES BY CERTAIN EXISTING SHAREHOLDERS OF OUR COMPANY FOR AN AMOUNT NOT EXCEEDING ₹2,000.00 MILLION (THE "PRE-IPO PLACEMENT"). THE PRE-IPO PLACEMENT, IF UNDERTAKEN, WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND THE PRE-IPO PLACEMENT WILL BE UNDERTAKEN PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS UNDERTAKEN, THE AMOUNT RAISED FROM THE PRE-IPO PLACEMENT WILL BE REDUCED FROM THE OFFER, SUBJECT TO THE MINIMUM OFFER SIZE CONSTITUTING AT LEAST 10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, THE PROMOTER SELLING SHAREHOLDERS AND THE INVESTOR SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND THE PRICE BAND AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND THE [●] EDITION OF [●] (A WIDELY CIRCULATED KANNADA NEWSPAPER, KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS SITUATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH SEBI ICDR REGULATIONS, AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

### THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

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

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMS, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) are required to mandatorily participate in the Offer only through the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts (including UPI ID in case of RIs, if applicable) which will be blocked by the SCSSs, or the bank accounts linked with the UPI ID, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "Offer Procedure" on page 328.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public Offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price as determined and justified by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMS, in accordance with the SEBI ICDR Regulations, as stated under "Basis for Offer Price" on page 99 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page 27.

### ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares to be Allotted through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 422.

### BOOK RUNNING LEAD MANAGERS TO THE OFFER

### REGISTRAR TO THE OFFER

<p>Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah, Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025, Maharashtra, India Tel: +91 22 7193 4380 E-mail: skanray.ipo@motilaloswal.com Investor Grievance E-mail: moiapredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Subodh Mallaya SEBI Registration No.: INM000011005</p>	<p>Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 E-mail: skanrayipo@nomura.com Investor Grievance e-mail: investorgrievances-in@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Contact Person: Vishal Kanjani / Aneehsha Chandra SEBI Registration No: INM000011419</p>	<p>ICICI Securities Limited ICICI Centre H. T. Parekh Marg Churchgate Mumbai - 400 020 Maharashtra, India Tel: +91 22 2288 2460 E-mail: skanray.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance customercare@icicisecurities.com Contact Person: Anurag Byas SEBI Registration No.: INM000011179</p>	<p>Link Intime India Private Limited C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bhadur Shastri Marg, Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: (+ 91 22) 4918 6200 E-mail: skanray.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance E-mail: skanray.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058</p>

### BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON	[●] <sup>(1)</sup>	BID/ OFFER CLOSES ON	[●] <sup>(2)</sup>
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<sup>(1)</sup> Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date, i.e., [●]

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

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in “Industry Overview”, “Key Regulations and Policies”, “Statement of Special Tax Benefits”, “Financial Statements”, “Basis for Offer Price”, “History and Certain Corporate Matters”, “Financial Indebtedness”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigation and Material Developments” and “Description of Equity Shares and Terms of Articles of Association” on pages 107, 153, 101, 197, 99, 159, 296, 309, 298, and 343, respectively, shall have the meaning ascribed to them in the relevant section.*

#### General Terms

Term	Description
our Company / the Company / the Issuer	Skansray Technologies Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No. 15-17, Hebbal Industrial Area, Mysore 570 016, Karnataka, India
we / us / our / Group	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiary, on a consolidated basis.

#### Company Related Terms

Term	Description
Agnus Entities	Collectively, Arun Kumar Pillai, Karuna Ventures Private Limited, Chayadeep Properties Private Limited, Chayadeep Ventures LLP, Skansray Healthcare Partners LLP, Agnus Holdings Private Limited, Agnus Global Holdings Pte Ltd, and Agnus Capital LLP
Articles of Association / AoA	Articles of association of our Company, as amended
Ascent Capital / Investor Selling Shareholder	UTI Investment Advisory Services Limited A/c Ascent India Fund III
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “Our Management” on page 170
Auditors / Statutory Auditors	The current statutory auditors of our Company, being Deloitte Haskins & Sells, Chartered Accountants
Board / Board of Directors	The board of directors of our Company, or a duly constituted committee thereof
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the details of which are provided in “Our Management” on page 170
Director(s)	The directors on our Board
Equity Shares	The equity shares of our Company of face value of ₹10 each
ESOP Scheme 2021	Skansray Technologies Limited Employee Stock Option Scheme 2021
Fund Raising Committee	The fund – raising committee of our Company
Group Company	Our group company, namely Mysore ESDM Cluster as disclosed in “Our Group Company” on page 194
Independent Directors	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013, the details of whom are provided in “Our Management” on page 170

Term	Description
Key Management Personnel/ Key Managerial Personnel/ KMP	Key management personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, and as described in “ <i>Our Management</i> ” on page 170
Material Subsidiaries	The material subsidiaries and step – down subsidiaries of our Company, being SHGPL, Skan – X Radiology Devices S P A, Skanray Europe SRL and Cardia International A/S
MoA/Memorandum of Association	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration and Board Governance Committee/NRC	The nomination, remuneration and board governance committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page 170
Preference Shares	0.001% cumulative compulsorily convertible preference shares of our Company of face value of ₹30 each
Promoters	Our Promoters, namely, Vishwaprasad Alva, Agnus Capital LLP, Chayadeep Properties Private Limited, and Skanray Healthcare Partners LLP
Promoter Selling Shareholders	Vishwaprasad Alva and Chayadeep Properties Private Limited
Promoter Group	Persons and entities constituting the promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see “ <i>Our Promoters and Promoter Group</i> ” on page 190
Proforma Financial Information	The proforma financial information of our Company, comprising of the unaudited proforma condensed combined balance sheet as at December 31, 2020 and March 31, 2020, and the unaudited proforma condensed combined statement of profit and loss for the nine months period ended December 31, 2020 and for the year ended March 31, 2020, prepared in accordance with the Guidance Note on Combined and Carve Out Financial Statements and Guide to Reporting on Proforma Financial Statements issued by the Institute of Chartered Accountants of India using the recognition and measurement principles of Ind AS and included in “ <i>Financial Statements – Proforma Financial Information</i> ” on page 265
Redeemable Preference Shares	Redeemable preference shares of our Company of face value of ₹1,000 each
Registered and Corporate Office	Registered and corporate office of our Company located at Skanray Technologies Limited, Plot No. 15-17, Hebbal Industrial Area, Mysore – 570 016, Karnataka, India
Registrar of Companies / RoC	The Registrar of Companies, Karnataka at Bengaluru, located at “E” Wing, 2 <sup>nd</sup> Floor, Kendriya Sadana, Kormangala, Bengaluru – 560 034, Karnataka, India
Restated Consolidated Financial Information	Our restated consolidated summary statement of assets and liabilities as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018 and the restated consolidated summary statement of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, and for the nine month period ended December 31, 2020 of our Company and its subsidiary (collectively “ <b>the Group</b> ”) together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements as at and for the nine month period ended December 31, 2020 and the year ended March 31, 2020 prepared in accordance with the Ind AS and audited consolidated financial statements as at and for the year ended March 31, 2019 and March 31, 2018 prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI
Selling Shareholders	Ascent Capital, Chayadeep Ventures LLP, Agnus Holdings Private Limited, Chayadeep Properties Private Limited, Axis Dot Ventures Pte Ltd, Vishwaprasad Alva, Girish T R, Suresh Subramanyam, Balasubramanian Kandankumarath, Vijendranath Malhotra, Sebastian Swamy, Sreedhara N, Parasuramappa Belur, K S Chandrashekara Raju, Sudheendra B Varna, Prashant A, Koteppa Gatti, Janardhan Bhat, Ajay Balaram Achath, Mohith Manoj, Sunil Rao, Uma Reddy, Deepika K R, Lingaraju P, Jayashree Balasubramanian, Santosh Kumar Mohan, Ravishankar R K, Arun Kumar Pillai, Dipjyoti Bharali, Prema S, Siddaraju A, and Thirumaleshwara Hasandka
Shareholders	Shareholders of our Company
SHGPL	Skanray Healthcare Global Private Limited
Stakeholders’ Relationship and Share Transfer Committee	The stakeholders’ relationship and share transfer committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations and as described in “ <i>Our Management</i> ” on page 170
Subsidiaries	The subsidiaries and step – down subsidiaries of our Company, being Skan – X Radiology Devices S P A, SHGPL, Skanray Wellness Private Limited, Skanray Europe SRL, Cardia

Term	Description
	International A/S, Skanray Latinamerica SA DE CV, Skanray Global Pte Limited, Skanray Dental Technologies Private Limited, Cardia International B V, Skanray Americas Inc

### Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot / Allotment / Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
Application Supported by Blocked Amount / ASBA	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	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 RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "Offer Structure" beginning on page 325
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe 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

<b>Term</b>	<b>Description</b>
	Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation. Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers / BRLMs	Motilal Oswal Investment Advisors Limited, ICICI Securities Limited and Nomura Financial Advisory and Securities (India) Private Limited
Broker Centres	Centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant / CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut- off Price

<b>Term</b>	<b>Description</b>
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, 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
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Stock Exchange	[●]
Draft Red Herring Prospectus / DRHP	This draft red herring prospectus dated June 27, 2021 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
First or sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	Lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹4,000 million by our Company
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 issued by SEBI, and the circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, as amended from



<b>Term</b>	<b>Description</b>
	time to time. The General Information Document shall be available on the websites of the Stock Exchanges, and the BRLMs.
ISEC	ICICI Securities Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Motilal	Motilal Oswal Investment Advisors Limited
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
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 " <i>Objects of the Offer</i> " on page 89
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer, being not more than 15% of the Offer or [●] Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA
Offer	<p>The initial public offer of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each aggregating up to ₹[●] million, consisting of:</p> <p>(i) Fresh Issue of up to [●] Equity Shares aggregating up to ₹4,000 million;</p> <p>(ii) Offer for Sale of up to 14,106,347 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders.</p> <p>The Offer, aggregating up to ₹[●] million, comprise an Offer to the public of up to [●] Equity Shares.</p> <p>Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement for an aggregate amount not exceeding ₹3,500 million, consisting of a fresh issue of Equity Shares of an aggregate amount not exceeding ₹1500.00 million and a sale of Equity Shares by certain existing Shareholders of our Company for an amount not exceeding ₹2,000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Offer, subject to the minimum Offer size constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company</p>
Offer Agreement	Agreement dated June 27, 2021 entered amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 14,106,347 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders in the Offer
Offer Price	<p>The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus.</p> <p>The Offer Price will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus</p>
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see " <i>Objects of the Offer</i> " beginning on page 89
Offered Shares	Up to 14,106,347 Equity Shares aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer for Sale
Pre – IPO Placement	A pre-Offer placement of Equity Shares by our Company, in consultation with the BRLMs, consisting of a fresh issue of Equity Shares of an aggregate amount not exceeding ₹1500.00 million and a sale of Equity Shares by certain existing Shareholders of our Company for an amount not exceeding ₹2,000.00 million. The Pre-IPO Placement, if undertaken, will be at a

<b>Term</b>	<b>Description</b>
	price to be decided by our Company in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Offer, subject to the minimum Offer size constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Kannada daily newspaper, (Kannada being the regional language of Karnataka, where our Registered and Corporate Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]
QIB Portion	The portion of the Offer, being not less than 75% of the Offer or [●] Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers / QIBs / QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus / RHP	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the Offer Price and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated June 27, 2021 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer
Registrar and Share Transfer Agents / RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Registrar to the Offer / Registrar	Link Intime Private Limited
Retail Individual Bidder(s) / RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer, being not more than 10% of the Offer or [●] Equity Shares, available for allocation to Retail Individual Investors subject to valid Bids being received at or above the Offer Price, which shall not be less than the minimum Bid lot, subject to availability in the Retail Portion

<b>Term</b>	<b>Description</b>
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars
Syndicate / Members of the Syndicate	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Systemically Important Non- Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS 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
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai

Term	Description
	are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

### Technical/Industry Related Terms/Abbreviations

Term	Description
AED	Automated external defibrillator
AHD	Anti-hypoxia device
ANS	Anaesthesia delivery system
CBCT	Cone-beam computed tomography systems
CE mark	Conformité Européenne
CPR	Cardiopulmonary resuscitation
CRD	Cardiology
DR Systems	Digital Radiography Systems
DSIR	Department of Scientific and Industrial Research
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EC Certificate	European Council Certification
ECG	Electrocardiogram
ESU	Electro-surgical unit
GMP	Good manufacturing practices
HIS	Hospital Information System
I.V.	Intra-venous
IBP Module	Invasive blood pressure monitoring
ICU	Intensive care unit
IEC	International Electrotechnical Commission
ISO	Industry organization of standardization
NIBP Module	Non-invasive blood pressure monitoring
OEM	Original equipment manufacturers
OPD	Outpatient department
PLC	Programmable Logic Controller
PMS	Patient monitoring systems
PVC	Polyvinyl chloride
R&D	Research and development
RMS	Respiratory management system
SEZ	Special economic zone under the Special Economic Zones, Act 2005
SKU	Stock-keeping units
US FDA	United States Food and Drug Administration

### Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AGM	Annual general meeting
AIFs	Alternative Investments Funds
AS or Accounting Standards	Accounting standards issued by the ICAI
AY	Assessment year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited

<b>Term</b>	<b>Description</b>
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
COVID-19	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and a public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	EBITDA is calculated as profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FC-GPR	Foreign Currency-Gross Provisional Return
FCPA	U.S. Foreign Corrupt Practices Act
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti Avoidance Rules
GDP	Gross domestic product
Gazette	Gazette of India
“GoI” or “Government” or “Central Government”	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
KYC	Know Your Customer
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NACH	National Automated Clearing House

<b>Term</b>	<b>Description</b>
Novel Coronavirus	Severe acute respiratory syndrome coronavirus 2, a strain of coronavirus that causes coronavirus disease 2019, a respiratory illness
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer.
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
PRC	People's Republic of China
R&D	Research and development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RTGS	Real Time Gross Settlement
SBO Rules	Companies (Significant Beneficial Owners) Rules, 2018, as amended
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Total Borrowings	Non-current borrowings including current maturities of non-current borrowings
UIDAI	Unique Identification Authority of India
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US\$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WHO	World Health Organization
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations

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

### **Certain Conventions**

All references to “India” contained in this Draft Red Herring Prospectus are to the Republic of India. All references to the “Government”, “Indian Government”, “GOI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

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

### **Financial Data**

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our restated summary statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and December 31, 2020 and the restated consolidated statements of profit and loss (including other comprehensive income), restated consolidated statement of cash flows and restated consolidated statement of changes in equity for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 and December 31, 2020 of the Company and its Subsidiaries together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from the audited financial statements as at and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 and the nine month period ended December 31, 2020 prepared in accordance with the Ind AS, and restated in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI. For further information, see “*Financial Statements*” beginning on page 197. The Proforma Financial Information have been prepared in accordance with the requirements of the SEBI ICDR Regulations.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see “*Risk Factors - Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*” on page 57.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 131 and 271, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Consolidated Financial Information of our Company.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

## Non-GAAP financial measures

In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA and EBITDA Margin, to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. They may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included these non-GAAP financial measures because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. These measures should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability, or results of operations. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information.

## Industry and Market Data

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

Information has been included in this Draft Red Herring Prospectus based on the report titled “*Market Assessment of the Medical Device Industry in India*”, that we have commissioned from CRISIL Limited (“**CRISIL Report**”) and other publicly available documents and information, including, but not restricted to materials issued or published by the Government of India and certain of its ministries, trade, and industry specific publications, and other relevant third-party sources. For details of risks in relation to the CRISIL Report, see “*Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate*” on page 48. The CRISIL Report is subject to the following disclaimer:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing the report titled ‘assessment of global and Indian engineering equipment industry’ (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 / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this 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 subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the 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. Skanray Technologies Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

Industry publications generally state that the information contained in such publications has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs or any of our or their respective affiliates or advisors and none of these parties make any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful



depends upon the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and 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.

In accordance with the SEBI ICDR Regulations, the section “*Basis for the Offer Price*” on page 99 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information.

### Currency and Units of Presentation

All references to “*Rupees*” or “₹” or “*Rs.*” or “*INR*” are to Indian Rupees, the official currency of the Republic of India. All references to “*US\$*”, “*U.S. Dollar*”, “*USD*” or “*U.S. Dollars*” are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘0.1 crore’, ‘10 lakhs’ or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

### Exchange Rates

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

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees for the periods indicated are provided below:

Currency	As on December 31, 2020 (₹) <sup>(1)</sup>	As on March 31, 2020 (₹) <sup>(1)</sup>	As on March 31, 2019 (₹) <sup>(1)</sup>	As on March 31, 2018(₹) <sup>(1)</sup>
1 USD	73.05	75.39	69.17	65.04
1 Euro	89.79	83.46	77.70	80.62

((Source for 1 USD and 1 Euro: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in))

<sup>(1)</sup>In the event that March 31 of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered.

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. Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday.

### 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 this Offer, including the merits and risks involved. The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“**U.S. Securities Act**”) or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in ‘off-shore transactions’ in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where such offers and sales are made.

## FORWARD-LOOKING STATEMENTS

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

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates, presumptions and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- We are subject to extensive and dynamic medical device regulation, which may impede or hinder the approval or sale of our products and, in some cases, may ultimately result in an inability to obtain approval of certain products or may result in the recall or seizure of previously approved products;
- We face intense competition and may not be able to keep pace with the rapid technological changes in the medical devices industry;
- Our future growth is dependent upon the development of new products and enhancement of existing products;
- We depend on distributors for the sale of our products;
- Our business is dependent on certain principal customers; and
- We depend on central and state governments and related agencies for a significant portion of our business, which are awarded primarily through competitive bidding process.

For a further discussion of factors that could cause our actual results to differ from our expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 27, 131 and 271, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

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

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

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus with the RoC until receipt of final listing and trading approvals by the Stock Exchanges for this Offer. The Selling Shareholders shall ensure that they will keep our Company and the BRLMs informed of all developments pertaining to Offered Shares and themselves, that may be material from the context of the Offer.

## SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled “Risk Factors”, “Objects of the Offer”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer” “Offer Procedure”, “Outstanding Litigation and Other Material Developments” and “Description of Equity Shares and Terms of Articles of Association” beginning on pages 27, 89, 131, 107, 73, 59, 328, 298 and 343 respectively of this Draft Red Herring Prospectus.

### Primary business of our Company

We are among the key Indian medical device players engaged in designing, development, manufacturing and marketing of medical devices (*Source: CRISIL Report*). We are a multi-product company offering a diversified portfolio of products, including patient monitoring systems, cardiology devices, respiratory management systems and radiology/ imaging systems, to hospitals, OEMs and for personal medical use/ retail sale globally. Our products are designed and developed in-house based on intellectual property that we own.

### Industry in which our Company operates

Our Company operates in the medical device industry.

### Name of Promoter

Our Promoters are Vishwaprasad Alva, Agnus Capital LLP, Chayadeep Properties Private Limited and Skanray Healthcare Partners LLP. For details, see “Our Promoters and Promoter Group” on page 190.

### Offer size

Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹4,000.00 million
Offer for Sale <sup>(2)</sup>	Up to 14,106,347 Equity Shares, aggregating up to ₹[●] million

Notes:

- (1) The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on March 26, 2021. Our Shareholders vide a special resolution passed in their extraordinary general meeting held on March 27, 2021, authorised the Offer.
- (2) Ascent Capital, Chayadeep Ventures LLP, Agnus Holdings Private Limited, Chayadeep Properties Private Limited, Axis Dot Ventures Pte Ltd, Vishwaprasad Alva, Girish T R, Suresh Subramanyam, Balasubramanian Kandankumarath, Vijendranath Malhotra, Sebastian Swamy, Sreedhara N, Parasuramappa Belur, K S Chandrashekhara Raju, Sudheendra B Varma, Prashant A, Janardhan Bhat, Ajay Balaram Achath, Mohith Manoj, Sumil Rao, Uma Reddy, Deepika K R, Lingaraju P, Jayashree Balasubramanian, Santosh Kumar Mohan, Koteppa Gatti, Ravishankar R K, Arun Kumar Pillai, Dipjyoti Bharali, Prema S, Siddaraju A, and Thirumaleshwara Hasandka, the Selling Shareholders, have consented to participate in the Offer for Sale. Each of the Selling Shareholders have specifically confirmed that their respective portion of the Offered Shares, have been held by each one of them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations.

For further details, please see “Offer Structure” on page 325.

### Objects of the Offer

The Net Proceeds are proposed to be utilised towards the following objects:

Objects	Amount
Funding inorganic growth	1,300.00
Funding working capital requirements of our Company;	700.00
Investment in our subsidiaries;	700.00
Funding capital expenditure requirements of our Company; and	419.16
General corporate purpose*	[●]

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

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

Sr. No.	Name of shareholder	Pre-Offer	
		Number of Equity Shares	Percentage of paid-up equity share capital (%)
<b>(A) Promoters</b>			
1.	Vishwaprasad Alva	1,974,871	5.67
2.	Agnus Capital LLP	5,839,436	16.77
3.	Chayadeep Properties Private Limited	2,827,607	8.12
4.	Skarray Healthcare Partners LLP	2,912,248	8.36
	<b>Total (A)</b>	<b>13,554,162</b>	<b>38.92</b>
<b>(B) Promoter Group</b>			
1.	Ravishankar R K	4,727	0.01
2.	Arun Kumar Pillai	4,718	0.01
3.	Chayadeep Ventures LLP	1,890,600	5.43
	<b>Total (B)</b>	<b>1,900,045</b>	<b>5.46</b>
<b>(C) Selling Shareholders</b>			
1.	Ascent Capital	1,418,691	34.48
2.	Janardhan Bhat	189,907	0.55
3.	Jayashree Balasubramanian	9,077	0.03
4.	Uma Reddy	265,369	0.76
5.	Girish T R	201,880	0.58
6.	Vijendra Nath Malhotra	244,139	0.70
7.	Ajay Balaram Achath	17,500	0.05
8.	Santosh Kumar Mohan	6,887	0.02
9.	Dipjyoti Bharali	4,255	0.01
10.	Deepika K R	9,953	0.03
11.	Balasubramanian Kandankumarath	553,567	1.59
12.	K S Chandrashekara Raju	168,465	0.48
13.	Lingaraju P	47,481	0.14
14.	Koteppa Gatti	28,215	0.08
15.	Mohith Manoj	54,180	0.13
16.	Parasuramappa Belur	175,439	0.47
17.	Prashant A	20,531	0.06
18.	Sreedhara N	48,092	0.14
19.	Prema S	16,740	0.05
20.	Siddaraju A	5,307	0.02
21.	Sudheendra B Varna	130,393	0.37
22.	Suresh Subramanyam	144,160	0.41
23.	Thirumaleshwara Hasandka	2,123	0.01
24.	Axis Dot Ventures Pte Limited	665,582	1.91
25.	Sunil Rao	10,615	0.03
26.	Agnus Holdings Private Limited	1,264,865	3.63
27.	Sebastian Swamy	59,952	0.17
	<b>Total (C)</b>	<b>5,763,365</b>	<b>46.90</b>
	<b>Total (A+B + C)</b>	<b>21,217,572</b>	<b>91.28</b>

### Summary of Financial Information

(in ₹ million)

Particulars	As at and for the period ended December 31, 2020	As at and for the Fiscal		
		2020	2019	2018
Equity Share Capital	182.92	182.92	182.92	182.92
Preference Share Capital	118.72	118.72	118.72	118.72
Net Worth <sup>S</sup>	1,720.56	392.67	335.61	609.79
Revenue (Total Income)	3,505.19	1,531.02	1,669.22	1,419.90

Particulars	As at and for the period ended December 31, 2020	As at and for the Fiscal		
		2020	2019	2018
Profit After Tax	1,327.30	37.61	(294.19)	(233.23)
Earnings per share				
- Basic	45.75	1.34	(10.32)	(8.98)
- Diluted	45.75	1.34	(10.32)	(8.98)
Net Asset Value per Equity Share	59.57	13.60	11.62	24.66
Total Borrowings (as per balance sheet)	664.88	1,304.44	1,539.93	1,164.07

<sup>5</sup> Net Worth: Net Worth is calculated as the sum of (i) Equity Shares; (ii) Compulsory convertible preference shares; and (iii) other equity, less revaluation reserve.

### Qualifications of the Auditors

Nil

### Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Subsidiary, our Directors and our Promoters have been set out below:

#### *Litigation against our Company*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	NIL	NIL
Taxation matters	8	23.27
Outstanding actions by regulatory and statutory authorities	2	0.05

#### *Litigation by our Company*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	2	1.00
Material civil cases	2	5.74
Taxation matters	-	-

#### *Litigation against our Promoters*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	NIL	NIL
Taxation matters	1	257.78
Outstanding actions by regulatory and statutory authorities	2	0.02
Disciplinary actions in the last five years	NIL	NIL

#### *Litigation by our Promoters*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	NIL	NIL
Taxation matters	NIL	NIL

#### *Litigation against our Subsidiary*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	NIL
Material civil cases	NIL	NIL
Taxation matters	1	1.63
Outstanding actions by regulatory and statutory authorities	NIL	NIL

#### *Litigation by our Subsidiaries*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	NIL
Material civil cases	NIL	NIL
Taxation matters	NIL	NIL

#### *Litigation against our Directors*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	1	6.00
Taxation matters	NIL	NIL
Outstanding actions by regulatory and statutory authorities	4	0.03

#### *Litigation by our Directors*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	2	2.02
Material civil cases	NIL	NIL
Taxation matters	NIL	NIL

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” beginning on page 298.

#### **Risk Factors**

For details of the risks applicable to us, please see “*Risk Factors*” beginning on page 27.

#### **Summary of Contingent Liabilities of our Company**

As of December 31, 2020, our contingent liabilities that have not been provided for were as follows:

Particulars	As at December 31, 2020
<b>Claims against the Company not acknowledged as debt</b>	
Disputed vendor claims	9.77
Claims against the Company not acknowledged as debt (Disputed Service Tax dues Including interest and penalties)*	12.82
<b>Total</b>	<b>22.59</b>

\*The above amount has been arrived at based on the notice of demand and the Company is contesting this claim with the respective authority. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

For further information on our contingent liabilities, see “*Financial Statements*” on page 197.

## Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24 - Related Party Disclosures derived from the Restated Consolidated Financial Information are as follows:

Particulars	For the nine months period ended	For the year ended		
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Transactions during the period/year</b>				
<b>Sale of products</b>				
Skaray Europe s.r.l	26.55	15.73	5.61	7.04
<b>Interest received</b>				
Skaray Europe s.r.l	-	2.12	-	-
<b>Remuneration to KMP or relative of KMP</b>				
Vishwaprasad Alva	73.76	16.26	22.13	9.88
K. Balasubramanian	5.98	8.25	9.02	6.54
Bhagya M G	0.72	0.89	1.04	0.63
Jayashree Balasubramanian	-	-	-	0.21
<b>Receipt of loan</b>				
K. Balasubramanian	-	-	8.20	5.00
Vishwaprasad Alva	-	-	2.98	47.30
Chayadeep Properties Private Limited	-	43.00	-	-
Agnus Capital LLP	17.94	3.67	-	-
<b>Repayment of Loan</b>				
Vishwaprasad Alva	-	-	49.73	0.55
K. Balasubramanian	-	6.00	7.20	-
Chayadeep Properties Private Limited	-	-	-	0.64
<b>Interest on loan</b>				
K. Balasubramanian	-	0.12	0.36	0.21
Vishwaprasad Alva	-	-	4.44	1.47
Agnus Capital LLP	0.40	-	-	-
Chayadeep Properties Private Limited	4.02	3.60	-	7.81
<b>Loan given</b>				
ESDM Mysore Cluster	3.02	1.27	0.67	5.59
<b>Loan repaid</b>				
ESDM Mysore Cluster	3.50	-	-	-
<b>Rent</b>				
Chayadeep Properties Private Limited	-	-	2.67	-
<b>Investment</b>				
ESDM Mysore Cluster	-	-	1.25	-
Riverview Healthcare Private Limited	-	-	-	7.20
<b>Impairment loss allowance on investment</b>				
CEI Skaray Radiology Devices Private Limited	-	-	-	0.33
ESDM Mysore Cluster	-	-	6.84	0.03
<b>Conversion of loan/interest on loan to equity</b>				
Mysore ESDM Cluster	-	-	5.59	-
<b>Write back of loan</b>				
Chayadeep Properties Private Limited	-	-	-	65.00
<b>Re-imburement of expenses</b>				
Skaray Europe s.r.l	0.45	12.16	0.23	0.39
<b>Share application money received</b>				
Agnus Capital LLP	-	-	150.00	-
<b>Share application money refunded</b>				
Agnus Capital LLP	-	-	150.00	-
<b>Interest on Share application money</b>				
Agnus Capital LLP	-	-	0.77	-

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, see “Financial Statements”, beginning on page 197

### Financing Arrangements

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

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

Name of persons	Number of Equity Shares	Weighted average price per Equity Share (in ₹)
<b>Promoters</b>		
Vishwaprasad Alva	5,000	10.00
Agnus Capital LLP	470,642	97.11
Chayadeep Properties Private Limited	464,357	97.11
Skannray Healthcare Partners LLP	2,439,598	97.11
<b>Selling Shareholders</b>		
Ascent Capital	279,759	97.11
Chayadeep Ventures LLP	-	Nil
Agnus Holdings Private Limited	-	Nil
Axis Dot Ventures Pte Limited	-	Nil
Uma Reddy	-	Nil
Girish T R	-	Nil
Vijendra Nath Malhotra	-	Nil
Ajay Balaram Achath	-	Nil
Santosh Kumar Mohan	-	Nil
Ravishankar R K	-	Nil
Arun Kumar Pillai	-	Nil
Janardhan Bhat	-	Nil
Jayashree Balasubramanian	-	Nil
Dipjyoti Bharali	-	Nil
Deepika K R	-	Nil
Balasubramanian Kandankumarath	-	Nil
K S Chandrashekara Raju	-	Nil
Lingaraju P	-	Nil
Koteppa Gatti	-	Nil
Mohith Manoj	-	Nil
Parasuramappa Belur	-	Nil
Prashant A	-	Nil
Sreedhara N	-	Nil
Prema S	-	Nil
Siddaraju A	-	Nil
Sudheendra B Varna	-	Nil
Suresh Subramanyam	-	Nil
Thirumaleshwara Hasandka	-	Nil
Sunil Rao	-	Nil
Sebastian Swamy	-	Nil



## Average Cost of Acquisition

The average cost of acquisition per Equity Share for the Promoters (which includes the Promoter Selling Shareholders) and the Selling Shareholders as at the date of this Draft Red Herring Prospectus is:

Name of persons	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)
<b>Promoter</b>		
Vishwaprasad Alva	1,974,871	25.49
Agnus Capital LLP	5,839,436	53.94
Chayadeep Properties Private Limited	2,827,607	75.15
Skansray Healthcare Partners LLP	2,912,248	92.84
<b>Selling Shareholders</b>		
Ascent Capital	1,418,691	130.15
Chayadeep Ventures LLP	1,890,600	70.84
Agnus Holdings Private Limited	1,264,865	34.79
Axis Dot Ventures Pte Limited	665,582	106.98
Uma Reddy	265,369	18.40
Girish T R	201,880	10.00
Vijendra Nath Malhotra	244,139	126.74
Ajay Balaram Achath	17,500	14.00
Santosh Kumar Mohan	6,887	18.68
Ravishankar R K	4,727	70.84
Arun Kumar Pillai	4,718	70.84
Janardhan Bhat	189,907	10.10
Jayashree Balasubramanian	9,077	18.69
Dipjyoti Bharali	4,255	18.67
Deepika K R	9,953	10.30
Balasubramanian Kandankumarath	553,567	18.51
K S Chandrashekara Raju	168,465	14.20
Lingaraju P	47,481	18.58
Koteppa Gatti	28,215	10.06
Mohith Manoj	54,180	10.12
Parasuramappa Belur	175,439	10.00
Prashant A	20,531	10.30
Sreedhara N	48,092	10.05
Prema S	16,740	10.30
Siddaraju A	5,307	18.67
Sudheendra B Varna	130,393	10.06
Suresh Subramanyam	144,160	10.00
Thirumaleshwara Hasandka	2,123	18.68
Sunil Rao	10,615	18.68
Sebastian Swamy	59,952	18.98

## Details of pre-IPO Placement

<b>Size of the Pre-IPO placement and allottees, upon completion of the placement</b>	A Pre-IPO Placement of Equity Shares by our Company, in consultation with the BRLMs, consisting of a fresh issue of Equity Shares of an aggregate amount not exceeding ₹1500.00 million and a sale of Equity Shares by certain existing Shareholders of our Company for an amount not exceeding ₹2,000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Offer, subject to the minimum Offer size constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company
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**Offer of Equity Shares for consideration other than cash in the last one year**

Other than as disclosed in the section “*Capital Structure*” on page 73, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus.

**Split / Consolidation of equity shares of our Company 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 Draft Red Herring Prospectus.

## SECTION II: RISK FACTORS

*An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 131, 107, 271 and 197, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.*

*Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. 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.*

*Our Company’s Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 197.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Skanray Technologies Limited on a standalone basis, and references to “the Group”, “we”, “us”, “our”, are to Skanray Technologies Limited on a consolidated basis.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Market Assessment of the Medical Device Industry in India” dated March 2021 (the “CRISIL Report”) prepared and released by CRISIL Limited and commissioned by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 16.*

### **Internal Risks Related to our Business**

- 1. If we are unable to obtain, maintain and enforce intellectual property protection for our technology and solutions or if the scope of our intellectual property protection is not sufficiently broad, others may be able to develop and commercialize technology and solutions substantially similar to ours, and our ability to successfully commercialize our technology and solutions may be compromised.***

Our business depends on proprietary technology and content, including software, processes, confidential information and know-how developed by us, the protection of which is crucial to the success of our business. We rely on a combination of trademark, patents and designs, confidentiality procedures, cybersecurity practices and contractual provisions to protect the intellectual property rights of our proprietary technology and content. For further information, see “Business – Intellectual Property” on page 151. In addition, we have pending patent, design and trademark applications. Accordingly, it is possible that third parties, including our competitors, may obtain proprietary rights relating to technologies that overlap or compete with our technology. If third parties obtain such proprietary rights with respect to such technologies, they may assert that our technology infringes their intellectual property and seek to charge us a licensing fee or otherwise preclude the use of our technology. Conversely, third parties to whom we license our technology, may infringe the terms of the license and look to manufacture products similar to our without any compensation or We may, over time, increase our investment in protecting our intellectual property through additional trademark, design, patent and other intellectual property filings, which could be expensive and time-consuming. We may not be able to obtain protection for our technology or may be denied protection for our technology, and even if we are successful in obtaining effective patents, designs and

trademarks, it is expensive to maintain these rights and the costs of defending our rights could be substantial. Moreover, our failure to develop and properly manage new intellectual property could adversely affect our market position and business opportunities.

In addition, these measures may not be sufficient to offer us meaningful protection or provide us with any competitive advantages, further if the entity infringing on our intellectual property goes to market before we are able to, or approaches our customers at competitive prices, our sales and revenues could be adversely impacted. If we are unable to adequately protect our intellectual property and other proprietary rights, our competitive position and our business could be harmed, as third parties may be able to commercialize and use technologies and software solutions that are substantially the same as ours to compete with us without incurring the development and licensing costs that we have incurred. Any of our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, misappropriated or violated, and other confidential information could be disclosed in an unauthorized manner to third parties, or our intellectual property rights may not be sufficient to permit us to take advantage of current market trends or to otherwise provide us with competitive advantages, which could result in costly redesign efforts, business disruptions, discontinuance of some of our offerings or other competitive harm and have a material adverse impact on our results of operations and financial condition.

Due to our extensive global presence, we are also required to protect our proprietary technology and content in an increasing number of jurisdictions, a process that is expensive and may not be successful, or which we may not pursue in every location. Filing, prosecuting, maintaining, defending, and enforcing intellectual property rights on our products, services, and technologies in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside India can be less extensive than those in India. In addition, the laws of some countries do not protect proprietary rights as anticipated, and may require additional procedures for adequate enforcement. In addition, the legal systems of some countries do not support enforcement of intellectual property protection, especially those relating to health care. This could make it difficult for us to stop the misappropriation or other violation of our other intellectual property rights. Accordingly, we may choose not to seek protection in certain countries, and we will not have the benefit of protection in such countries. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

***2. We are subject to extensive and dynamic medical device regulation, which may impede or hinder the approval or sale of our products and, in some cases, may ultimately result in an inability to obtain approval of certain products or may result in the recall or seizure of previously approved products.***

Our products, marketing, sales and development activities and manufacturing processes are subject to extensive and rigorous regulation by regulatory authorities across geographies. In India, we are required to comply with various legislations including the Atomic Energy Act, 1962 along with the provisions of the Atomic energy (Radiation Protection) Rules, 2004, Medical Devices Rules, 2017, Drugs and Cosmetics Act, 1940, the Factories Act, 1948, the Environment (Protection) Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 and obtain specific approvals, consents and authorizations from the relevant authorities under such statutes. The process of obtaining marketing approval or clearance for new products, or with respect to enhancements or modifications to existing products, could:

- take a significant period of time,
- require the expenditure of substantial resources,
- involve rigorous pre-clinical and clinical testing, as well as increased post-market surveillance,
- require changes to products and
- result in limitations on the indicated uses of products.

In addition, exported devices are subject to the regulatory requirements of each country to which the device is exported, including the FDA in the United States, and comparable agencies in other countries. Medical devices must receive FDA clearance or approval or an exemption from such clearance or approval before they can be commercially marketed in the U.S. In the European Union (EU), we are required to comply with the new Medical Device Regulation (MDR or EU MDR) effective May 2020 which will supersede the current Medical Device Directives. Medical devices which have a valid CE Certificate to the current Directives (issued before May 2020) can continue to be sold until May 2024 or until the CE Certificate expires, whichever comes first, provided there are no significant changes to the design or intended use. The CE Mark is applied following approval from an independent notified body or declaration of conformity. Some countries do not have medical device regulations, but in most foreign countries, medical devices are regulated. Most countries require that product approvals be renewed or recertified on a regular basis, generally from one year to three years depending on

the country. The renewal or recertification process requires that we evaluate any device changes and any new regulations or standards relevant to the device and conduct appropriate testing to document continued compliance. Where renewal or recertification applications are required, they may need to be renewed and/or approved in order to continue selling our products in those countries. There can be no assurance that we will receive the required approvals for new products or modifications to existing products on a timely basis or that any approval will not be subsequently withdrawn or conditioned upon extensive requirements.

Our global regulatory environment is becoming increasingly stringent and unpredictable, which could increase the time, cost and complexity of obtaining regulatory approvals for our products, as well as the clinical and regulatory costs of supporting those approvals. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years and other countries have expanded on existing regulations. Certain regulators are exhibiting less flexibility and are requiring local preclinical and clinical data in addition to global data. While harmonization of global regulations has been pursued, requirements continue to differ significantly among countries. We expect this global regulatory environment will continue to evolve, which could impact our ability to obtain future approvals for our products or could increase the cost and time to obtain such approvals in the future.

In response to perceived increases in health care costs in recent years, there have been and continue to be proposals by the governments, regulators and third-party payers to control these costs and, more generally, to reform the health care system. Certain of these proposals could, among other things, limit the prices we are able to charge for our products and could limit the acceptance and availability of our products. The adoption of some or all of these proposals could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Regulatory authorities also actively monitor compliance with local laws and regulations through review and inspection of design and manufacturing practices, recordkeeping, reporting of adverse events, labeling and promotional practices. Regulatory authorities can ban certain medical devices, detain or seize misbranded medical devices, order repair, replacement or refund of these devices and require notification of health professionals and others with regard to medical devices that present unreasonable risks of substantial harm to the public health. Any adverse regulatory action may restrict us from effectively marketing and selling our products, may limit our ability to obtain future premarket clearances or approvals and could result in a substantial modification to our business practices and operations. Compliance with these future laws and regulations may require us to change our practices at an undeterminable and possibly significant initial and recurring monetary expense. These additional monetary expenditures may increase future overhead, which could harm our results of operations. In addition, due to the uncertain regulatory environment, certain jurisdictions may determine that we are in violation of their laws. In the event that we must remedy such violations, we may be required to modify our products in a manner that undermines the competency of our products, or else we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such jurisdictions are overly burdensome, we may elect to terminate our operations in such places. In each case, our revenue may decline and our business may be adversely affected.

Regulations regarding the development, manufacture and sale of medical devices are evolving and subject to future change. We cannot predict what impact, if any, those changes might have on our business. Failure to comply with regulatory requirements could have a material adverse effect on our business, financial condition and results of operations. Later discovery of previously unknown problems with a product or manufacturer could result in fines, delays or suspensions of regulatory clearances or approvals, seizures or recalls of products, physician advisories or other field actions, operating restrictions and/or criminal prosecution. The failure to receive product approval clearance on a timely basis, suspensions of regulatory clearances, seizures or recalls of products, physician advisories or other field actions, or the withdrawal of product approval by regulatory authorities in India and in foreign countries could have a material adverse effect on our business, financial condition or results of operations.

### ***3. We face intense competition and may not be able to keep pace with the rapid technological changes in the medical devices industry.***

The medical device market is intensely competitive and is characterized by extensive R&D and rapid technological change. Our competition varies by market, geographic areas and type of product. Our customers consider many factors when choosing suppliers, including product quality, technology, breadth of product portfolio, cost, delivery and service, as well as quality and depth of senior level relationships, and other business factors. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. Any quality problems with our processes, goods and services could harm our reputation for producing high-quality products and erode our competitive advantage, sales and market share.

We face competition from both domestic and international companies. Due to our diversified product portfolio, we compete with various companies for each of our business segments. Our competitors range from small start-up companies to larger companies which have significantly greater resources and broader product offerings than us, and we anticipate that in the coming years, other large companies will enter certain markets in which we currently hold a strong position. For further information, see “*Business – Competition*” on page 151. Furthermore, our industry has experienced significant consolidation in recent years. Certain of our competitors have been able to expand their portfolio of products and services through this consolidation process, and they are able to offer customers a broader range of products and services than we can, thereby, in some instances, providing them a competitive advantage in the market. In addition, we expect that competition will continue to intensify with increasing price competition and consolidation among healthcare providers. Product introductions or enhancements by competitors which have advanced technology, better features or lower pricing may make our products or proposed products obsolete or less competitive. As a result, we will be required to devote continued efforts and financial resources to bring our products under development to market, enhance our existing products and develop new products for the medical marketplace. If we fail to develop new products, enhance existing products or compete effectively, our business, financial condition and results of operations will be adversely affected.

**4. *Our Restated Consolidated Financial Information as of and for the years ended March 31, 2018, 2019, 2020 and as of and for the nine months ended December 31, 2020, do not reflect the effect of our recent acquisition and are not representative of our future financial performance.***

Given that the effective date of the acquisition of Skanray Healthcare Global Private Limited was March 3, 2021, our Company’s Restated Consolidated Financial Information as of and for the years ended March 31, 2018, 2019, 2020, and as of and for the nine months ended December 31, 2020, included in this Draft Red Herring Prospectus do not reflect the impact of the Acquisition.

The Acquisition has had a significant impact on our Company’s financial statements. In order to present the effect of the Acquisition on the financial statements of our Company, we have also included in this Draft Red Herring Prospectus, the following additional financial statements: proforma financial information as of and for the year ended March 31, 2020; and proforma financial information as of and for the nine months ended December 31, 2020 (collectively, the “**Proforma Financial Information**”).

The Proforma Financial Information involves various assumptions as stated therein in accordance with the “Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus” issued by The Institute of Chartered Accountants of India. The Proforma Financial Information has been prepared by our management and reported on by Deloitte Haskins & Sells, our Statutory Auditors. For further information, see “*Financial Statements – Proforma Financial Information*” on page 265.

Solely to illustrate the impact of the Acquisition on certain key performance indicators, we have presented certain other financial information that is based on or derived from, the Proforma Financial Information (“**Additional Proforma Information**”) For further information, see “*Financial Statements – Proforma Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Additional Proforma Information*” on pages 265 and 294, respectively.

The Proforma Financial Information and Additional Proforma Information address a hypothetical situation and, therefore, do not represent our actual financial position or results. The Proforma Financial Information and Additional Proforma Information only purport to indicate the results of operations that would have resulted had the Acquisition been completed at the beginning of the period presented and the financial position had the Acquisition been completed as at the year/period end. The Proforma Financial Information and Additional Proforma Information have been prepared for illustrative purposes only based on various assumptions stated therein, do not purport to predict our future financial condition, results of operations or cash flows, and potential investors are cautioned against relying on such information in connection with any investment decision. Further, our Proforma Financial Information and Additional Proforma Information were not prepared in connection with an offering registered with the SEC under the U.S. Securities Act and consequently do not comply with the SEC’s rules on presentation of the Proforma Financial Information. Accordingly, the Proforma Financial Information and Additional Proforma Information included in this Draft Red Herring Prospectus is not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company or a substitute for our past results, and the degree of reliance placed by investors on our Proforma Financial Information and Additional Proforma Information should be limited. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information*” on page 273.

In addition, the Ministry of Corporate Affairs notified certain amendments to the Companies Act, 2013, applicable with effect from April 1, 2021, with respect to preparation of financial statements. For further information on these amendments,

see “*Financial Statements – Restated Consolidated Financial Information – Note 55*” on page 261. The manner in which such amendments will impact the preparation and presentation of our financial statements is uncertain, and financial statements of our Company for periods subsequent to the Acquisition and pursuant to such amendments may therefore not be comparable to the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

**5. *Our future growth is dependent upon the development of new products and enhancement of existing products, and a failure to effectively develop and commercialize new products, would materially and adversely affect our business, financial condition, results of operations and prospects.***

The medical device market is developing rapidly and related technology trends are constantly evolving. This results in frequent introduction of new products, short product life cycles and significant price competition. Consequently, our success substantially depends on our ability to anticipate technological trends and identify, develop and commercialize in a timely and cost-effective manner new and advanced products that our customers demand.

New products contribute significantly to our net revenues. We expect the medical device market to continue evolving toward newer and more advanced products, many of which we do not currently produce. To develop new products, we may acquire, through acquisitions, products and technologies that are not currently incorporated in our existing product lines. Development of new products and enhancement of existing products requires significant investment in R&D. Commercialization of any new product requires relevant government approvals, the timing of which may not be under our control, and is subject to change from time to time. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all. Further, as the life cycle for a product matures, the average selling price generally decreases. Although we have previously partially offset the effects of declining average selling prices with increases in sales volume and reductions in manufacturing cost, we may be unable to sustain this practice. Lastly, during a product’s life cycle, problems may arise regarding regulatory, intellectual property, product liability or other issues which may affect its continued commercial viability.

Our success in developing and commercializing new products is determined primarily by our ability to:

- accurately assess technological trends and customer needs and meet market demands;
- optimize our manufacturing and procurement processes to predict and control costs;
- manufacture and deliver products in a timely manner;
- increase customer awareness and acceptance of our products;
- effectively manage our brands;
- minimize the time and costs required to obtain required regulatory clearances or approvals;
- anticipate competitive trends to compete effectively with other medical device developers, manufacturers and marketers;
- price our products competitively, including providing financing to our customers;
- obtain appropriate intellectual property protection for our products and processes;
- effectively integrate acquired technology or products into our manufacturing, sales and distribution network;
- attract the appropriate talent to drive R&D efforts; and
- effectively integrate customer feedback into our research and development planning.

There can be no assurance that any products now in development or that we may seek to develop in the future will achieve technological and commercial feasibility, obtain regulatory approval or gain market acceptance. If we are unable to develop and launch new products and enhanced products, our ability to maintain or expand our market position in the markets in which we participate may be materially adversely impacted. A delay in the development or approval of new products and technologies may adversely impact the contribution of these technologies to our future growth. Additionally, certain products or groups of products, in particular new products or enhancements of existing products, may have a disproportionate impact on our business, financial condition and results of operations. Increasing regulatory requirements, launch delays and inability to effectively scale manufacturing and achieve targeted margins with respect to any of these products or groups of products in particular may have a material adverse impact on our business, financial condition and results of operations.

**6. *We depend on distributors for the sale of our products. Failure to establish and maintain relationships with distributors would materially and adversely affect our business, financial condition and results of operations.***

We depend on distributors for sale of our products. As our existing distribution agreements expire, we may be unable to renew with our desired distributors on favorable terms or at all. In addition, we seek to limit our dependence on any single distributor by limiting and periodically redefining the scope of each distributor’s territory and the range of our products

that it sells, which may make us less attractive to some distributors. We also compete for distributors domestically and internationally with other leading medical equipment and device companies that may have higher visibility, greater name recognition and financial resources, and a broader product selection. Our competitors also often enter into long-term distribution agreements that effectively prevent their distributors from selling our products. At times, we may also become engaged in contract disputes or other negotiations with distributors, including distributors for the businesses we acquired. We may also be involved in disputes with our distributors on account of any breaches by them of their obligations under their agreements including on account of failure to comply with regulatory obligations or to promote our products. Consequently, establishing relationships with new distributors, maintaining relationships with existing distributors and replacing distributors may be difficult and time consuming. Any disruption of our distribution network, including our failure to renew distribution agreements on favorable terms or our failure to successfully negotiate contract disputes, could negatively affect our ability to effectively sell our products and could materially and adversely affect our business, financial condition and results of operations.

***7. We depend on our senior management team, and the loss of one or more of our executive officers or key employees or an inability to attract and retain highly skilled employees could harm our business.***

Our success depends largely upon the continued services of our key executive officers, particularly our Individual Promoter and Chairman and Managing Director, Vishwaprasad Alva, our Executive Director Balasubramanian Kandankumarath, our chief technical officer, Sunil R. Rao, and our Head-Regulatory, R. Vasundhara.

We rely on our leadership team in the areas of R&D, marketing, services and general and administrative functions. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. The replacement of one or more of our executive officers or other key employees would likely involve significant time and costs and may significantly delay or prevent the achievement of our business objectives. We also rely on our scientists for development of our products and ongoing projects. Any attrition of members from our R&D and product development team could lead to delays in product development and our ability to complete our ongoing projects on schedule.

To continue to execute our growth strategy, we also must attract and retain highly skilled personnel. Competition is intense for qualified professionals. We may not be successful in continuing to attract and retain qualified personnel. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled personnel with appropriate qualifications. The pool of qualified personnel with experience working in the medical devices industry is limited overall. In addition, many of the companies with which we compete for experienced personnel have greater resources than we have. Failure to attract new personnel or failure to retain and motivate our current personnel could harm our business.

***8. Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by such customers could adversely affect our business, financial condition, results of operations and future prospects.***

A majority of our revenue is derived from our top 10 customers (excluding related party transactions). Revenue generated from sales to our top five and top 10 customers represented 53.35% and 60.06%, respectively, of our revenue from operations in Fiscal 2020, and 61.28% and 69.72% respectively, of our revenue from operations in the nine months ended December 31, 2020. In addition, revenue generated from our single largest customer represented 23.62% and 47.56% of our revenue from operations in Fiscal 2020 and in the nine months ended December 31, 2020, respectively. Our customers often undertake vendor rationalisation to reduce costs related to procurement from multiple vendors. Since we are largely dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers or a significant reduction in demand from such customers could have a material adverse effect on our business, financial condition, results of operations and future prospects. In addition, majority of our revenue in the nine months ended December 31, 2020, was generated from the licensing framework entered into for manufacturing certain ventilators. There can be no assurance that we will continue to be awarded such tenders or that we will be able to contract for orders of this size in the future.

In addition, we face the risk of the loss of all or any of our customers, particularly our OEM customers, including due to termination of contracts with such customers owing to delays on our part with respect to completion of the orders placed; failure to renew sales contracts with one or more of our significant customers; and failure to renegotiate favourable terms with our key customers, all of which could have a material adverse effect on our business, financial condition, results of operations and future prospects. Further, since our business is presently concentrated among a few significant customers, we may also experience reduction in cash flows and liquidity if we lose one or more of our top customers due to any dispute with respect to our contractual arrangements.



Additionally, the loss of any key customer may significantly affect our revenues and we may have difficulty securing comparable levels of business from other customers or may not be able to secure new customers in a timely manner or at all to offset any loss of revenue from the loss of any of our key customers, including our largest customer or even our top five customers. We may also not be able to easily re-allocate our resources and assets in a timely or efficient manner. Additionally, in order to retain some of our significant customers we may also be required to offer terms to them that may place restraints on our resources and reduce our profitability.

The occurrence of any of the above may have a significant adverse impact on our business, financial condition, results of operations and future prospects.

***9. We expect the COVID-19 pandemic to continue to materially affect our financial performance in future periods and it may otherwise have material adverse effects on our results of operations, financial condition, and/or our cash flows.***

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. In an attempt to contain the spread and impact of COVID-19, authorities throughout the world and in India have implemented measures such as travel bans and restrictions, quarantines, stay-at-home and shelter-in place orders, promotion of social distancing, and limitations on business activity. This pandemic has resulted in a significant economic downturn in India and globally, and has also led to significant disruptions and volatility in capital and financial markets.

The Government of India initially announced a 21-day lockdown on March 24, 2020, which, was subject to successive extensions. While the lockdown has been relaxed, several precautionary measures and restrictions (such as on large social gatherings) are still in place. Beginning March 2020, our operations were impacted and our manufacturing facilities operated with limited capacity in April 2020 and May 2020. In particular, our exports were affected owing to temporary restrictions imposed on export of certain items and our supply chain was disrupted. Productivity at our manufacturing facilities was also affected owing to limited availability of manpower and social distancing norms prescribed during the lockdown imposed. In addition, domestic demand was impacted as it led to postponement of non-critical surgical procedures. We are also required to spend additional amounts to ensure compliance with procedures mandated by central and state governments such as additional sanitization measures, personal protection equipment for our salesforce in the field.

The future impact of the COVID19 pandemic on our business will depend on a range of factors, which we are not able to accurately predict, including the duration and scope of the pandemic, the geographies impacted, and the nature and severity of measures adopted by central and state governments. We have incurred, and may continue to incur, certain increased expenses arising from the COVID-19 pandemic, including additional labour, supply chain, capital and other expenditures.

The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and are difficult to predict, including, but not limited to, the duration and severity of the pandemic, the nature and scope of government actions to contain the pandemic or address its impact, and how quickly and to what extent normal economic and operating conditions can resume, other geographies affected and the impact of the pandemic on economic activity in India and globally. In addition, we cannot predict the impact that the COVID-19 pandemic will have on our customers and/or suppliers, and each of their financial conditions; however, any material effect on these parties could adversely impact us. Adverse consequences of, and conditions resulting from, the COVID-19 pandemic may remain prevalent for a significant period of time and may continue to adversely affect our business, results of operations and financial condition even after the COVID-19 outbreak has subsided.

Recently, throughout March and April 2021, due to an increase in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations. Given the rapidly changing implications of the spread of COVID-19, it is difficult to assess its impact on our business and results of operations at this time and we may not be able to quantify or accurately predict the same. Further, as COVID-19 pandemic adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this “*Risk Factors*” section.

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

In Fiscal 2018, 2019, 2020 and in the nine months ended December 31, 2020, revenue generated from contracts awarded by central and state government agencies represented 7.32%, 7.02%, 5.80% and 8.23% of our revenue from operations in such periods, respectively. These contracts are typically awarded to us through a competitive bidding process, and are subject to the satisfaction of certain eligibility conditions and performance standards. These include technology, capacity, reputation, experience and sufficiency of financial resources, and quality accreditations and certifications associated with our operations. Further, once prospective bidders satisfy the pre-qualification requirements of the tender, contracts are usually awarded based on the quote by the prospective bidder. Our bidding strategy involves bidding for these projects with a specified internal margin benchmark. In certain instances, this may not result in our bid meeting the lowest quote criteria and accordingly, we may not be awarded certain of these contracts. While we have satisfied pre-qualification criteria to bid for contracts in the past, there can be no assurance that we will be able to meet such criteria to bid for these and other similar contracts in the future.

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

**11. We have incurred losses in Fiscals 2018 and 2019. In the event we incur net loss in the future, our business and financial condition may be adversely affected.**

We reported a restated loss for the year of ₹ 233.23 million and ₹ 294.19 million in Fiscals 2018 and 2019, respectively. Our net losses have historically resulted primarily from the substantial investments required to grow our business, including investments in and acquisitions of various entities. Our operating costs and other expenses may be greater than we anticipate, and our investments to make our business and our operations more efficient may not be successful. Increases in our costs, expenses and investments may reduce our margins and materially adversely affect our business, financial condition and results of operations. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

**12. A significant portion of our international sales are derived from Israel and any adverse developments in this market could adversely affect our business.**

We have historically derived a significant portion of our international sales from sales to customers located in Israel. In Fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020, we derived 17.42%, 18.25%, 18.20% and 5.77% of our total sales from sale of our products and services to customers in Israel, respectively. Accordingly, any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state or local government in this region could adversely affect our product sale and distribution activities, result in modification of our business strategy, or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition and results of operations. Any such adverse development affecting our operations could result in significant loss, which could materially affect our business reputation within the industry. Further, our sales from this region may decline as a result of increased competition, regulatory action, pricing pressures, fluctuations in the demand for or supply of our products or services. Our failure to effectively react to these situations or to successfully introduce new products or services in these markets could adversely affect our business, prospects, results of operations and financial condition. The occurrence of, or our inability to effectively respond to, any such events or effectively manage the competition in the region, could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

**13. We could experience losses or liability, including medical liability claims, causing us to incur significant expenses and requiring us to pay significant damages if not covered by insurance.**

Our business entails the risk of medical liability claims involving both, Skanray Products and OEM Products. Successful medical liability claims could result in substantial damage awards that could adversely harm our reputation, business prospects, results of operations and financial condition.

In addition, our business exposes us to risks that are inherent in the provision of health care services. If hospitals and OEM partners assert liability claims against us, any ensuing litigation, regardless of outcome, could result in a substantial cost to us, divert management's attention from operations, and decrease market acceptance of our products. We do not control the healthcare professionals who ultimately use our devices and the risk of liability, including through unexpected medical outcomes, is inherent in the healthcare industry, and negative outcomes arising from actions beyond our control may adversely impact our business and operations. We attempt to limit our liability to hospitals and OEM partners by contract; however, the limitations of liability set forth in the contracts may not always be enforceable or may not otherwise protect us from liability for damages. Additionally, we may be subject to claims that are not explicitly covered by such contractual limits. Further, our insurance coverage may not be sufficient to cover class-action litigation against us given that our products are installed hospitals and are utilised by several people.

Any liability claim brought against us, with or without merit, could result in reputational damage, and even unsuccessful claims could result in substantial costs and diversion of management resources. A successful claim not fully covered by our insurance could have a negative impact on our liquidity, financial condition, and results of operations.

***14. Our Statutory Auditor has included certain matters of emphasis in our Restated Consolidated Financial Information.***

Our Statutory Auditors have included certain matters of emphasis in relation to our Company in our Restated Consolidated Financial Information. For further information, see "*Management's Discussion and Analysis on the Financial Conditions and Results of Operations - Auditor's Observations*" on page 292.

There can be no assurance that any similar remarks or matters of emphasis will not form part of our financial statements for the future fiscal periods, which could subject us to additional liabilities due to which our reputation and financial condition may be adversely affected.

***15. If we fail to cost-effectively develop widespread brand awareness and maintain our reputation, or if we fail to achieve and maintain market acceptance for our products, our business could suffer.***

We believe that developing and maintaining widespread awareness of our brand and maintaining our reputation for providing access to high quality medical devices in a cost-effective manner is critical to attracting new customers and maintaining our existing relationships. Our business and revenue are significantly dependent on growing and maintaining our base of customers and in particular in new international markets where we are expanding our distribution network. Market acceptance of our products and customer acquisition depends on our marketing capabilities and brand awareness including with respect to the distinct features of our products, ease-of-use, cost efficiency and quality compliance. If we are not successful in demonstrating to existing and potential customers the benefits of our products, we could experience lower than expected sales, including due to termination of existing contracts with customers.

Our brand promotion activities may not generate awareness or increase revenue and, even if they do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts or to achieve the widespread brand awareness that is critical for broad adoption of our products. Our marketing efforts depend significantly on referral from our current customers, and any failure in product quality or adverse publicity regarding us or our products, could adversely impact our business and growth prospectus.

***16. There are outstanding litigation proceedings against our Company, Subsidiaries, Directors and Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are outstanding legal proceedings against our Company, Subsidiaries, Directors and Promoters, which are pending at various levels of adjudication before various courts, tribunals and other authorities.

The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation (as defined in the section "*Outstanding Litigation and Other Material Developments*" on page 298) involving our Company, Subsidiaries, Directors, and Promoters.

*Litigation against our Company*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	NIL	NIL
Taxation matters	8	23.27
Outstanding actions by regulatory and statutory authorities	2	0.05

*Litigation by our Company*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	2	1.00
Material civil cases	2	5.74
Taxation matters	NIL	NIL

*Litigation against our Promoters*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	NIL	NIL
Taxation matters	1	257.78
Outstanding actions by regulatory and statutory authorities	2	0.02
Disciplinary actions in the last five years	NIL	NIL

*Litigation by our Promoters*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	NIL	NIL
Taxation matters	NIL	NIL

*Litigation against our Subsidiary*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	NIL
Material civil cases	NIL	NIL
Taxation matters	1	1.63
Outstanding actions by regulatory and statutory authorities	NIL	NIL

*Litigation by our Subsidiaries*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	NIL	NIL
Material civil cases	NIL	NIL
Taxation matters	NIL	NIL

*Litigation against our Directors*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	1	2.02
Material civil cases	1	6.00
Taxation matters	NIL	NIL

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Outstanding actions by regulatory and statutory authorities	4	0.03

*Litigation by our Directors*

Type of proceeding	Number of cases	Amount, to the extent quantifiable (in ₹ million)
Criminal cases	2	2.02
Material civil cases	NIL	NIL
Taxation matters	NIL	NIL

For further information, see “*Outstanding Litigation and Other Material Developments*” beginning on page 298.

Further, the Income Tax authorities had conducted search operations at our Registered Office and at the residences of certain officials of our Company in Fiscal 2020. During Fiscals 2020 and 2021, the Income Tax authorities by way of issue of notices/summons, sought various details from our Company and its employees/shareholders which were duly furnished. The authorities additionally issued notices dated November 19, 2020 directing our Company to file a return of income disclosing our Company’s true and correct income for the period specified therein. We have filed the same without any adjustments to our earlier filed tax returns for the specified period. While we have not received any show cause notices in this regard and no proceedings have been initiated on this basis, we cannot assure you that such proceedings might not happen in the future. Also see, “*Financial Statements – Restated Consolidated Financial Information – Note 43: Contingent Liabilities*” on page 249.

There can be no assurance that these legal proceedings will be decided in our favor or in favor of our Company, Subsidiaries, Directors and Promoters. In addition, we cannot assure you that no additional liability will arise out of these proceedings. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations and financial condition.

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

Revenue generated from sales outside India represented 42.03% and 15.89% of our revenue from operations in Fiscal 2020 and the nine months ended December 31, 2020, respectively. An important part of our strategy is to continue pursuing growth opportunities and market share outside of India by expanding global presence. Our international operations are subject to a number of market, business and financial risks and uncertainties, including those related to our use of distribution partners, geopolitical and economic instability, foreign currency exchange and interest rate fluctuations, competitive product offerings, local changes in medical device delivery systems, local product preferences and requirements, including preferences for local manufacturers, workforce instability, weaker intellectual property protection in certain countries and longer accounts receivable cycles. Such risks and uncertainties may adversely impact our ability to implement our growth strategy in these markets and, as a result, our sales growth, market share and operating profits from our international operations may be adversely affected.

Our international operations are subject to established and developing legal and regulatory requirements for medical devices in each country in which our products are marketed and sold. Most foreign countries have medical device regulations. Further, most countries require product approvals to be renewed or recertified on a regular basis in order for the products to continue to be marketed and sold there. In addition, several countries that previously did not have regulatory requirements for medical devices have established such requirements in recent years and other countries have expanded, or plan to expand, existing regulations. These factors have caused or may cause us to experience more uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, which could affect our ability to obtain approvals for our products in those jurisdictions and adversely impact our sales, market share and operating profits from our international operations.

In addition, our international operations are subject to other established and developing legal and regulatory requirements, including with respect to foreign import and export controls and licensing requirements, trade protection and embargo measures and customs laws. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We may be required to incur additional costs to manufacture and distribute certain of our products. This could adversely impact our business and results of operations. Global businesses, including those in the medical device industry, are facing increasing scrutiny of, and heightened enforcement efforts with respect to, their

international operations. Any alleged or actual failure to comply with legal and regulatory requirements may subject us to government scrutiny, civil and/or criminal proceedings, sanctions and other liabilities, which may have a material adverse effect on our international operations, financial condition, results of operations and/or liquidity.

In a referendum on June 23, 2016, voters approved the exit of the United Kingdom (UK) from the European Union (EU). Following a formal notification by the UK to the EU that it intends to leave the EU, and after several extensions to the deadline for doing so agreed between the UK and the EU, the UK legally withdrew from the EU on January 31, 2020. Exit of the UK from the EU may impact areas of our business, including, economic, regulatory and operational. Changes in industry regulations may have an effect on existing CE certificates being renewed and new certificates being issued which may impact the ability to trade; however, it is impossible to assess the full impact at this stage. In addition, our ability to sell in certain of these markets depends on the various certifications that we hold for such markets. For instance with our certification to sell in the USA, we can also market certain of our products in countries in South America and Ukraine. In the event we are unable to renew these certifications, it may adversely impact our ability to access individual markets where we sell our products.

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

***18. We rely on five manufacturing facilities for manufacturing, product assembly and storage and to conduct R&D activities. Any unscheduled or prolonged disruption of our manufacturing operations could materially and adversely affect our business, financial condition, results of operations, and cash flows.***

We manufacture, assemble and store a majority of our products, as well as conduct our R&D activities, at our two manufacturing facilities located in Mysore, India, and at the two manufacturing facilities in Bologna, Italy and one facility in Netherlands. Any unscheduled or prolonged disruption of our manufacturing operations, including power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period. The occurrence of any such incidents could also result in a destruction of certain assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. Our customers and distributors rely on the timely delivery of our products and our ability to provide an uninterrupted supply of our products is critical to our business. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facilities, our distributor relationships, business, financial condition, results of operations, and cash flows, may be adversely affected by any disruption of operations at our manufacturing facilities, including due to any of the factors mentioned above.

Disruptions in our manufacturing operations could delay production or require us to temporarily cease operations at our manufacturing facilities. We may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facilities to cease, or limit, production until the disputes concerning such approvals are resolved. As regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Similarly, there is no assurance that those of our manufacturing facilities unaffected by an interruption will have the capacity to increase their output to manufacture products for the affected manufacturing facilities, to the extent that all outstanding orders will be fulfilled in a timely manner. In the event of prolonged interruptions in the operations of our manufacturing facilities, we may have to make alternate arrangements for supplies and products in order to meet our production requirements, which could affect our profitability. Catastrophic events may also destroy any inventory located in our facilities. The occurrence of such an event could materially and adversely affect our business.

***19. If our OEM customers do not continue to purchase our products, or if there is a downward trend in OEM business, our sales could be adversely affected.***

In Fiscal 2020 and in the nine months ended December 31, 2020, revenue generated from sale to OEMs represented 21.34% and 10.24% of our revenue from operations, respectively. In recent years, companies in the medical devices industry have increasingly purchased their products/ components from companies similar to ours. However, there can be no assurance that they will continue to do so in the future.

An OEM customer's decision to purchase our products is affected by its ability and capacity for internal manufacturing, R&D activities, technological capabilities and the competitive advantages of outsourcing. There can be no assurance that

our OEM customers will continue to purchase our products. If such companies do not continue to purchase our products or if our OEM customers decide to perform these functions internally or use other providers of these services or such companies change their location of business or business model, our future growth could be limited and our sales and operating results may suffer.

***20. Our marketing cycle can be long and unpredictable and requires considerable time and expense, which may cause our results of operations to fluctuate.***

The marketing cycle for our products from initial R&D to distribution varies widely based on certification processes, quality testing, and in case of OEM Products, on the evaluation process and contractual negotiations. Some of our OEM partners undertake a significant and prolonged evaluation process, including to determine whether our products meet their customized specifications, which can be complex given the size and scale of our OEM partners. Our contractual arrangements with hospitals are often highly specific depending on the characteristics and patient demographics of the market they serve, their growth plans and their operations, among other things. As a result, our marketing efforts to any new hospital must be tailored to meet its specific strategic demands, which can be time consuming and require significant upfront cost. These efforts also must address interoperability between our IT infrastructure and systems and such hospital's systems, which can result in substantial cost.

Our OEM partners often initially restrict direct access by us to their employees to curb information overflow. As a result, we may not be able to directly market our products and educate employees of our OEM partners until much later after execution of an agreement with such OEM partner. If our sales cycle lengthens or our substantial upfront sales and implementation investments do not result in sufficient sales to justify our investments, it could harm our business. We also incur significant marketing costs to build brand awareness and distribute our products in both existing markets and new geographic markets for potential new customers. If we are unable to successfully market our products in existing and new geographic locations, it could harm our business and results of operations.

***21. Our operations are exposed to increasing regulatory scrutiny which imposes significant compliance costs and exposes us to government investigations and legal actions and penalties.***

Like other companies in the healthcare industry, our operations are subject to extensive regulation, investigations and legal action, by national, state and local government authorities in India, the U.S. and other countries in which we operate. Regulatory issues regarding compliance with Good Manufacturing Practices (cGMP) (and comparable quality regulations in foreign countries) by manufacturers of medical devices can lead to fines and penalties, product recalls, product shortages, interruptions in production, delays in new product approvals and litigation. In addition, the marketing, pricing and distribution of our products are subject to regulations. For further information, see "*Key Regulations and Policies*" on page 153. Increased scrutiny of health care industry business practices in recent years by government authorities and any resulting investigations and prosecutions, carry risk of significant civil and criminal penalties including, but not limited to, debarment from participation in government programs. Any such debarment could have a material adverse effect on our business and results of operations.

***22. We may not be successful in our strategy relating to future strategic acquisitions of, investments in, or alliances with, other companies and businesses and a failure to integrate acquired businesses into our operations successfully could adversely affect our business, financial condition and operating results.***

Our strategic acquisitions, investments and alliances are intended to further expand our ability to offer customers effective and high quality medical devices. These acquisitions, investments and alliances have been a significant source of our growth. As part of our strategy to expand our product portfolio and distribution network, we have completed multiple acquisitions in recent years and may pursue additional acquisitions in the future. If we are unsuccessful in our acquisitions, investments and alliances, we may be unable to grow our business. For instance, we acquired Pricol Engineering Limited's medtech business in 2013 to gain access to their RMS product portfolio. We also acquired CEI-Italy (Compagnia Elettronica Italiana), an Italian X-ray tube manufacturer, to gain a presence in the European market and to vertically integrate our radiology product line for which X-ray tubes are a critical component. The success of our strategy relating to future acquisitions, investments or alliances will depend on a number of factors, including our ability to identify suitable opportunities for acquisition, investment or alliance, if at all; to manage acquisition, investment or alliance opportunities and prioritize those investments to execute our strategy; to manage our due diligence process to uncover potential issues with targets; to finance any future acquisition, investment or alliance on terms acceptable to us, if at all; to complete acquisitions, investments or alliances in a timely manner on terms that are satisfactory to us

Our integration of acquired businesses requires significant efforts, including corporate restructuring and the coordination of information technologies, R&D, sales and marketing, operations, regulatory, supply chain, manufacturing, quality

systems and finance. These efforts result in additional expenses and involve significant management time. Some of the factors that could affect the integration include, among others, our ability to execute our business plan for the acquired companies, the strength of the acquired technology, results of clinical trials, regulatory approvals, the continued performance of critical transition services, our ability to adequately fund acquired in-process R&D projects and retain key employees and our ability to achieve synergies with our acquired companies, such as increasing sales of our products, achieving cost savings and effectively combining technologies to develop new products.

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

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

We rely on third parties to manufacture certain components of our products. We depend on these third party manufacturers to allocate to us a portion of their manufacturing capacity sufficient to meet our needs, to produce products of acceptable quality and at acceptable manufacturing yields and to deliver those products to us on a timely basis and at acceptable prices. However, we cannot guarantee that these third party manufacturers will be able to meet our near-term or long-term manufacturing requirements, which could result in lost sales and have an adverse effect on our business.

Other risks associated with our reliance on third parties to manufacture these products include, their ability to deliver the components that we require in a timely manner, reliance on the third party for regulatory compliance and quality assurance, misappropriation of our intellectual property, limited ability to manage our inventory, possible breach of the manufacturing agreement by the third party and the possible termination or non-renewal of the manufacturing agreement by the third party at a time that is inconvenient for us. Moreover, if any of our third party manufacturers suffer any damage to facilities, lose benefits under material agreements, experience disruptions on account of power outages or otherwise, theft of materials, encounter financial difficulties, are unable to secure necessary raw materials from their suppliers or suffer any other reduction in efficiency, we may experience significant business disruption. In the event of any such disruption, we would need to seek and source other qualified third party manufacturers, likely resulting in further delays and increased costs which could affect our business adversely.

***24. We are subject to risks resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations. Further, a decline in India's foreign exchange reserves and higher interest rates in the Indian economy could also adversely affect us.***

We derive a significant portion of our revenue from sales outside India that are denominated in foreign currency. Changes in currency exchange rate therefore influence our results of operations. Revenue generated from sale outside India represented 42.03% and 15.89% of our revenue from operations in Fiscal 2020 and the nine months ended December 31, 2020, respectively. The exchange rate between the Indian Rupee and foreign currencies, primarily the U.S. dollar, has fluctuated in the past and our cost of raw materials and results of operations may be impacted by such fluctuations. As we aim to increase our export sales, our operating expenses in connection with our operations outside India will be increasingly denominated in currencies other than Indian Rupees. Any fluctuations in the foreign currency exchange rates may have an adverse impact on our results of operations.

A decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our financial condition. A future material decline in these reserves could result in reduced liquidity and higher interest rates in the Indian economy which in turn, could adversely affect our business and future financial performance.

***25. If we fail to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would materially and adversely affect our financial condition and results of operations, as well as damage our reputation and brand.***

Our distributors typically order our products on a purchase-order basis. We project product demand based on rolling distributor projections, our understanding of anticipated hospital procurement spending, and distributor inventory levels. However, our lack of significant order backlog and the varying sales and purchasing cycles of our distributors and other customers make it difficult for us to accurately forecast demand.



In countries where we lack a direct sales force, our demand projections are generally less reliable than in countries where we have a direct sales force because we have less available information on which to base our projections. Specifically, we lack consistently reliable information regarding international distributor inventory levels in these markets, and occasionally lack extensive knowledge of local market conditions or about distributor purchasing patterns, preferences, or cycles. Further, as shipping finished products to international distributors typically takes longer than shipping to domestic distributors, inaccurate demand projections can result more quickly in unmet demand. We additionally may have unpredictably large tender sales orders for which we may have insufficient inventory to fill along with the additional orders in our pipeline. In addition, certain components that we source from third party manufacturers may have a long lead time and in some instances up to a few months. If we are unable to accurately forecast our demand for such products, it may result in the overall delay of manufacturing our products and our ability to meet delivery schedules. This could also result in cancellation of orders from our customers.

If we overestimate demand, we may purchase more raw materials or components than required. If we underestimate demand, our third-party suppliers may have inadequate raw material or product component inventories, which could interrupt our manufacturing and delay shipments, and could result in lost sales. In particular, we are seeking to manage our procurement and inventory costs by matching our inventories closely with our projected manufacturing needs and by, from time to time, deferring our purchase of raw materials and components in anticipation of supplier price reductions. As we seek to balance inventory costs and production flexibility, we may fail to accurately forecast demand to predict and maintain appropriate levels of inventory reserve, which could cause uneven and unpredictable sales flow or could affect our ability to coordinate our procurement and production to meet demand on a timely basis. Our inability to accurately predict or timely meet demand could materially and adversely affect our financial conditions and results of operations as well as damage our reputation and brand.

***26. There have been certain inadvertent inaccuracies, delays and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.***

There have been certain inadvertent factual discrepancies and inconsistencies in some of the allotment forms filed by our Company, including incorrect details of the post – issue paid up capital of our Company pursuant to the allotment, and an incorrect disclosure of the number of Equity Shares being allotted. For further details, see “*Capital Structure - Share Capital History of our Company*” on page 73. Additionally, there has been a delay in the filing of Form DIR 12 for the change in designation of one of our Directors, Balasubramanian Kandankumarath, from non – executive director to executive director.

In addition, we have been unable to locate share transfer forms for certain transfers involving one of our Promoters, Vishwaprasad Alva. For further details of these transfers, see “*Capital Structure - Build-up of the Equity Shareholding of our Promoters in our Company*” on page 77. Accordingly, we have relied on other documents, including annual returns and board meeting minutes for all such transfers.

We cannot assure you that such inaccuracies, delays and non-compliances will not happen in the future and that our Company will not be subject to any action, including monetary penalties by statutory authorities on account of any inadvertent discrepancies in, or non-availability of, or delays in filing of, any of its secretarial records and filings, which may adversely affect our reputation.

***27. We are dependent on third-party transportation providers for the supply of raw materials and delivery of our finished products.***

Our success depends on the supply and transport of the various raw materials required for our manufacturing facilities and of our finished products from our manufacturing facilities to our customers and distributors, which are subject to various uncertainties and risks. We use third-parties for the delivery of our products and transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers and suppliers.

In addition, raw materials and finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be a delay in delivery of raw materials and products which may also affect our business and results of operations negatively. In the event we fail to maintain a sufficient volume of raw materials and delivery of such materials to us is delayed, we may be unable to meet our purchase orders in a timely manner or at all, which may result in loss of sales opportunities that our competitors may capitalize on, thereby adversely affecting our business, financial condition, results of operations, and cash flows. Any compensation received from insurers or third-party

transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers and distributors. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third-party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

**28. *We are subject to product liability exposure and have limited insurance coverage. Any product liability claims or regulatory actions could be costly and time-consuming to defend, damage our reputation and materially and adversely affect our business, financial condition and results of operations.***

Our main products are medical devices used in diagnosing, treating and monitoring patients, exposing us to potential product liability claims if their use causes or results in, or is alleged to have caused or resulted in, in each case either directly or indirectly, personal injuries or other adverse effects. Any product liability claims or regulatory actions could be costly and time-consuming to defend. If successful, product liability claims may require us to pay substantial damages. While we maintain product liability insurance, there can be no assurance that all future liability claims will be adequately covered, and claims may exceed the coverage limits of our policy. As we expand our sales internationally and increase our exposure to these risks in many countries, we may be unable to maintain sufficient product liability insurance coverage on commercially reasonable terms, or at all. A product liability claim or potential safety-related regulatory action, with or without merit, could result in significant negative publicity and materially and adversely affect the marketability of our products and our reputation, as well as our business, financial condition and results of operations.

Moreover, a material design, manufacturing or quality failure or defect in our products, other safety issues or heightened regulatory scrutiny could each warrant a product recall by us and result in increased product liability claims. If authorities in the countries where we sell our products decide that any of our products fail to conform to applicable quality and safety requirements, we could be subject to regulatory action. Violation of product quality norms and safety requirements may subject us to confiscation of related earnings, penalties, and an order to cease sales of the violating product or to cease operations pending rectification. Further, if the violation is determined to be serious, our material licenses, including to manufacture or sell our products, could be suspended or revoked.

**29. *Warranty claims could substantially increase our costs and harm our reputation and brand, and materially affect our business, financial condition, results of operations and prospects.***

We typically sell products with warranties against technical defects and related accessories with warranties against technical defects. We therefore accrue liability for potential warranty claims at the time of sale. If we experience an increase in warranty claims or if our repair and replacement costs associated with warranty claims increase significantly, we may have to accrue a greater liability for potential warranty claims. Moreover, an increase in the frequency of warranty claims could substantially increase our costs, harm our reputation and brand, and materially affect our business, financial condition, results of operations and prospects.

**30. *We rely on the proper function, availability and security of information technology systems to operate our business and a cyber-attack or other breach of these systems could have a material adverse effect on our business, financial condition or results of operations.***

We rely on information technology systems, including technology from third party vendors, to process, transmit and store electronic information in our day-to-day operations. Similar to other large multi-national companies, the size and complexity of our information technology systems makes them vulnerable to a cyber-attack, malicious intrusion, breakdown, destruction, loss of data privacy, or other significant disruption. Our information systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards, the increasing need to protect patient and customer information and changing customer patterns. In addition, third parties may attempt to hack into our products to obtain data in our systems or disrupt performance of our products or to access our proprietary information and the technology from third party vendors that we rely upon may have defects or vulnerabilities which, in turn, create vulnerabilities or disruptions in our systems. Any failure by us to maintain or protect our information technology systems, products and data integrity, including from cyber-attacks, intrusions or other breaches, could result in the unauthorized access to confidential information, theft of intellectual property or other misappropriation of assets, or otherwise compromise our confidential or proprietary information and disrupt our operations. Such failure, or demonstration of vulnerability to such failure, may also result in additional regulatory scrutiny. We also grow our operations through acquisitions and may face risks associated with defects and vulnerabilities in acquired systems as we work to integrate the acquisitions into our information technology system.

Privacy and security laws, in India and globally, require certain of our operations to protect the confidentiality of personal information and to comply with other requirements with respect to data protection. In Europe, the Data Protection Directive requires us to manage individually identifiable information in the EU and, the new General Data Protection Regulation (GDPR) may impose significant fines in the event of violations. Similar restrictions may be imposed by regulators of other countries as well. There can be no assurance that we will at all times be in compliance with these regulations, particularly as regulatory frameworks on data protection continue to evolve. Enforcement actions could be costly and interrupt regular operations of our business. Any of these events, in turn, may cause us to lose existing customers, have difficulty preventing, detecting and controlling fraud, have disputes with customers, and other third-parties, be subject to legal claims and liability, have regulatory sanctions or penalties imposed, have increases in operating expenses, incur expenses or lose revenues as a result of a data privacy breach or theft of intellectual property, or suffer other adverse consequences, any of which could have a material adverse effect on our business, financial condition or results of operations.

***31. Changes or uncertainty in international trade policies or tariffs could disrupt our global operations or negatively impact our financial results.***

Our foreign operations expose us to a number of risks related to trade protection laws, tariffs, excise or other border taxes on products exported to certain countries. Changes or uncertainty in international trade policies or tariffs could impact our global operations, as well as our customers. We may be required to incur additional costs to manufacture and distribute certain of our products. This could adversely impact our business and results of operations.

***32. Under-utilization of our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

We own and operate two manufacturing facilities in Mysore, India, and two manufacturing facilities in Bologna, Italy and one Netherlands. Our ability to maintain our profitability depends on our ability to maintain and improve our capacity utilization levels and demand and supply balance of our principal products in the principal and target markets. In particular, the level of our capacity utilization can impact our operating results. Higher capacity utilization allows us to spread our fixed costs, resulting in a higher gross profit margin.

Our capacity utilization is affected by the availability of raw materials, industry/ market conditions as well as by the product requirements of, and procurement practice followed by, our OEM partners. In the event that we are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Our capacity utilization levels is also dependent on our ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize our capacities as anticipated. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently.

For information on our installed capacity and capacity utilization levels, see “*Our Business - Capacity and Capacity Utilization*” on page 148. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and implement our growth strategy of improving operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

***33. Our business requires significant amount of working capital. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital primarily due to the fact that a significant amount of time passes between when we purchase raw materials and sell our finished products. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. Further, our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner.

As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see “*Financial Indebtedness*” on page 296.

**34. *Some of our manufacturing facilities and offices are located on leased premises. If these leases are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations.***

Some of our manufacturing facilities are situated on premises that we have leased. We typically enter into term lease agreements with an option to renew such term. We may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements during their currency. We may also be required to vacate the premises at short notice period prescribed in the lease agreements, and we may not be able to obtain alternate location, in a short span of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations.

Additionally, some of our manufacturing facilities are operated on premises forming part of the industrial land purchased from state industrial development boards and accordingly are subject to certain compliance requirements. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition. For further information, see “*Our Business – Property*” on page 152.

**35. *Negative cash flows from operating activities in the future could adversely affect our cash flow requirements, our ability to operate our business and implement our growth plans, thereby affecting our financial performance.***

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

Particulars	Fiscal			Nine months ended December 31, 2020
	2018	2019	2020	
	(₹million)			
Net cash (used in)/ generated from operating activities	(94.51)	29.93	110.27	1,548.76

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, prospects, results of operations and financial condition may be materially and adversely affected. For further information, see “*Management's Discussion and Analysis of Financial Condition and Results of Operations*” on page 271.

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

Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity of our manufacturing facilities. For further information, see “*Business – Capacity and Capacity Utilization*” on page 148. Actual manufacturing capacity, production levels and utilization rates may therefore vary from the information of our manufacturing facilities included in this Draft Red Herring Prospectus or from the historical installed manufacturing

capacity information of our manufacturing facilities depending on the product type. Accordingly, undue reliance should not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

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

Our operations are subject to extensive government regulations and we are required to obtain and maintain several permits and approvals under central, state and local government rules for operating our business generally, for each of our manufacturing facilities and depots. We are also required to obtain consent to establish and operate from the state pollution control boards (where our manufacturing facilities are located), registration and licenses issued under the Factories Act, 1948 for various manufacturing facilities, and registration certificates issued under various labour laws, shops and establishment related licenses, as well as various direct and indirect taxation related registrations as may be applicable. Further, we also hold the Importer Exporter Code issued by the Ministry of Commerce & Industry, Government of India. For further information on approvals relating to our business and operations, see “*Government and other Approvals*” on page 304. Certain of these approvals, are granted for a limited duration, and are required to be renewed or extended from time to time upon expiry. We cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected.

The approvals required by us are subject to numerous conditions including, among others, limitation on discharge of effluents and hazardous wastes, quantum of raw materials to be used, and consumption of water. Further, in some cases, consent of relevant authorities is required in case there is any modification/ alteration/ change in product mix. The conditions and the obligation to renew the approval or license at regular intervals are also prescribed in such approvals and licenses. We cannot assure you that these would not be suspended or revoked in the event of accidental non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business, financial conditions, results of operations, and cash flows.

**38. *We have in this Draft Red Herring Prospectus included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the Indian medical devices industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of Indian medical device manufacturing companies, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Draft Red Herring Prospectus.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other manufacturing companies. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*” on page 283.

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

We are entitled to certain benefits under the Merchandise Exports from India Scheme. For further information on such benefits and tax incentives available to us, see “*Statement of Special Tax Benefits*” on page 101. Any newly introduced or

revised policies in relation to the tax, duties or other such levies issued by relevant tax authorities, may deprive us of our existing benefits which may adversely affect our results of operations and cash flows. We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy tax incentives. Moreover, any government policies restricting the allotment of land in areas where we intend to establish manufacturing facilities could adversely affect our plans to expand our manufacturing facilities. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business results of operations and financial condition.

***40. Our Promoters will continue to retain majority shareholding in us after the Offer, which will allow them to exercise significant influence over us and potentially create conflicts of interest.***

As on date of this Draft Red Herring Prospectus, our Promoters and members of the Promoter Group hold approximately 56.48% of the share capital of our Company. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour.

***41. We appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations, cash flows and financial condition.***

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performing certain of our ancillary operations. The numbers of contract labourers vary from time to time based on the nature and extent of work contracted to independent contractors. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. All contract labourers engaged at our manufacturing facilities are assured minimum wages that are fixed by the state government from time to time. Any upward revision of wages that may be required by the state government to be paid to such contract labourers, or offer of permanent employment or the unavailability of the required number of contract labourers, may adversely affect the business and future results of our operations.

Further, in the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract labourers as our employees, the Indian courts on a case by case basis have directed employers in the past to absorb contract labourers as employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

***42. We have incurred indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.***

We have entered into agreements with certain banks for short-term and long-term. As of May 31, 2021, we had total borrowings of ₹ 745.76 million certain of which contain restrictive covenants, including requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, change in shareholding, not approaching the capital markets for mobilizing additional resources either in the form of debt or equity, changing the management, dilution of Promoters' shareholding and undertake any new project, implement any scheme of expansion/diversification or capital expenditure or acquire fixed assets (except normal replacements) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets. Further, in terms of security, we are required to create a mortgage over our immovable properties and hypothecation of our movable properties, including by way of a pledge of our fixed deposits. Additionally, we are required to, among others, to maintain the prescribed debt coverage ratio, net total debt, fixed asset coverage ratio and net external debt. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Any fluctuations in the interest rates or downgrade in the credit ratings assigned to our debt instruments may directly impact the interest costs of such loans. Our ability to make payments on and refinance our indebtedness will depend on our continued ability to generate cash from our

future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. For further information, see “*Financial Indebtedness*” on page 296.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, foreclosure on our assets, acceleration of all amounts due under such manufacturing facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

**43. 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 past entered into transactions with certain of our Promoters, relatives of our Promoters, Directors, and enterprises over which our Directors have a significant influence. The following table sets forth a summary of the related-party transactions we entered into as per Ind AS 24, during the periods indicated:

Particulars	As of and for the Fiscal ended			Nine Months ended December 31, 2020
	March 31, 2018 (Proforma)	March 31, 2019 (Proforma)	March 31, 2020	
	(₹ million)			
<b>Transactions during the period/year</b>				
<b>Sale of products</b>				
Skaranay Europe s.r.l	7.04	5.61	15.73	26.55
<b>Interest received</b>				
Skaranay Europe s.r.l	-	-	2.12	-
<b>Remuneration to KMP or relative of KMP</b>				
Vishwaprasad Alva	9.88	22.13	16.26	73.76
K. Balasubramanian	6.54	9.02	8.25	5.98
Bhagya M G	0.63	1.04	0.89	0.72
Jayashree Balasubramanian	0.21	-	-	-
<b>Receipt of loan</b>				
K. Balasubramanian	5.00	8.20	-	-
Vishwaprasad Alva	47.30	2.98	-	-
Chayadeep Properties Private Limited	-	-	43.00	-
Agnus Capital LLP	-	-	3.67	17.94
<b>Repayment of Loan</b>				
Vishwaprasad Alva	0.55	49.73	-	-
K. Balasubramanian	-	7.20	6.00	-
Chayadeep Properties Private Limited	0.64	-	-	-
<b>Interest on loan</b>				
K. Balasubramanian	0.21	0.36	0.12	-
Vishwaprasad Alva	1.47	4.44	-	-
Agnus Capital LLP	-	-	-	0.40
Chayadeep Properties Private Limited	7.81	-	3.60	4.02
<b>Loan given</b>				
ESDM Mysore Cluster	5.59	0.67	1.27	3.02
<b>Loan repaid</b>				
ESDM Mysore Cluster	-	-	-	3.50
<b>Rent</b>				
Chayadeep Properties Private Limited	-	2.67	-	-
<b>Investment</b>				
ESDM Mysore Cluster	-	1.25	-	-
Riverview Healthcare Private Limited	7.20	-	-	-
<b>Impairment loss allowance on investment</b>				
CEI Skaranay Radiology Devices Private Limited	0.33	-	-	-
ESDM Mysore Cluster	0.03	6.84	-	-
<b>Conversion of loan/interest on loan to equity</b>				
Mysore ESDM Cluster	-	5.59	-	-
<b>Write back of loan</b>				
Chayadeep Properties Private Limited	65.00	-	-	-

Particulars	As of and for the Fiscal ended			Nine Months ended December 31, 2020
	March 31, 2018 (Proforma)	March 31, 2019 (Proforma)	March 31, 2020	
	(₹ million)			
<b>Re-imbursment of expenses</b>				
Skaranray Europe s.r.l	0.39	0.23	12.16	0.45
<b>Share application money received</b>				
Agnus Capital LLP	-	150.00	-	-
<b>Share application money refunded</b>				
Agnus Capital LLP	-	150.00	-	-
<b>Interest on Share application money</b>				
Agnus Capital LLP	-	0.77	-	-

While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For further information on our related party transactions, see "*Financial Statements – Restated Consolidated Financial Information – Note 47*" on page 255. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**44. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.**

Our Company has made provisioning for the probable liabilities arising out of direct tax matters as set out in "*Outstanding Litigations and Material Developments*" beginning on page 298. Further, our Company has made the following amount as contingent liabilities as per Ind AS 37, as of December 31, 2020, in the Restated Consolidated Financial Information.

Particulars	As at December 31, 2020
	(₹ million)
Claims against the Company not acknowledged as debt (Disputed vendor claims)	9.77
Claims against the Company not acknowledged as debt (Disputed Service Tax dues Including interest and penalties)*	12.82
<b>Total</b>	<b>22.59</b>

\*The above amount has been arrived at based on the notice of demand and the Company is contesting this claim with the respective authority. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. For further information, see "*Financial Statements*" on page 197.

**45. Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned by us for such purpose at an agreed fee. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

We have availed the services of an independent third party research agency, CRISIL Limited, to prepare an industry report titled "*Market Assessment of the Medical Device Industry in India*" dated March 2021, for an agreed fee, for purposes of inclusion of such information in this Draft Red Herring Prospectus. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. None of our Company, the Book Running Lead Managers or any other person connected with the Offer has independently verified such information. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or its respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, there is no assurance that such information is stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.



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

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

Customers of our OEM partners, may be located in and/ or may enter into transactions with end customers located in, jurisdictions to which certain OFAC-administered and other sanctions apply, such as Iran, Iraq and Syria. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to penalties, and our reputation and future business prospects could be adversely affected. Further, investors in the Equity Shares could incur reputational or other risks as a consequence. There can be no assurance that our future business will be free of risk under sanctions implemented by these jurisdictions or that we will be able to conform our business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of our or our customers' dealings in or with sanctioned countries or with persons that are the subject of such sanctions.

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

We have in the past entered into certain strategic acquisitions and mergers, and continue to selectively evaluate targets or partners for growth and strategic initiatives in order to consolidate our market position in existing businesses, strengthen and expand our product portfolio, enhance our depth of experience, knowledge-base and know-how and increase our customers and geographical reach.

We intend to utilize ₹ 1,300.00 million from our Net Proceeds to fund inorganic growth opportunities by Fiscal 2023. This amount is based on our management's estimates, considering past acquisitions made by us. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of strategic initiatives undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof.

We have entered into a binding term sheet for the acquisition of a start-up in the surgical imaging segment and continue to identify opportunities for future acquisitions. Pending finalization of acquisition, we intend to deposit the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board or IPO Committee.

It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. In the event we are unable to identify or conclude transactions for potential inorganic growth to the extent of ₹ 1,300.00 million or a part thereof by Fiscal 2023, we may utilize the balance amount for any other purposes only in accordance with Sections 13(8) and 27 of the Companies Act, 2013. This will entail an authorization by the shareholders in a general meeting by way of a special resolution to vary the object and an exit opportunity to the shareholders who do not agree to such proposal to vary the objects, in accordance with our Articles of Association and Schedule XX read with Regulation 59 of the SEBI ICDR Regulations.

Our ability to achieve benefits from past or future, strategic acquisitions and mergers, if any, will largely depend upon whether we are able to integrate the acquired businesses into the rest of our Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could significantly increase our expenses, which, without a commensurate increase in total revenue, would lead to a decrease in net revenue.

In addition, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Further, we may be subject to various obligations or restrictions under the relevant transaction tag-along rights, drag-along rights, right-of-first refusal for existing shareholders, lock-in clauses etc. These provisions may, as the case may be, prevent us from disposing or acquiring shares in the subject entities, or force us to sell or acquire shares in the subject entities where we may not otherwise have decided to.

**48. *The objects of the Offer include funding working capital requirements of our Company, which are based on certain assumptions and estimates and such working capital requirements may not be indicative of the actual requirements of our Company.***

The objects of the Offer include funding working capital requirements of our Company, which are based on management estimates and certain assumptions in relation to inter alia sales of our products in the future, the cost and holding periods of inventories of raw materials and finished goods as well as capacity utilisation. For details, see “*Objects of the Offer*” on page 89. Our working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of our Company in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

**49. *We have not yet placed orders for some of the machinery and equipment to be procured in relation to the capital expenditure for the expansion of our facility at Mysuru. In the event of any delay in placing the orders, or in the event the vendors are not able to provide the equipment in a timely manner, or at all, may result in time and cost over-runs and our business, prospects and results of operations may be adversely affected.***

We intend to utilize ₹ 419.16 million of the Net Proceeds for (i) part-financing the expansion of the manufacturing facilities at Mysuru (“**Proposed Expansion**”); and (ii) purchase of manufacturing infrastructure for the Proposed Expansion. We have received quotations from vendors for both (i) and (ii) above and such quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide the equipment in a timely manner, or at all, we may encounter time and cost overruns in setting up of the Proposed Expansion. Further, if we are unable to procure machinery and equipment from the vendors from whom we have procured quotations, we cannot assure you that we may be able to identify alternative vendors to provide us with the machinery and equipment which satisfy our requirements at acceptable prices. Our inability to procure the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations.

**50. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval which may adversely affect our business and results of operations.***

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled “*Objects of the Offer*” on page 89. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

**51. If we are subject to any frauds, theft, or embezzlement by our employees, contractors or distributors, it could adversely affect our reputation, results of operations and financial condition.**

Our operations may be subject to incidents of theft, including theft or misappropriation of intellectual property. We may also encounter some inventory loss on account of employee/ contractor/ distributor/ vendor fraud, theft, or embezzlement. Although we have set up various security measures in our manufacturing facilities, there can be no assurance that we will not experience any fraud, theft, employee negligence, loss in transit or similar incidents in the future or be able to successfully claim under such insurance policies on the occurrence of any such events, which could adversely affect our reputation, results of operations and financial condition.

**52. Certain Promoters and Directors hold Equity Shares and certain other interests in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.**

Certain of our Promoters and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding and certain other interests in our Company. We cannot assure you that our Promoters and Directors will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and Directors 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 further information on the interest of our Directors and Promoters of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management" and "Our Promoters and Promoter Group" on pages 170 and 190, respectively.

**53. We have issued Equity Shares at a price that may be lower than the Issue Price in the last 12 months.**

Except as disclosed below, our Company has not issued any Equity Shares in the last 12 months immediately preceding the date of this Draft Red Herring Prospectus at a price which may be lower than the Issue Price.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Allottees	Reason for allotment
March 3, 2021	5,944,932	10.00	97.11	Other than cash	Private placement <sup>(1)</sup>	Allotment of shares to shareholders of Skanray Healthcare Global Private Limited ("SHGPL") as consideration for acquisition of 100% stake in SHGPL.

<sup>(1)</sup> 2,439,598 Equity Shares were allotted to Skanray Healthcare Partners LLP, 2,290,277 Equity Shares were allotted to Agnus Ventures LLP, 470,642 Equity Shares were allotted to Agnus Capital LLP, 464,537 Equity Shares were allotted to Chayadeep Properties Private Limited, 279,759 Equity Shares were allotted to Ascent Capital, and 299 Equity Shares were allotted to Karuna Ventures Private Limited.

For further information, see "Capital Structure" on page 73 and "History and Certain Corporate Matters" on page 159. The price at which Equity Shares have been issued by us in the preceding one year is not indicative of the price at which it will be traded or issued.

**54. 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 not declared any dividend during the current financial year and in the last three Fiscals. For further information, see "Dividend Policy" on page 196. 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. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. As on date, our Company has not adopted any formal dividend policy. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board 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. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

## **External Risk Factors**

### ***Risks Relating to India***

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

#### ***56. The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or countries to who we export our products could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

#### ***57. A downgrade in ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020; and from BBB "stable" to BBB "negative" by DBRS in May 2020. India's sovereign ratings from S&P is BBB-with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**59. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For instance, the Taxation Laws (Amendment) Act, 2019 (the "**2019 Tax Amendment**"), a new tax amendment issued by India's Ministry of Law and Justice on December 11, 2019, prescribed certain changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt in favor of a concessional tax. Any future amendments may affect exemptions and benefits that we currently available, 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 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, 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 businesses or restrict our ability to grow our businesses in the future.

In addition, we are subject to tax related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment and GST that combined taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017.

Further, the Finance Act, 2019 stipulates any sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act, 2019 has also clarified that 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. Further, the amendments in the Indian Stamp Act, 1899 and rules made thereunder were made effective from July 1, 2020. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. . The Finance Act, 2021 has introduced various amendments and as such, there is no certainty on the impact that the Finance Act, 2021 may have on our business and operations nor can we predict whether any amendments made pursuant to the Finance Act, 2021 would have an adverse effect on our business, financial condition and results of operations or on the industry in which we operate. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require 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 affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

***60. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our clients thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our clients. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

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

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

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

**62. A third party could be prevented from acquiring control of us post this Offer, because of anti-takeover provisions under Indian law.**

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Offer. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

**63. Investors may not be able to enforce a judgment of a foreign court against us.**

Our Company is a company incorporated under the laws of India. All Directors on the Board of Directors of our Company and a majority of our employees are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for prospective investors outside India to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law then in force in India. Further, India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment.

**Risks Relating to the Equity Shares and this Offer**

**64. The trading volume and market price of the Equity Shares may be volatile following the Offer.**

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares.

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

The Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Managers through the Book Building Process. This price will be based on numerous factors, as described under “*Basis for Offer Price*” on page 99 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that you will be able to resell their Equity Shares at or above the Offer Price.

***66. The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors 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 market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of Securities Transaction Tax (“**STT**”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

Similarly, any business income realised from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset being an equity share in a company (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.



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

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

**69. *Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by the Promoters or members of our Promoter Group may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by the Promoters or members of the Promoter Group may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed by the GoI in the Consolidated FDI Policy dated October 15, 2020. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 342.

**71. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Consolidated Financial Information for Fiscal 2018, 2019 and 2020, and for the nine months ended December 31, 2020, have been prepared and presented in conformity with Ind AS. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our 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 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 Draft Red Herring Prospectus should be limited accordingly.

***72. 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 the submission of their Bid, and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Bid/ Offer Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

***73. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

***74. The requirements of being a publicly listed company may strain our resources.***

We are not a publicly 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 publicly 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, results of operations and financial condition. 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 the details of the Offer:

<b>Equity Shares offered</b>	
Offer of Equity Shares	Up to [●] Equity Shares, aggregating up to ₹[●] million
<i>of which:</i>	
Fresh Issue <sup>(1)</sup>	Up to [●] Equity Shares, aggregating up to ₹[●] million
Offer for Sale <sup>(2)</sup>	Up to 14,106,347 Equity Shares, aggregating up to ₹[●] million
The Offer comprises of:	Up to [●] Equity Shares, aggregating up to ₹ [●] million
A) QIB Portion <sup>(3)(4)</sup>	At least [●] Equity Shares
<i>of which:</i>	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
<i>of which:</i>	
(a) Mutual Fund Portion (5% of the Net QIB Portion) <sup>(5)</sup>	Up to [●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	Up to [●] Equity Shares
B) Non-Institutional Portion <sup>(4)</sup>	Not more than [●] Equity Shares
C) Retail Portion <sup>(4)</sup>	Not more than [●] Equity Shares
<b>Pre and post Offer Equity Shares</b>	
Equity Shares outstanding prior to the Offer	24,237,341 Equity Shares <sup>#</sup>
Equity Shares outstanding after the Offer	[●] Equity Shares
<b>Utilisation of Net Proceeds</b>	See “ <i>Objects of the Offer</i> ” on page 89 for information about the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale

# 3,957,425 Preference Shares are currently held by Ascent Capital and will convert into a maximum of 10,589,041 Equity Shares prior to the filing of the Red Herring Prospectus. For details, see “Capital Structure” on page 73. Upon conversion of the outstanding Preference Shares and consequent issuance of Equity Shares, the number of Equity Shares outstanding prior to the Offer will stand increased accordingly.

& A Pre-IPO Placement may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹3,500 million., consisting of a fresh issue of Equity Shares of an aggregate amount not exceeding ₹1500.00 million and a sale of Equity Shares by certain existing Shareholders of our Company for an amount not exceeding ₹2,000.00 million. The Pre – IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Issue, subject to the minimum Issue Size constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

Notes:

- The Offer has been authorised by a resolution passed by our Board of Directors in their meeting held on March 26, 2021. Our Shareholders vide a special resolution passed in their extraordinary general meeting held on March 27, 2021, authorised the Offer.
- Ascent Capital, Chayadeep Ventures LLP, Agnus Holdings Private Limited, Chayadeep Properties Private Limited, Axis Dot Ventures Pte Ltd, Vishwaprasad Alva, Girish T R, Suresh Subramanyam, Balasubramanian Kandankumarath, Vijendranath Malhotra, Sebastian Swamy, Sreedhara N, Parasuramappa Belur, K S Chandrashekara Raju, Sudheendra B Varma, Prashant A, Janardhan Bhat, Ajay Balaram Achath, Mohith Manoj, Sunil Rao, Uma Reddy, Deepika K R, Lingaraju P, Jayashree Balasubramanian, Santosh Kumar Mohan, Kotteppa Gatti, Ravishankar R K, Arun Kumar Pillai, Dipjyoti Bharali, Prema S, Siddaraju A, and Thirumaleshwara Hasandka, the Selling Shareholders, have consented to participate in the Offer for Sale. The details of their respective Offered Shares are as follows:

Sr. No.	Name of the Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of the consent letter to participate in the Offer for Sale
1.	Ascent Capital	8,000,000	March 27, 2021
2.	Chayadeep Ventures LLP	1,890,600	March 16, 2021
3.	Agnus Holdings Private Limited	1,264,865	March 16, 2021
4.	Chayadeep Properties Private Limited	1,000,000	March 16, 2021
5.	Axis Dot Ventures Pte Ltd	665,582	April 8, 2021
6.	Vishwaprasad Alva	400,000	March 12, 2021
7.	Girish T R	201,880	March 13, 2021
8.	Suresh Subramanyam	144,160	March 18, 2021
9.	Balasubramanian Kandankumarath	110,713	March 12, 2021
10.	Vijendra Nath Malhotra	73,259	March 13, 2021
11.	Sebastian Swamy	55,952	March 18, 2021

12.	Sreedhara N	48,092	March 12, 2021
13.	Parasuramappa Belur	35,088	March 26, 2021
14.	K S Chandrashekara Raju	33,693	March 12, 2021
15.	Sudheendra B Varna	26,079	March 12, 2021
16.	Prashant A	20,531	March 12, 2021
17.	Janardhan Bhat	20,000	March 12, 2021
18.	Ajay Balaram Achath	17,500	March 13, 2021
19.	Mohith Manoj	10,836	March 12, 2021
20.	Sunil Rao	10,615	March 12, 2021
21.	Uma Reddy	10,000	March 13, 2021
22.	Deepika K R	9,953	March 12, 2021
23.	Lingaraju P	9,496	March 12, 2021
24.	Jayashree Balasubramanian	9,077	March 12, 2021
25.	Santosh Kumar Mohan	6,887	March 13, 2021
26.	Koteppa Gatti	5,643	March 12, 2021
27.	Ravishankar R K	4,727	March 12, 2021
28.	Arun Kumar Pillai	4,718	March 12, 2021
29.	Dipjyoti Bharali	4,255	March 12, 2021
30.	Prema S	3,348	March 12, 2021
31.	Siddaraju A	3,307	March 12, 2021
32.	Thirumaleshwara Hasandka	1,500	March 12, 2021

*Each of the Selling Shareholders have specifically confirmed that their respective portion of the Offered Shares, have been held by each one of them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, and are accordingly eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulations.*

- (3) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see “Offer Procedure” beginning on page 328.*
- (4) *Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. 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 Offered Shares. 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. For further details, see “Offer Procedure” on page 328.*
- (5) *Subject to valid Bids being received at, or above, the Offer Price.*
- (6) *Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs, offer a Retail Discount to Retail Individual Investors in accordance with the SEBI ICDR Regulations.*

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis, subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be Allocated on a proportionate basis. For further details, see “Offer Procedure” on page 328. Further, for details in relation to the terms of the Offer, see “Terms of the Offer” on page 320. For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on pages 325 and 328, respectively.

## **SUMMARY OF FINANCIAL INFORMATION**

The summary financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto, and “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 197 and 271 respectively.

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## RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

*(All amounts in ₹ million except otherwise stated)*

Particulars	As at			
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	633.29	632.46	645.00	658.50
Capital work-in-progress	1.76	-	-	-
Right-of-use assets	45.56	50.02	56.03	59.34
Goodwill	8.73	8.73	8.73	8.73
Intangible assets	271.16	346.71	281.89	189.60
Intangible assets under development	163.05	133.57	220.43	263.27
Financial assets				
Investments	-	-	-	-
Trade receivables	-	-	39.82	-
Loans	10.06	10.32	50.54	11.62
Other financial assets	11.39	17.39	11.82	5.11
Deferred tax assets (net)	8.12	325.70	-	-
Non-current tax assets (net)	44.61	19.84	14.42	10.56
Other non-current assets	9.09	7.33	8.86	0.19
<b>Total non-current assets</b>	<b>1,206.82</b>	<b>1,552.07</b>	<b>1,337.54</b>	<b>1,206.92</b>
<b>Current assets</b>				
Inventories	775.37	560.11	514.43	536.64
Financial assets				
Trade receivables	253.08	260.30	314.58	324.21
Cash and cash equivalents	661.70	124.23	28.01	20.92
Bank balances other than cash and cash equivalents	305.82	73.95	513.64	419.67
Loans	123.07	10.56	19.24	53.89
Other financial assets	16.12	16.74	8.56	2.51
Other current assets	143.52	157.45	130.01	110.79
<b>Total current assets</b>	<b>2,278.68</b>	<b>1,203.34</b>	<b>1,528.47</b>	<b>1,468.63</b>
<b>Total assets</b>	<b>3,485.50</b>	<b>2,755.41</b>	<b>2,866.01</b>	<b>2,675.55</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity shares	182.92	182.92	182.92	182.92
Compulsorily convertible preference shares	118.72	118.72	118.72	118.72
Other equity	1,599.32	273.30	218.74	495.42
<b>Equity attributable to equity holders of the Company</b>	<b>1,900.96</b>	<b>574.94</b>	<b>520.38</b>	<b>797.06</b>
<b>Non-controlling interest</b>	<b>(0.55)</b>	<b>4.01</b>	<b>2.05</b>	<b>4.72</b>
<b>Total equity</b>	<b>1,900.41</b>	<b>578.95</b>	<b>522.43</b>	<b>801.78</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	85.82	729.04	497.08	10.34
Lease liabilities	55.91	60.48	60.39	62.02
Other financial liabilities	7.94	8.23	7.21	7.91
Provisions	141.34	105.05	100.33	85.76
<b>Total non-current liabilities</b>	<b>291.01</b>	<b>902.80</b>	<b>665.01</b>	<b>166.03</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	535.32	251.84	957.33	1,151.31
Lease liabilities	5.07	4.91	11.97	13.41
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	10.17	13.93	9.68	6.06
Total outstanding dues of creditors other than micro and small enterprises	506.86	428.94	464.51	376.36
Other financial liabilities	88.98	371.22	102.63	50.85
Other current liabilities	109.54	174.99	104.25	90.10
Provisions	38.14	27.83	28.20	19.65
<b>Total current liabilities</b>	<b>1,294.08</b>	<b>1,273.66</b>	<b>1,678.57</b>	<b>1,707.74</b>
<b>Total liabilities</b>	<b>1,585.09</b>	<b>2,176.46</b>	<b>2,343.58</b>	<b>1,873.77</b>
<b>Total equity and liabilities</b>	<b>3,485.50</b>	<b>2,755.41</b>	<b>2,866.01</b>	<b>2,675.55</b>

## RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

*(All amounts in Indian Rupees in millions, unless otherwise stated)*

Particulars	For the nine months period ended	For the year ended		
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>INCOME</b>				
Revenue from operations	3,469.33	1,456.08	1,625.13	1,319.20
Other income	35.86	74.94	44.09	100.70
<b>Total income</b>	<b>3,505.19</b>	<b>1,531.02</b>	<b>1,669.22</b>	<b>1,419.90</b>
<b>EXPENSES</b>				
Cost of materials consumed	953.18	812.64	879.88	616.77
Purchase of stock-in-trade	12.36	20.64	19.11	17.98
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(70.02)	(51.14)	15.79	31.15
Excise duty	-	-	-	6.20
Employee benefits expense	395.88	405.96	408.79	372.65
Finance costs	95.10	186.28	133.78	89.86
Depreciation and amortization expense	109.53	126.63	122.56	94.73
Other expenses	258.96	318.51	383.50	351.61
<b>Total expenses</b>	<b>1,754.99</b>	<b>1,819.52</b>	<b>1,963.41</b>	<b>1,580.95</b>
<b>Restated Profit / (loss) before exceptional items and tax</b>	<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(161.05)</b>
Exceptional items	-	-	-	72.18
<b>Restated Profit / (loss) before tax</b>	<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(233.23)</b>
Tax expense / (credit)				
Current tax	103.35	-	-	-
Deferred tax	319.55	(326.11)	-	-
<b>Total tax expense / (credit)</b>	<b>422.90</b>	<b>(326.11)</b>	<b>-</b>	<b>-</b>
<b>Restated Profit / (loss) for the period / year</b>	<b>1,327.30</b>	<b>37.61</b>	<b>(294.19)</b>	<b>(233.23)</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Remeasurement of post employment benefit obligations - gain / (loss)	(8.93)	6.16	(6.02)	2.29
Income tax on above	2.25	(1.58)	-	-
Items that will be reclassified to profit or loss				
Exchange gain/(loss) on translation of financial statements of foreign subsidiary	1.12	(4.58)	2.21	8.89
Income tax on above	(0.28)	1.17	-	-
<b>Total Other comprehensive income</b>	<b>(5.84)</b>	<b>1.17</b>	<b>(3.81)</b>	<b>11.18</b>
<b>Total Restated comprehensive income / (loss) for the period / year</b>	<b>1,321.46</b>	<b>38.78</b>	<b>(298.00)</b>	<b>(222.05)</b>
<b>Restated Profit / (loss) for the period / year attributable to:</b>				
Equity shareholders of the Company	1,326.61	48.27	(284.50)	(231.47)
Non-controlling interests	0.69	(10.66)	(9.69)	(1.76)
	<b>1,327.30</b>	<b>37.61</b>	<b>(294.19)</b>	<b>(233.23)</b>
<b>Other Restated comprehensive income for the period / year:</b>				
Equity shareholders of the Company	(2.59)	0.21	(3.19)	11.18
Non-controlling interests	(3.25)	0.96	(0.62)	-
	<b>(5.84)</b>	<b>1.17</b>	<b>(3.81)</b>	<b>11.18</b>
<b>Total Restated Comprehensive income for the period / year:</b>				
Equity shareholders of the Company	1,324.02	48.48	(287.69)	(220.29)
Non-controlling interests	(2.56)	(9.70)	(10.31)	(1.76)
	<b>1,321.46</b>	<b>38.78</b>	<b>(298.00)</b>	<b>(222.05)</b>
<b>Earnings per equity share (of Rs. 10/- each)</b>				
Basic (Rs.)	45.75	1.34	(10.32)	(8.98)
Diluted (Rs.)	45.75	1.34	(10.32)	(8.98)

## RESTATED CONSOLIDATED STATEMENT OF CASH FLOWS

*(All amounts in Indian Rupees in millions, unless otherwise stated)*

Particulars	For the nine months period ended	For the year ended		
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Cash Flow from operating activities</b>				
<b>Profit / (loss) before tax</b>	<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(233.23)</b>
<b>Adjustments for</b>				
Depreciation and amortization expenses	109.53	126.63	122.56	94.73
Allowance for expected credit losses	-	0.80	34.83	-
Provision for diminution in the value of investment	-	-	6.85	-
Liabilities no longer required written back	(13.78)	(19.14)	(4.44)	(83.49)
Bad debts written off	2.16	1.20	16.08	5.01
(Profit) / loss on sale of property, plant and equipment	-	-	0.93	0.03
Intangible asset written-off	-	-	6.73	-
Loss on sale of investments	-	-	-	7.20
Finance cost	95.10	186.28	133.78	81.83
Interest income	(13.71)	(33.44)	(37.02)	(14.01)
Unwinding of interest on financial assets	(0.10)	(0.20)	(0.25)	(0.20)
Write-off of doubtful investments	-	-	-	64.98
Net unrealized exchange loss	4.00	(1.09)	2.26	1.66
<b>Operating profit before changes in working capital</b>	<b>1,933.40</b>	<b>(27.46)</b>	<b>(11.88)</b>	<b>(75.49)</b>
Changes in working capital				
(Increase)/decrease in inventories	(215.26)	(45.68)	22.21	(22.49)
(Increase)/decrease in trade receivables	9.98	101.59	(74.56)	(3.62)
(Increase)/decrease in other non-current and current assets	(115.29)	11.27	(34.70)	(75.85)
Increase/(decrease) in trade payables	85.27	(14.86)	93.14	46.86
Increase/(decrease) in provisions	37.47	10.51	17.10	24.71
Increase/(decrease) in other non-current and current liabilities	(58.69)	80.32	22.48	10.85
<b>Cash generated from operations</b>	<b>1,676.88</b>	<b>115.69</b>	<b>33.79</b>	<b>(95.03)</b>
Income taxes (paid) / refund (net)	(128.12)	(5.42)	(3.86)	0.52
<b>Net cash flow from operating activities (A)</b>	<b>1,548.76</b>	<b>110.27</b>	<b>29.93</b>	<b>(94.51)</b>
<b>Cash Flows from investing activities</b>				
Capital expenditure on property plant equipment and intangible assets	(58.16)	(84.44)	(153.41)	(126.07)
Proceeds from sale of property, plant & equipment	-	-	-	0.01
Payments to acquire investments	-	-	(6.85)	(15.93)
Interest received	25.83	19.66	24.53	12.75
Bank balance not considered as cash and cash equivalents	(225.87)	439.72	(94.24)	(136.59)
<b>Net cash flow from/(used in) investing activities</b>	<b>(258.20)</b>	<b>374.94</b>	<b>(229.97)</b>	<b>(265.83)</b>
<b>Cash flows from financing activities</b>				
Proceeds from long term borrowings	1.36	651.87	501.67	9.30
Repayment of long term borrowings	(924.42)	(181.87)	(11.83)	(16.98)
Proceeds / (repayment) from / (of) short term borrowings (net)	283.48	(705.49)	(193.98)	451.00
Proceeds from issue of shares in subsidiary	-	22.83	18.65	-
Payments of lease liabilities	(11.89)	(16.34)	(18.45)	(15.97)
Proceeds from issue of preference shares	-	-	80.00	-
Interest paid	(101.62)	(159.99)	(168.93)	(54.69)
<b>Net cash flow from/(used in) financing activities</b>	<b>(753.09)</b>	<b>(388.99)</b>	<b>207.13</b>	<b>372.66</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>537.47</b>	<b>96.22</b>	<b>7.09</b>	<b>12.32</b>
Cash and cash equivalents at beginning of the year	124.23	28.01	20.92	8.60
<b>Cash and cash equivalents at the end of the period / year</b>	<b>661.70</b>	<b>124.23</b>	<b>28.01</b>	<b>20.92</b>
<b>Comprises:</b>				
Cash-on-hand	0.04	0.04	0.02	0.02
Balances with banks in:				



Particulars	For the nine months period ended	For the year ended		
	December 31, 2020	March 31, 2020	March 31, 2019	March 31, 2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Current accounts	74.51	64.63	10.18	8.08
EEFC accounts	8.05	5.91	16.36	-
Deposits account (maturing within a period of 3 months)	579.10	53.65	1.45	12.82
<b>Total</b>	<b>661.70</b>	<b>124.23</b>	<b>28.01</b>	<b>20.92</b>
<b>Reconciliation of changes in cashflows arising from financing activities</b>				
<b>Opening balance</b>				
Non-current borrowings	729.04	497.08	10.34	4.84
Current borrowings	251.84	957.33	1,151.31	700.31
Current maturities of long-term borrowings	323.56	85.52	2.42	80.60
Interest accrued but not due on borrowings	22.08	0.16	40.35	18.48
Non-current lease liabilities	60.48	60.39	62.02	56.41
Current lease liabilities	4.91	11.97	13.41	10.70
<b>Total</b>	<b>1,391.91</b>	<b>1,612.45</b>	<b>1,279.85</b>	<b>871.34</b>
<b>Movement</b>				
Proceeds from long term borrowings	1.36	651.87	501.67	9.30
Repayment of long term borrowings	(924.42)	(181.87)	(11.83)	(81.98)
Proceeds / (repayment) from / (of) short term borrowings (net)	283.48	(705.49)	(193.98)	451.00
Proceeds from issue of shares in subsidiary	-	22.83	18.65	-
Payments of lease liabilities	(11.89)	(16.34)	(18.45)	(15.97)
Proceeds from issue of preference shares	-	-	80.00	-
Interest paid	(101.62)	(159.99)	(168.93)	(54.69)
<b>Total</b>	<b>(753.09)</b>	<b>(388.99)</b>	<b>207.13</b>	<b>307.66</b>
<b>Closing balance</b>				
Non-current borrowings	85.82	729.04	497.08	10.34
Current borrowings	535.32	251.84	957.33	1,151.31
Current maturities of long-term borrowings	43.74	323.56	85.52	2.42
Interest accrued but not due on borrowings	12.63	22.08	0.16	40.35
Non-current lease liabilities	55.91	60.48	60.39	62.02
Current lease liabilities	5.07	4.91	11.97	13.41
<b>Total</b>	<b>738.49</b>	<b>1,391.91</b>	<b>1,612.45</b>	<b>1,279.85</b>

## GENERAL INFORMATION

Our Company was incorporated as Skanray Technologies Private Limited, a private limited company, at Bengaluru under the Companies Act, 1956 on February 14, 2007 and was granted the certificate of incorporation by the Registrar of Companies, Karnataka at Bengaluru (“RoC”). Subsequently, the name of the Company was changed to Skanray Technologies Limited pursuant to a special resolution passed by the shareholders of the Company on March 8, 2021, and a fresh certificate of incorporation dated March 19, 2021 was issued by the RoC consequent upon change of name and conversion into a public limited company under the Companies Act, 2013. For further details of change in name and registered office of the Company, see “History and Certain Corporate Matters” on page 159.

### Registered and Corporate Office

The address and certain other details of our registered and corporate office are as follows:

Skanray Technologies Limited  
Plot No. 15-17, Hebbal Industrial Area  
Mysore – 570 016  
Karnataka, India  
Telephone: +91 821 2415559  
Email: investors@skanray.com

The registration number and corporate identity number of our Company are as follows:

- Registration number: 041774
- Corporate identity number: U72200KA2007PLC041774

### Address of the RoC

#### Registrar of Companies, Karnataka at Bengaluru

'E' Wing, 2nd Floor  
Kendriya Sadana  
Kormangala, Bengaluru – 560 034  
Karnataka, India

### Company Secretary and Compliance Officer

Bhagya M G  
Plot No. 15-17, Hebbal Industrial Area  
Mysore – 570 016  
Tel: +91 821 2415559  
Fax: + 91 821 2403344  
Email: investors@skanray.com

### Board of Directors

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

Name of Director	Designation	DIN	Address
Vishwaprasad Alva	Chairman and Managing Director	01240253	No.2406, Suprasad, 8th Main, 4th Cross Vijayanagar II Stage. Mysuru – 570 017, Karnataka, India
Balasubramanian Kandankumarath	Executive Director	02058807	#303, 6th Main, Srinivasa Residency, VV Mohalla, Mysuru – 570002 Karnataka, India
Deepak Komaregowda	Nominee Director	03298261	Adarsh Palm Retreat Villa #262, Devarabeesanahalli Outer Ring Road, Bengaluru – 560 037, Karnataka, India
Doddaballapur Achutarao Prasanna	Independent Director	00253371	Casa Laguna, 6/3, Gangadhar Road, Ulsoor, Bengaluru – 560042, Karnataka, India
Reena Pandey	Independent Director	0009114515	A-303, IFS Apartments, Plot GH 24, Sector 56, Gurgaon – 122011, Haryana, India

Harish Hassan Visweswara	Independent Director	08742808	641, 22 <sup>nd</sup> Main, Jayanagar, 4T Block, Near Jayanagar General Hospital, Bengaluru – 560041, Karnataka, India
Jayashree Satagopan	Additional Director (Independent)	06922300	B 902, Fortune Towers, Hi Tech City Main Road, Madhapur, Hyderabad – 500 081, Telangana, India

For further details of our Board of Directors, see “*Our Management*” on page 170.

### Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI in relation to “*Easing of Operational Procedure – Division of Issues and Listing – CFD*”.

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

### Book Running Lead Managers

#### Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, Rahimtullah, Sayani Road,  
Opposite Parel ST Depot, Prabhadevi,  
Mumbai - 400 025,  
Maharashtra, India  
Tel: +91 22 7193 4380  
E-mail: [skanray.ipo@motilaloswal.com](mailto:skanray.ipo@motilaloswal.com)  
Investor Grievance  
[moiaplredressal@motilaloswal.com](mailto:moiaplredressal@motilaloswal.com)  
Website: [www.motilaloswalgroup.com](http://www.motilaloswalgroup.com)  
Contact Person: Subodh Mallya  
SEBI Registration No.: INM000011005

#### ICICI Securities Limited

ICICI Centre  
H.T. Parekh Marg, Churchgate  
Mumbai 400 020  
Maharashtra, India  
Tel: +91 22 2288 2460/70  
E-mail: [skanray.ipo@icicisecurities.com](mailto:skanray.ipo@icicisecurities.com)  
Investor Grievance  
[customercare@icicisecurities.com](mailto:customercare@icicisecurities.com)  
Website: [www.icicisecurities.com](http://www.icicisecurities.com)  
Contact person: Anurag Byas  
SEBI Registration No.: INM000011179

#### Nomura Financial Advisory and Securities (India) Private Limited

Ceejay House, Level 11 Plot F,  
Shivsagar Estate, Dr. Annie Besant Road,  
Worli, Mumbai 400 018  
Maharashtra, India  
Tel: +91 22 4037 4037  
E-mail: [skanrayipo@nomura.com](mailto:skanrayipo@nomura.com)  
Investor grievance e-mail: [investorgrievances-in@nomura.com](mailto:investorgrievances-in@nomura.com)  
Website:  
[www.nomuraholdings.com/company/group/asia/india/index.html](http://www.nomuraholdings.com/company/group/asia/india/index.html)  
Contact Person: Vishal Kanjani / Aneesha Chandra  
SEBI Registration No: INM000011419

### Syndicate Members

[•]

### Legal Counsel to the Company as to Indian Law

#### Khaitan & Co

Embassy Quest  
3<sup>rd</sup> Floor, 45/1 Magrath Road  
Bengaluru – 560 025  
Karnataka, India

Telephone: +91 80 4339 7000

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

**IndusLaw**

1502B, 15th Floor,  
Tower – 1C, "One World Centre",  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400013, India  
Telephone: +91 22 4920 7200

**International Legal Counsel to the Offer**

**Squire Patton Boggs (MEA) LLP**

Dubai International Financial Centre (DIFC)  
Burj Daman Office Tower, Level 10  
P.O. BOX 111713  
Dubai, United Arab Emirates  
**Telephone:** +971 4 447 8700

**Statutory Auditors to our Company**

**Deloitte Haskins & Sells**

Chartered Accountants  
Deloitte Centre  
Prestige Trade Tower, Level 17  
46, Palace Road, High Grounds,  
Bengaluru - 560001  
Karnataka, India  
Tel: +91 80 6188 6000  
Email: smghanekar@deloitte.com  
Firm Registration Number: 008072S  
Peer Review Certificate Number: 011620

There has been no change in our statutory auditors in the three years preceding the date of this Draft Red Herring Prospectus.

**Registrar to the Offer**

**Link Intime India Private Limited**

C101, 247 Park  
L.B.S. Marg, Vikhroli (West)  
Mumbai - 400 083  
Tel: +91 22 4918 6200  
Email: skanray.ipo@linkintime.co.in  
Investor grievance email: skanray.ipo@linkintime.co.in  
Website: www.linkintime.co.in  
Contact Person: Shanti Gopalkrishnan  
SEBI Registration No.: INR000004058

**Bankers to the Offer Escrow Collection Bank(s)**

[•]

**Refund Bank(s)**

[•]

**Public Offer Bank(s)**

[•]

### **Sponsor Bank**

[•]

### **Designated Intermediaries Self-Certified Syndicate Banks**

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website from time to time.

### **Syndicate SCSB Branches**

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

### **Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at [www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?) and [www.nseindia.com/products/content/equities/ipos/ipo\\_mem\\_terminal.htm](http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm), respectively, as updated from time to time.

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

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

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and on the website of NSE at [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

### **Experts**

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

Our Company has received written consent dated June 27, 2021 from Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an "expert" as defined under section 2(38) 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 June 12, 2021 on our Restated Consolidated Financial Information, and written consent dated June 27, 2021 from Deloitte Haskins & Sells, Chartered Accountants to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of their report dated June 12, 2021 on the Proforma Financial Information, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof shall not be construed to mean an “expert” or consent as defined under the U.S. Securities Act.

Our Company has also received written consent dated June 21, 2021 from Gargesh & Co, Chartered Accountants to include to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their report dated June 21, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

In addition, our Company has received written consent dated June 18, 2021 from R S Prakash, Chartered Engineer, as chartered engineer to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of his certificate dated June 18, 2021 on the Company’s manufacturing capacity and its utilization at certain manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Monitoring Agency**

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

### **Appraising Entity**

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

### **Credit Rating**

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

### **IPO Grading**

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

### **Debenture Trustees**

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

### **Green Shoe Option**

No green shoe option is contemplated under the Offer.

### **Inter-se allocation of responsibilities**

#	Activity	Responsibility	Coordinator
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 finalization of Prospectus and RoC filing	Motilal, Nomura, I-Sec	Motilal
2	Drafting and approval of all statutory advertisement	Motilal, Nomura, I-Sec	Motilal
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	Motilal, Nomura, I-Sec	I-Sec
4	Appointment of Intermediaries i.e., Registrar, advertising agency, printers, Banker(s) to the Offer, Monitoring Agency and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Motilal, Nomura, I-Sec	I-Sec

5	Preparation of road show presentation	Motilal, Nomura, I-Sec	Nomura
7	International Institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>▪ Institutional marketing strategy;</li> <li>▪ Finalizing the list and division of international investors for one-to-one meetings; and</li> <li>▪ Finalizing international road show and investor meeting schedule</li> <li>▪ Preparation of frequently asked questions</li> </ul>	Motilal, Nomura, I-Sec	Nomura
	Domestic Institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>▪ Institutional marketing strategy;</li> <li>▪ Finalizing the list and division of domestic investors for one-to-one meetings; and</li> <li>▪ Finalizing domestic road show and investor meeting schedule</li> </ul>	Motilal, Nomura, I-Sec	Motilal
9	Retail marketing of the Offer, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> <li>▪ Finalising media, marketing and public relations strategy;</li> <li>▪ Finalising centres for holding conferences for brokers, etc;</li> <li>▪ Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and</li> <li>▪ Finalising collection centres</li> </ul>	Motilal, Nomura, I-Sec	I-Sec
10	Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> <li>▪ Finalizing media, marketing and public relations strategy;</li> <li>▪ Finalizing centres for holding conferences for brokers, etc.;</li> </ul>	Motilal, Nomura, I-Sec	Motilal
11	Managing the book and finalization of pricing in consultation with the Company	Motilal, Nomura, I-Sec	Nomura
12	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination and intimation of anchor allocation.	Motilal, Nomura, I-Sec	I-Sec
13	Post- Offer activities, which shall involve essential follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising our Company about the closure of the Offer, 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- Offer activity such as Registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer.	Motilal, Nomura, I-Sec	Motilal

## Book Building Process

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

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

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

For further details on the method and procedure for Bidding, see “Offer Structure” and “Offer Procedure” on pages 325 and 328, respectively.

### Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

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

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

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

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

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

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.



## CAPITAL STRUCTURE

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

Sr. No.	Particulars	Aggregate nominal value (in ₹)	Aggregate value at Offer Price (in ₹)*
<b>A</b>	<b>AUTHORISED SHARE CAPITAL <sup>(1)</sup></b>		
	25,000,000 Equity Shares of face value of ₹10 each	250,000,000	-
	4,000,000 Preference Shares <sup>#</sup> of face value of ₹30 each	120,000,000	-
	130,000 Redeemable Preference Shares of face value ₹1,000 each	130,000,000	
	<b>Total</b>	<b>500,000,000</b>	<b>-</b>
<b>B</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	24,237,341 Equity Shares of face value of ₹10 each	242,373,410	-
	3,957,425 Preference Shares <sup>#</sup> of face value of ₹30 each	118,722,750	
	80,000 Redeemable Preference Shares of face value ₹1,000 each	80,000,000	
	<b>Total</b>	<b>441,096,110</b>	
<b>C</b>	<b>PRESENT OFFER</b>		
	Up to [●] Equity Shares of face value of ₹10 each <i>which includes</i>	[●]	[●]
	Fresh Issue of up to [●] Equity Shares of face value of ₹10 each, aggregating up to ₹[●] million <sup>(2)(4)</sup>	[●]	[●]
	Offer for Sale <sup>(3)</sup> of up to 14,106,347 Equity Shares of face value of ₹10 each by the Selling Shareholders, aggregating up to ₹[●] million	141,063,470	[●]
<b>E</b>	<b>ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE OFFER</b>		
	[●] Equity Shares of face value of ₹10 each	[●]	[●]
	[●] Preference Shares <sup>#</sup> of face value of ₹30 each	[●]	-
	[●] Redeemable Preference Shares of face value ₹1,000 each		
	<b>Total</b>	[●]	[●]
<b>F</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Before the Offer		1,537,198,072
	After the Offer		[●]

\* To be included upon finalisation of Offer Price

# 3,957,425 Preference Shares are currently held by Ascent Capital and will convert into a maximum of 10,589,041 Equity Shares prior to the filing of the Red Herring Prospectus. For details of the terms of conversion of the Preference Shares, please see "Capital Structure – Terms of Conversion of Preference Shares" on page 76.

- (1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 159.
- (2) The Fresh Issue has been authorized by our Board of Directors pursuant to a resolution passed on March 26, 2021, and by our Shareholders pursuant to the special resolution passed on March 27, 2021.
- (3) Each Selling Shareholder confirms that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. Each of the Selling Shareholders have confirmed and authorized their respective participation in the Offer for Sale. For details on the authorization by each Selling Shareholder in relation to the Offered Shares, see "The Offer" on page 59.
- (4) A Pre-IPO Placement may be undertaken by our Company, in consultation with the BRLMs, for an aggregate amount not exceeding ₹3,500 million, consisting of a fresh issue of Equity Shares of an aggregate amount not exceeding ₹1500.00 million and a sale of Equity Shares by certain existing Shareholders of our Company for an amount not exceeding ₹2,000.00 million. The Pre – IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs and will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Fresh Issue, subject to the minimum Issue Size constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

### Notes to the Capital Structure

#### 1. Share Capital History of our Company

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

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
February 9, 2007	10,000	10.00	10.00	Cash	Initial subscription to MoA <sup>(1)</sup>	10,000	100,000
January 3, 2008	11,000	10.00	10.00	Cash	Preferential allotment <sup>(2)</sup>	21,000	2,10,000
November 9, 2009	229,000	10.00	10.00	Cash	Preferential allotment <sup>(3)</sup>	250,000	2,500,000
January 4, 2010	21,000	10.00	10.00	Cash	Preferential allotment <sup>(4)</sup>	271,000	2,710,000
May 26, 2010	113,929	10.00	14.00	Cash	Preferential allotment <sup>(5)</sup>	384,929	3,849,290
May 26, 2010	1,264,865	10.00	34.79	Cash	Preferential allotment <sup>(6)</sup>	1,649,794	16,497,940
May 26, 2010 <sup>#</sup>	3,098,824	10	10	Cash	Preferential allotment <sup>(7)</sup>	4,748,618	47,486,180
May 26, 2010	36,247	10	17	Cash	Preferential allotment <sup>(8)</sup>	4,784,865	47,848,650
May 26, 2010	80,000	10.00	12.50	Cash	Preferential allotment <sup>(9)</sup>	4,864,865	48,648,650
September 26, 2011	2,000,000	10.00	10.00	Cash	Preferential allotment <sup>(10)</sup>	6,864,865	68,648,650
October 16, 2012	287,438	10.00	34.79	Cash	Preferential allotment <sup>(11)</sup>	7,152,303	71,523,030
October 16, 2012	665,582	10.00	67.61	Cash	Conversion of compulsorily convertible preference shares of face value ₹1,000 each <sup>(12)</sup>	7,817,885	78,178,850
October 16, 2012	750,000	10.00	10.00	Cash	Preferential allotment <sup>(13)</sup>	8,567,885	85,678,850
December 18, 2012	915,987	10.00	10.30	Cash	Preferential allotment <sup>(14)</sup>	9,483,872	94,838,720
December 18, 2012	28,744	10.00	34.79	Cash	Preferential allotment <sup>(15)</sup>	9,512,616	95,126,160
March 30, 2013	23,705	10.00	22.00	Cash	Preferential allotment <sup>(16)</sup>	9,536,321	95,363,210
March 30, 2013	15,488	10.00	10.30	Cash	Preferential allotment <sup>(17)</sup>	9,551,809	95,518,090
August 29, 2013	66,171	10.00	157.05	Cash	Preferential allotment <sup>(18)</sup>	9,617,980	96,179,800
October 29, 2013	11,782	10.00	157.00	Cash	Preferential allotment <sup>(19)</sup>	9,629,762	96,297,620
November 13, 2013	347,374	10.00	10.00	Cash	Preferential allotment <sup>(20)</sup>	9,977,136	99,771,360
December 4, 2013	58,919	10.00	157.04	Cash	Preferential allotment <sup>(21)</sup>	10,036,055	100,360,550
January 28, 2014	230,269	10.00	10.00	Cash	Preferential allotment <sup>(22)</sup>	10,266,324	102,663,240
March 6, 2014	80,000	10.00	295.63	Cash	Preferential allotment <sup>(23)</sup>	10,346,324	103,463,240
September 30, 2014	6,685,956	10.00	NA	Other than Cash	Upon amalgamation with Skanray Healthcare Private Limited <sup>(24)</sup>	17,032,280	170,322,800
February 27, 2015 <sup>#</sup>	942,810	10.00	155.00	Cash	Private placement <sup>(25)</sup>	17,975,090	179,750,900
March 13, 2015 <sup>#</sup>	297,281	10.00	155.00	Cash	Private placement <sup>(26)</sup>	18,272,371	182,723,710

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
April 29, 2015	20,038	10.00	155.00	Cash	Private placement <sup>(27)</sup>	18,292,409	182,924,090
March 3, 2021	5,944,932	10.00	97.11	Other than cash	Private placement <sup>(28)</sup>	24,237,341	242,373,410

# There have been certain errors in the form filings made by our Company for these allotments. For details, please see "Risk Factors – There have been certain inadvertent inaccuracies, delays and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected" on page 41.

1. 2,500 Equity Shares were allotted to Vishwaprasad Alva, 2,500 Equity Shares were allotted to H R Alva, 2,500 Equity Shares were allotted to Biju S Nathan, and 2,500 Equity Shares were allotted to Suresh Kayanadath
2. 10,000 Equity Shares were allotted to T Prabhakar Shetty and 1,000 Equity Shares were allotted to D P Umesh
3. 89,000 Equity Shares were allotted to Vishwaprasad Alva; 90,000 Equity Shares were allotted to K. Balasubramanian and 50,000 Equity Shares were allotted to Kasi Viswanathan
4. 21,000 Equity Shares were allotted to Vishwaprasad Alva
5. 46,429 Equity Shares were allotted to T Chamundeshwari, 28,571 Equity Shares were allotted to Shailaja Kulakkodlu, 21,429 Equity Shares were allotted to Harihara Chembarpu, and 17,500 Equity Shares were allotted to Ajay Balram Achath
6. 1,264,865 Equity Shares were allotted to Agnus Holdings Private Limited
7. 1,025,383 Equity Shares were allotted to Vishwaprasad Alva, 250,000 Equity Shares were allotted to Uma Reddy, 224,796 Equity Shares were allotted to K Balasubramanian, 201,880 Equity Shares were allotted to Girish T R, 175,439 Equity Shares were allotted to Parasuramappa Belur, 161,128 Equity Shares were allotted to Chandra Shekhara Raju, 153,640 Equity Shares were allotted to Soundara Rajan Manthiri, 144,160 Equity Shares were allotted to Suresh Subhramanyam, 128,761 Equity Shares were allotted to Janardhan G Bhat, 104,226 Equity Shares were allotted to Kumar V R, 102,286 Equity Shares were allotted to B Sudheendra Varna, 102,021 Equity Shares were allotted to Kasi Viswanathan, 100,000 Equity Shares were allotted to Sreenivasa Rao Makineni, 64,900 Equity Shares were allotted to Pothapragada Pavan Kumar, 40,323 Equity Shares were allotted to Sreedhara N, 32,432 Equity Shares were allotted to Mohit Manoj, 23,960 Equity Shares were allotted to Pramod Kumar, 22,146 Equity Shares were allotted to Koteppa Gatti, 18,306 Equity Shares were allotted to Lingaraju P, 5,000 Equity Shares were allotted to Ramana Gowda, 4,780 Equity Shares were allotted to Vasundhara R, 3,357 Equity Shares were allotted to Ajith Kumar Rai, 1,650 Equity Shares were allotted to B S Ramamurthy, 1,650 Equity Shares were allotted to Deepika K R, 1,650 Equity Shares were allotted to H G Keshava Prasad, 1,650 Equity Shares were allotted to Jayashree Balasubramanian, 1,650 Equity Shares were allotted to Prema S, and 1,650 Equity Shares were allotted to S L Sriram
8. 36,247 Equity Shares were allotted to Sebastian Swamy
9. 80,000 Equity Shares were allotted to Nikhita Purhohit
10. 2,000,000 Equity Shares were allotted to Agnus Capital LLP
11. 287,438 Equity Shares were allotted to Naresh Malhotra
12. 665,582 Equity Shares were allotted to Agnus Global Holdings Pte, Singapore upon conversion of compulsorily convertible preference shares of face value ₹1,000 each
13. 750,000 Equity Shares were allotted to Agnus Capital LLP
14. 250,876 Equity Shares were allotted to Vishwaprasad Alva, 206,712 Equity Shares were allotted to Balasubramanian K, 188,752 Equity Shares were allotted to Kasi Viswanathan, 61,146 Equity Shares were allotted to Janardhan G Bhat, 28,107 Equity Shares were allotted to B Sudheendra Varna, 28,075 Equity Shares were allotted to Lingaraju P, 22,495 Equity Shares were allotted to Vasundhara R, 21,748 Equity Shares were allotted to Mohit Manoj, 20,531 Equity Shares were allotted to Prashanth, 18,404 Equity Shares were allotted to Pramod Kumar, 16,740 Equity Shares were allotted to Prema S, 10,000 Equity Shares were allotted to Sumil Rao, 9,953 Equity Shares were allotted to Deepika K R, 8,551 Equity Shares were allotted to Jayashree Balasubramanian, 7,769 Equity Shares were allotted to Sreedhara N, 6,069 Equity Shares were allotted to Koteppa Gatti, 4,009 Equity Shares were allotted to Dipjyothi Bharali, 3,593 Equity Shares were allotted to Keshava Prasad H G, and 2,457 Equity Shares were allotted to K S Chandrashekara Raju
15. 28,744 Equity Shares were allotted to Jegatheesan S
16. 23,705 Equity Shares were allotted to Sebastian Swamy
17. 6,488 Equity Shares were allotted to Santhosh Mohan, 5,000 Equity Shares were allotted to Siddaraju A, 2,000 Equity Shares were allotted to Thirumaleshwara Hasandka, 1,000 Equity Shares were allotted to Jayashree K R, and 1,000 Equity Shares were allotted to Jayashree T R
18. 66,171 Equity Shares were allotted to Ascent Capital
19. 11,782 Equity Shares were allotted to Ascent Capital
20. 167,605 Equity Shares were allotted to Vishwaprasad Alva, 49,976 Equity Shares were allotted to Balasubramanian K, 32,282 Equity Shares were allotted to Kasi Viswanathan A, 27,271 Equity Shares were allotted to Janardhan G Bhat, 24,362 Equity Shares were allotted to K S Chandrashekara Raju, 18,018 Equity Shares were allotted to Sudheendra Varna B, 13,173 Equity Shares were allotted to Parasuramappa Belur, 7,765 Equity Shares were allotted to Mohit Manoj, and 6,922 Equity Shares were allotted to Lingaraju P
21. 58,919 Equity Shares were allotted to Ascent Capital
22. 230,269 Equity Shares were allotted to Vishwaprasad Alva
23. 80,000 Equity Shares were allotted to Vishwaprasad Alva
24. Pursuant to the scheme of amalgamation entered into by Skanray Healthcare Private Limited, our Company, and their respective shareholders, 9,453 fully paid – up Equity Shares were to be issued for every 10,000 equity shares of face value ₹10 held by the shareholders of Skanray Healthcare Private Limited in Skanray Healthcare Private Limited. Accordingly, 1,950,000 Equity Shares were allotted to Agnus Capital LLP, 1,890,600 Equity Shares were allotted to Chayadeep Ventures LLP, 2,363,250 Equity Shares were allotted to Chayadeep Properties Private Limited, 472,650 Equity Shares were allotted to Skanray Healthcare Partners LLP, 4,727 Equity Shares were allotted to Ravishankar R K, 4,718 Equity Shares were allotted to Arun Kumar Pillai, 10 Equity Shares were allotted to Karuna Ventures Private Limited, and one Equity Share was allotted to Vishwaprasad Alva
25. 668,794 Equity Shares were allotted to Agnus Capital LLP, and 274,016 Equity Shares were allotted to Ascent Capital
26. 254,101 Equity Shares were allotted to Vishwaprasad Alva, 17,670 Equity Shares were allotted to Naresh Malhotra, 15,369 Equity Shares were allotted to Uma Reddy, 3,990 Equity Shares were allotted to Dr Pohtapragada Pavan Kumar, 3,297 Equity Shares were allotted to Saritha P A, and 2,854 Equity Shares were allotted to T Chamundeshwari
27. 14,139 Equity Shares were allotted to Vijendra Nath Malhotra and 5,899 Equity Shares were allotted to Vishwaprasad Alva
28. 2,439,598 Equity Shares were allotted to Skanray Healthcare Partners LLP, 2,290,277 Equity Shares were allotted to Agnus Ventures LLP, 470,642 Equity Shares were allotted to Agnus Capital LLP, 464,357 Equity Shares were allotted to Chayadeep Properties Private Limited, 279,759 Equity

Shares were allotted to Ascent Capital, and 299 Equity Shares were allotted to Karuna Ventures Private Limited as consideration for the acquisition of Skanray Healthcare Global Private Limited. For details, see "History and Certain Corporate Matters" on page 159.

b) The history of the Redeemable Preference Share capital of our Company is set forth in the table below:

Date of allotment	Number of Redeemable Preference Shares allotted	Face value per Redeemable Preference Share (₹)	Issue price per Redeemable Preference Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Redeemable Preference Shares	Cumulative paid-up Redeemable Preference Share capital
August 10, 2018	80,000	1,000.00	1,000.00	Cash	Private Placement <sup>(1)</sup>	80,000	80,000,000

1. 80,000 Redeemable Preference Shares were allotted to Agnus Capital LLP

c) The history of the Preference Share capital of our Company is set forth in the table below:

Date of allotment	Number of Preference Shares allotted	Face value per Preference Share (₹)	Issue price per Preference Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital
August 29, 2013	1,978,713	30.00	157.05	Cash	Preferential allotment <sup>(1)</sup>	1,978,713	59,361,390
December 4, 2013	1,978,712	30.00	157.04	Cash	Preferential allotment <sup>(2)</sup>	3,957,425	118,722,750

1. 1,978,713 Preference Shares were allotted to Ascent Capital.

2. 1,978,712 Preference Shares were allotted to Ascent Capital.

#### Terms of Conversion of Preference Shares:

Our Company has a total of 3,957,425 Preference Shares outstanding as on the date of this Draft Red Herring Prospectus. In accordance with the terms of the Preference, the Preference Shares will convert into a maximum of 10,589,041 Equity Shares.

Under the terms of the Preference Shares and in accordance with our Articles of Association, the holders of the Preference Shares have an option to convert the Preference Shares held by them into Equity Shares at any time during or after the completion of the Pre – IPO Placement of the Company but must compulsorily convert the Preference Shares held by them prior to filing the Red Herring Prospectus, or a draft thereof with SEBI. Further, no additional consideration is payable by the holders of the Preference Shares at the time of conversion of the Preference Shares into Equity Shares.

Accordingly, our Company will issue a maximum of 10,589,041 Equity Shares upon conversion of the outstanding Preference Shares prior to filing of the Red Herring Prospectus by our Company.

#### 2. Issue of Equity Shares at a price lower than the Offer Price in the last year

Except as disclosed in this section, our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year.

#### 3. Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves

- Our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.
- Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue, as on the date of this Draft Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company	Names of allottees
September 30, 2014	66,85,956	10.00	NA	Allotment of shares to the shareholders of Skanray Healthcare Private Limited	Operational convenience	Agnus Capital LLP, Chayadeep Ventures LLP, Chayadeep Properties

				upon amalgamation with our Company		Private Limited, to Skanray Healthcare Partners LLP, Ravishankar R K, Karuna Ventures Private Limited, and Vishwaprasad Alva
March 3, 2021	5,944,932	10.00	97.11	Allotment of shares to shareholders of Skanray Healthcare Global Private Limited pursuant to acquisition of 100 percent of the share capital of Skanray Healthcare Global Private Limited	Operational convenience	Skanray Healthcare Partners LLP, Agnus Ventures LLP, Agnus Capital LLP, Chayadeep Properties Private Limited, Ascent Capital, and Karuna Ventures Private Limited

For further details, please see “*Capital Structure - Share Capital History of our Company*” and “*History and Certain Corporate Matters*” on pages 73 and 159, respectively.

#### 4. Issue of Equity Shares pursuant to schemes of arrangement

Except as stated below, our Company has not allotted any Equity Shares in terms of any scheme of arrangement approved under sections 391- 394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment
September 30, 2014	66,85,956	10.00	NA	Allotment of shares to the shareholders of Skanray Healthcare Private Limited upon amalgamation with the Company

For further details, please see “*History and Certain Corporate Matters - Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years*” on page 161.

#### 5. Build-up of Promoter’s shareholding, Minimum Promoter’s Contribution and lock-in

As on the date of this Draft Red Herring Prospectus, Vishwaprasad Alva, Agnus Capital LLP, Chayadeep Properties Private Limited, and Skanray Healthcare Partners LLP hold 1,974,871 Equity Shares, 5,839,436 Equity Shares, 2,827,607 Equity Shares and 2,912,248 Equity Shares, respectively, equivalent to 5.67%, 16.77%, 8.12% and 8.36%, respectively, of the Equity Share capital of our Company on a fully diluted basis. For further details, see “*Our Promoters and Promoter Group*” on page 190. All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment / acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

##### a) Build-up of the Equity Shareholding of our Promoters in our Company

- 1) The details regarding the build-up of the Equity Shares held by Vishwaprasad Alva in our Company since incorporation is set forth in the table below:

Date of transfer/allotment of Equity Shares	Number of Equity shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
February 9, 2007	2,500	Initial subscription to MOA	Cash	10.00	10.00		
September 18, 2008 <sup>#</sup>	11,000	Transfer <sup>(1)</sup>	Cash	10.00	10.00		
November 9, 2009	89,000	Preferential allotment	Cash	10.00	10.00		
January 4, 2010	21,000	Preferential allotment	Cash	10.00	10.00		
May 26, 2010	1,025,383	Preferential allotment	Cash	10.00	10.00		
July 2, 2012	(6,600)	Transfer <sup>(2)</sup>	Cash	10.00	10.00		
December 18, 2012	250,876	Preferential Allotment	Cash	10.00	10.30		
February 4, 2013	63,871	Transfer <sup>(3)</sup>	Cash	10.00	10.00		
November 13, 2013	167,605	Preferential Allotment	Cash	10.00	10.00		
November 27, 2013 <sup>#</sup>	(167,605)	Transfer <sup>(4)</sup>	Cash	10.00	157.00		
January 28, 2014	72,072	Transfer <sup>(5)</sup>	Cash	10.00	10.00		
January 28, 2014 <sup>#</sup>	230,269	Preferential Allotment	Cash	10.00	10.00		
March 10, 2014 <sup>#</sup>	(230,000)	Transfer <sup>(6)</sup>	Cash	10.00	125.00		
March 10, 2014 <sup>#</sup>	50,000	Transfer <sup>(7)</sup>	Cash	10.00	42.00		
March 29, 2014 <sup>#</sup>	100,000	Transfer <sup>(8)</sup>	Cash	10.00	30.00		
March 6, 2014	80,000	Preferential Allotment	Cash	10.00	295.63		
September 30, 2014	1	Upon amalgamation with Skanray Healthcare Private Limited	Other than cash	10.00	NA		
March 13, 2015	254,101	Preferential Allotment	Cash	10.00	155.00		
April 29, 2015	5,899	Preferential Allotment	Cash	10.00	155.00		
March 1, 2016	(49,501)	Transfer <sup>(9)</sup>	Cash	10.00	155.00		
March 3, 2021	5,000	Transfer <sup>(10)</sup>	Cash	10.00	10.00		
<b>Total</b>	<b>1,974,871</b>					<b>8.15</b>	<b>[•]</b>

<sup>#</sup> The share transfer forms for these transfers are not traceable. Accordingly, our Company has relied on documents such as board resolutions and annual returns to disclose these transfers. For details, please see "Risk Factors – There have been certain inadvertent inaccuracies, delays and non-compliances with respect to certain regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected" on page 41.

1. Transfer of 10,000 Equity Shares from T Prabhakar Shetty, and 1,000 Equity Shares from D P Umesh
2. Transfer of 1,650 Equity Shares to Dipjyoti Bharali, 1,650 Equity Shares to M Vijayanand, 1,650 Equity Shares to Prashanth A, and 1,650 Equity Shares to Siddaraju A
3. Transfer of 42,364 Equity Shares from Pramod Kumar, 3,357 Equity Shares from Ajith Kumar Rai, 1,650 Equity Shares from B S Ramamurthy, 1,650 Equity Shares from Deepika K R, 1,650 Equity Shares from Dipjyoti Bharali, 1,650 Equity Shares from Jayashree Balasubramanian, 1,650 Equity Shares from Keshava Prasad H G, 1,650 Equity Shares from Lingaraju P, 1,650 Equity Shares from Prashanth A, 1,650 Equity Shares from Prema S, 1,650 Equity Shares from M Vijayanand, 1,650 Equity Shares from Sriram S L, and 1,650 Equity Shares from Vasundhara R
4. Transfer of 167,605 Equity Shares to Ascent Capital

5. Transfer of 67,922 Equity Shares from Kumar V R, 2,500 Equity Shares from Biju S Nathan, and 1,650 Equity Shares from Siddaraju
6. Transfer of 230,000 Equity Shares to Vijendranath Malhotra
7. Transfer of 28,571 Equity Shares from Shailaja K, and 21,429 Equity Shares from Harihara Chembarpu
8. Transfer of 100,000 Equity Shares from Sounderrajan Mantiri
9. Transfer of 32,059 Equity Shares to Balasubramanian K, 5,899 Equity Shares to Srinicasa Rao Makineni, 4,880 Equity Shares to K S Chandrashekararaju, 2,750 Equity Shares to Lingaraju P, 1,575 Equity Shares to Vasundhara R, 615 Equity Shares to Sunil Rao, 526 Equity Shares to Jayashree Balasubramanian, 399 Equity Shares to Santhos Kumar Mohan, 307 Equity Shares to Siddaraju A, 246 Equity Shares to Dipjyoti Bharali, 123 Equity Shares to Thirumaleshwara Hasandka, 61 Equity Shares to Jayashree K R, and 61 Equity Shares to Jayashree T R
10. Transfer of 2,500 Equity Shares from H R Alva, and 2,500 Equity Shares from Suresh Kayandath

- 2) The details regarding the build-up of the Equity Shares held by Agnus Capital LLP in our Company since incorporation is set forth in the table below:

Date of transfer/allotment of Equity Shares	Number of Equity shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
September 26, 2011	2,000,000	Preferential Allotment	Cash	10.00	10.00		
October 16, 2012	750,000	Preferential Allotment	Cash	10.00	10.00		
September 30, 2014	1,950,000	Upon amalgamation with Skanray Healthcare Private Limited	Other than Cash	10.00	NA		
February 27, 2015	668,794	Preferential Allotment	Cash	10.00	155.00		
March 3, 2021	470,642	Private Placement	Other than cash	10.00	97.11		
<b>Total</b>	<b>5,839,436</b>					<b>24.09</b>	<b>[•]</b>

- 3) The details regarding the build-up of the Equity Shares held by Chayadeep Properties Private Limited in our Company since incorporation is set forth in the table below:

Date of transfer/allotment of Equity Shares	Number of Equity shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
September 30, 2014	2,363,250	Upon amalgamation with Skanray Healthcare Private Limited	Other than Cash	10.00	NA		
March 3, 2021	464,357	Private Placement	Other than cash	10.00	97.11		
<b>Total</b>	<b>2,827,607</b>					<b>11.67</b>	<b>[•]</b>

- 4) The details regarding the build-up of the Equity Shares held by Skanray Healthcare Partners LLP in our Company since incorporation is set forth in the table below:

Date of transfer/allotment of Equity Shares	Number of Equity shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
September 30, 2014	472,650	Upon amalgamation with Skanray	Other than Cash	10.00	NA		

Date of transfer/allotment of Equity Shares	Number of Equity shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Equity Share (₹)	Transfer price/issue price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
		Healthcare Private Limited					
March 3, 2021	2,439,598	Private Placement	Other than cash	10.00	97.11		
<b>Total</b>	<b>2,912,248</b>					<b>12.02</b>	<b>[•]</b>

b) *Build-up of the Preference Shareholding of our Promoters in our Company*

Our Promoters do not hold any Preference Shares.

c) *Build-up of the Redeemable Preference Shareholding of our Promoters in our Company*

- 1) The details regarding the build-up of the Redeemable Preference Shares held by Agnus Capital LLP in our Company since incorporation is set forth in the table below:

Date of transfer/allotment of Redeemable Preference Shares	Number of Redeemable Preference Shares allotted/transferred	Nature of transaction	Nature of consideration	Face Value per Redeemable Preference Share (₹)	Transfer price/issue price per Redeemable Preference Share (₹)	Percentage of the pre- Offer redeemable preference share capital (%)
August 10, 2018	80,000	Preferential Allotment	Cash	1,000.00	1,000.00	100.00

d) *Equity shareholding of our Promoters and Promoter Group*

Set forth below is the equity shareholding of our Promoters and Promoter Group in our Company as on the date of this Draft Red Herring Prospectus, on a fully diluted basis:

Sr. No.	Name of shareholder	Pre-Offer		Post-Offer	
		Number of Equity Shares	Percentage of Equity Share capital (%) on a fully diluted basis**	Number of Equity Shares	Percentage of Equity Share capital (%)
<b>(A) Promoters</b>					
1.	Vishwaprasad Alva	1,974,871	5.67	[•]	[•]
2.	Agnus Capital LLP	5,839,436	16.77	[•]	[•]
3.	Chayadeep Properties Private Limited	2,827,607	8.12		
4.	Skanray Healthcare Partners LLP	2,912,248	8.36		
<b>Total (A)</b>		<b>13,554,162</b>	<b>38.92</b>	<b>[•]</b>	<b>[•]</b>
<b>(B) Promoter Group</b>					
1.	Ravishankar R K	4,727	0.01	[•]	[•]
2.	Arun Kumar Pillai	4,718	0.01	[•]	[•]
3.	Chayadeep Ventures LLP	1,890,600	5.43		
<b>Total (B)</b>		<b>1,900,045</b>	<b>5.46</b>	<b>[•]</b>	<b>[•]</b>
<b>Total (A+B)</b>		<b>15,454,207</b>	<b>44.37</b>	<b>[•]</b>	<b>[•]</b>

e) *Details of Promoter's contribution and lock-in*

- 1) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer paid-up Equity Share capital of our Company held by our Promoters shall be provided towards minimum promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoters' Contribution**") and our Promoters' shareholding in excess of 20% shall be locked in for a period of



one year from the Allotment. The Equity Shares forming a part of the Minimum Promoters' Contribution are eligible in terms of Regulation 15 of the SEBI ICDR Regulations.

- 2) Our Promoters have consented to the inclusion of such number of Equity Shares held by them, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoters' Contribution and have agreed not to sell, dispose, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the expiry of the lock-in period specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- 3) The details of the Equity Shares held by our Promoters, which shall be locked-in as Minimum Promoters' Contribution for a period of three years from the date of Allotment are set out in the following table:

Name of the Promoter	No. of Equity Shares held pre-Offer	No. of Equity Shares to be locked-in <sup>#</sup>	Date of allotment of Equity Shares <sup>**</sup>	Date up to which the Equity Shares are subject to lock – in	Acquisition price per Equity Share	Nature of transaction	Face value per Equity Share (₹)	% of the fully diluted post-Offer Equity Share capital
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: To be updated at the Prospectus stage.

<sup>#</sup> For a period of three years from the date of Allotment.

<sup>\*\*</sup> All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- 4) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.
- 5) All the Equity Shares held by our Promoters were fully paid-up on the respective date of acquisition of such Equity Shares.
- 6) The Minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons identified as 'Promoter' under the SEBI ICDR Regulations.
- 7) In this connection, please note that:
  - (i) The Equity Shares offered for Minimum Promoter's 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, or (ii) Equity Shares resulting from bonus issue by utilization 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 Minimum 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 a partnership firm or a limited liability partnership firm into a company in the preceding one year and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and
  - (iv) The Equity Shares forming part of the Minimum Promoters' Contribution are not subject to any pledge.

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

- 1) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment except for (i) the Minimum Promoter's Contribution which shall be locked for a period of three years as detailed above; and (ii) the Equity Shares offered pursuant to the Offer for Sale. It is clarified that pursuant to the proviso to Section 17 of the SEBI ICDR Regulations, the Equity Shares held by Ascent Capital will be exempt from lock – in for a period of one year from the date of Allotment, as Ascent Capital is a Venture Capital Fund registered with SEBI. Provided, however, the Equity Shares held by Ascent Capital will be locked in for a period of one year from the date on which they are acquired.
- 2) 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.
- 3) As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.
- 4) Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or NBFC-SI or a deposit accepting housing finance company as collateral security for loans granted by such banks or public financial institutions, provided that with respect to the Equity Shares locked-in for one year from the date of Allotment, the pledge of such Equity Shares is one of the terms of the sanction of such loans. Equity Shares locked-in as Minimum Promoter's Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by scheduled commercial banks or public financial institutions or NBFC-SI or a deposit accepting housing finance company for the purpose of financing one or more objects of the Offer.

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

- 5) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter may be transferred to a member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to 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.
- 6) Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, 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 continuance of the lock-in at the hands of the transferee and compliance with the provisions of the Takeover Regulations.

## **6. Employee Stock Option Scheme**

Pursuant to resolutions adopted by our Board of Directors and Shareholders on March 26, 2021 and March 27, 2021, respectively, our Company has instituted the ESOP Scheme 2021. ESOP Scheme 2021 has been instituted to grant stock options exercisable into Equity Shares to eligible employees of our Company. In terms of ESOP Scheme 2021, grants to eligible employees will be made by the Nomination and Remuneration Committee, based on the determination of a criteria described under ESOP Scheme 2021.

ESOP Scheme 2021 has been instituted in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The Shareholders, through their resolution dated March 27, 2021, have approved a maximum of 521,084, exercisable into 521,084 Equity Shares under ESOP Scheme 2021. The vesting period under ESOP Scheme 2021 shall be a minimum of one year and a maximum of four years, and the specific vesting schedule applicable to each employee will be as mentioned in the letter of grant issued to such employee.

As on the date of this Draft Red Herring Prospectus 521,084 options have been granted under ESOP Scheme 2021 and none of these options have been exercised.

The following table sets forth the particulars of the ESOP Scheme 2021, including options granted as on the date of this Draft Red Herring Prospectus:

Particulars	Details for Fiscal 2021		Details for period after April 1, 2021
Options granted	5,21,084		For the period after 1 <sup>st</sup> April 2021, no options have been granted till the date of this Draft Red Herring Prospectus
No. of employees to whom options were granted	Employees of the Company: 43 Employees of the Subsidiaries: NIL		Not Applicable
Options outstanding	5,21,084		
Exercise price of options	₹ 10 per Option		
Vesting period	Varies from employee to employee between 1 year to 4 years		
Options vested (excluding options that have been exercised)	Nil		
Options exercised	Nil		
Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options)	5,21,084 Equity Shares		
Options forfeited/lapsed/cancelled	Nil		
Variation in terms of options	Nil		
Money realised by exercise of options	Nil		
Total no. of options in force	5,21,084		
Employee wise details of options granted to			
(i) Key management personnel	<b>Name of key managerial personnel</b>	<b>Total no. of options granted</b>	Not Applicable
	Sunil R Rao	25,000	
	Kavita Swame	35,000	
	M Shailendra	40,084	
	Bhagya M G	22,000	
	R Vasundhara	15,000	
	Sravan Kalepu	10,000	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<b>Name of employee</b>	<b>Total no. of options granted</b>	Not Applicable
	Kavita Swame	35,000	
	M Shailendra	40,084	
(iii) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	<b>Name of employee</b>	<b>Total no. of options granted</b>	Not Applicable
	NONE	NONE	
Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard 'Earning Per Share'	Not Applicable since no options have been exercised under the scheme.		Not Applicable
Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals	Not Applicable since no options have been exercised under the scheme.		Not Applicable

Particulars	Details for Fiscal 2021	Details for period after April 1, 2021
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Not Applicable since no options has been exercised till date under the scheme.	Not Applicable
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years	Not applicable, as grant has been made in Fiscal 2022	Not Applicable
Intention of the holders of Equity Shares allotted on exercise of options granted to sell their shares within three months after the date of listing of Equity Shares pursuant to the Offer	No such case since the options are not due to be exercised.	Not Applicable
Intention to sell Equity Shares arising out of the ESOP Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOP Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	No such case since the options are not due to be exercised.	Not Applicable

## 7. Shareholding pattern of our Company

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depositary receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of voting rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class - Equity	Total	Total as a % of (A+B+C)							
(A)	Promoters and Promoter Group	7	15,454,516	-	-	15,454,516	63.76	15,454,516	15,454,516	63.76	-	44.37	-	-	-	-	15,444,762
(B)	Public	40	8,782,825	-	-	8,782,825	36.24	8,782,825	8,782,825	36.24	10,589,041	55.63	-	-	-	-	7,225,780
(C)	Non-Promoter Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C) (2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)+(C)</b>	<b>47</b>	<b>24,237,341</b>	<b>-</b>	<b>-</b>	<b>24,237,341</b>	<b>100.00</b>	<b>24,237,341</b>	<b>24,237,341</b>	<b>100.00</b>	<b>10,589,041</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,670,542</b>

## 8. Details of Equity Shareholding of the major Shareholders

- (a) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as on the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis*
1.	Ascent Capital	12,007,732	34.48
2.	Agnus Capital LLP	5,839,436	16.77
3.	Skaray Healthcare Partners LLP	2,912,248	8.36
4.	Chayadeep Properties Private Limited	2,827,607	8.12
5.	Agnus Ventures LLP	2,290,277	6.58
6.	Vishwaprasad Alva	1,974,871	5.67
7.	Chayadeep Ventures LLP	1,890,600	5.43
8.	Agnus Holdings Private Limited	1,264,865	3.63
9.	Axis Dot Ventures Pte Limited	665,582	1.91
10.	Balasubramanian Kandankumarath	553,567	1.59
<b>Total</b>		<b>32,226,785</b>	<b>92.54</b>

\*Percentage is calculated on the basis of Equity Share capital, Preference Share capital

- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of 10 days prior to the date of filing of this Draft Red Herring Prospectus.

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis*
1.	Ascent Capital	12,007,732	34.48
2.	Agnus Capital LLP	5,839,436	16.77
3.	Skaray Healthcare Partners LLP	2,912,248	8.36
4.	Chayadeep Properties Private Limited	2,827,607	8.12
5.	Agnus Ventures LLP	2,290,277	6.58
6.	Vishwaprasad Alva	1,974,871	5.67
7.	Chayadeep Ventures LLP	1,890,600	5.43
8.	Agnus Holdings Private Limited	1,264,865	3.63
9.	Axis Dot Ventures Pte Limited	665,582	1.91
10.	Balasubramanian Kandankumarath	553,567	1.59
<b>Total</b>		<b>32,226,785</b>	<b>92.54</b>

\*Percentage is calculated on the basis of Equity Share capital, Preference Share capital

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of the date one year prior to the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis*
1.	Ascent Capital	11,653,830	40.35
2.	Agnus Capital LLP	5,368,794	18.59
3.	Chayadeep Properties Private Limited	2,363,250	8.18
4.	Vishwaprasad Alva	2,019,372	6.99
5.	Chayadeep Ventures LLP	1,890,600	6.55
6.	Agnus Holdings Private Limited	1,264,865	4.38
7.	Axis Dot Ventures Pte Limited	665,582	2.30
8.	Balasubramanian Kandankumarath	521,484	1.81
9.	Skaray Healthcare Partners LLP	472,650	1.64
10.	Naresh Malhotra	305,108	1.06
<b>Total</b>		<b>26,525,535</b>	<b>91.84</b>

\*Percentage is calculated on the basis of Equity Share capital, Preference Share capital

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company and the number of Equity Shares held by them, on a fully diluted basis, as of the date two years prior to the date of filing of

this Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares on a fully diluted basis	Percentage of the pre-Offer Equity Share capital (%) on a fully diluted basis*
1.	Ascent Capital	11,653,830	40.35
2.	Agnus Capital LLP	5,368,794	18.59
3.	Chayadeep Properties Private Limited	2,363,250	8.18
4.	Vishwaprasad Alva	2,019,372	6.99
5.	Chayadeep Ventures LLP	1,890,600	6.55
6.	Agnus Holdings Private Limited	1,264,865	4.38
7.	Axis Dot Ventures Pte Limited	665,582	2.30
8.	Balasubramanian Kandankumarath	521,484	1.81
9.	Skanray Healthcare Partners LLP	472,650	1.64
10.	Naresh Malhotra	305,108	1.06
<b>Total</b>		<b>26,525,535</b>	<b>91.84</b>

\*Percentage is calculated on the basis of Equity Share capital, Preference Share capital

9. All Equity Shares of our Company held by our Promoters are in dematerialised form.
10. As on the date of this Draft Red Herring Prospectus, except for Vishwaprasad Alva and Balasubramanian Kandankumarath, none of our other Directors or Key Management Personnel hold any Equity Shares of our Company. For further details, please see “*Our Management*” on page 170.
11. As on the date of this Draft Red Herring Prospectus, our Company has 47 Shareholders.
12. Except for any Equity Shares resulting out of conversion of the Preference Shares, the allotment of Equity Shares pursuant to the Fresh Issue, any grants of options and allotment of Equity Shares that may be made under the employee stock option plan, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of bonus issue of Equity Shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
13. Our Company, the Selling Shareholders, our Promoters, our Directors and/or the BRLMs have not entered into any buy-back arrangements and/or any other similar arrangements for purchase of the Equity Shares.
14. The BRLMs and their respective associates (determined as per the definition of ‘associate company’ under the Companies Act, 2013 and as defined under the SEBI (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of the Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
15. All Equity Shares issued, transferred or allotted pursuant to the Offer will be fully paid up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.
16. Except for Equity Shares that may be allotted pursuant to the conversion of the Preference Shares, any grants of options and allotment of Equity Shares that may be made under the ESOP Scheme 2021 and the Equity Shares allotted pursuant to the Offer and the Pre-IPO Placement, our Company shall not make any further issue of Equity Shares and/or any securities convertible into or exchangeable for Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner, during the period commencing from filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares being offered under the Offer, have been listed on the Stock Exchanges pursuant to the Offer or all application monies have been refunded, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be.
17. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors, and their relatives have financed the purchase by any other person of securities of our Company other than in the

normal course of the business of the financing entity, during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

18. Except as disclosed in this section, none of the members of our Promoter Group, our Promoters, our Directors, or their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.
19. Except for the Preference Shares and the options to be issued under ESOP Scheme 2021, there are no outstanding warrants, options or rights to convert debentures, loans or other convertible securities or any other right granted by the Company which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.
20. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.
21. No person connected with the Offer, including but not limited to, the BRLMs, the members of the Syndicate, our Company, the Selling Shareholders, our Subsidiary, our Directors, our Promoters or the members of the Promoter Group and our Group Company, 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 in the Offer, except for fees or commission for services rendered in relation to the Offer.
22. Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the net-Offer to public may be made for the purpose of making allotment in minimum lots.



## OBJECTS OF THE OFFER

### The Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. For further details of the Offer for Sale, see “*The Offer*” beginning on page 59.

### The Fresh Issue

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

1. Funding inorganic growth
2. Funding working capital requirements of our Company;
3. Investment in our subsidiaries;
4. Funding capital expenditure requirements of our Company; and
5. General corporate purposes.

### Net Proceeds

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

Particulars	Estimated Amount (₹ in million) <sup>(1)</sup>
Gross Proceeds of the Fresh Issue	Up to 4,000.00
(Less) Offer related expenses in relation to the Fresh Issue	[●]
<b>Net Proceeds</b>	<b>[●]</b>

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

### Utilisation of Net Proceeds

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

Particulars	Amount (₹ in million)
Funding inorganic growth	1,300.00
Funding working capital requirements of our Company;	700.00
Investment in our subsidiaries;	700.00
Funding capital expenditure requirements of our Company; and	419.16
General Corporate Purposes <sup>(1)</sup>	[●]
<b>Total</b>	<b>[●]</b>

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

### Proposed Schedule of Implementation and Deployment of Net Proceeds

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

Particulars	Amount to be funded from the Net Proceeds	Estimated Deployment	
		Fiscal 2022	Fiscal 2023
Funding inorganic growth	1,300.00	750.00	550.00
Funding working capital requirements of our Company;	700.00	500.00	200.00
Investment in our subsidiaries;	700.00	150.00	550.00

Particulars	Amount to be funded from the Net Proceeds	Estimated Deployment	
		Fiscal 2022	Fiscal 2023
Funding capital expenditure requirements of our Company; and	419.16	100.00	319.16
General Corporate Purposes <sup>(1)</sup>	[•]	[•]	[•]
<b>Total</b>	[•]	[•]	[•]

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

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, current and valid quotations from suppliers, and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds from the Fresh Issue in accordance with the SEBI ICDR Regulations.

### Means of Finance

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

### Details of the Objects of the Offer

#### 1. Funding inorganic growth

We have been successful in selectively identifying, completing and integrating strategic acquisitions in the past. Post our acquisitions, we have been able to develop synergies, integrate and upgrade the technologies of the companies that we acquire and have leveraged these existing businesses and their brand equity to enter into new business segments, geographies and expand our product offerings. Our past acquisitions have also complemented our in-house product design and development capabilities, by bringing in strong IP-backed expertise in the areas of digital imaging, X-Ray tubes, public access products amongst others. Our product-driven acquisitions include the acquisition of the medical equipment business of Larsen and Toubro Limited to grow our PMS and ESU product portfolio, which form part of our critical care segment, and to leverage the pan-India distribution network of Larsen and Toubro's business. We acquired Pricol Engineering Industries Limited's medtech business in 2013 to gain access to their RMS product portfolio. Our market-driven acquisitions include the acquisition of CEI-Italy (Compagnia Elettronica Italiana), an Italian X-ray tube manufacturer, to gain a presence in the European market and to vertically integrate our radiology product line for which X-ray tubes are a critical component. Our acquisition of Cardia International A/S, manufacturer of AED, was similarly driven to gain access to a distribution network in Europe. These acquisitions allowed us to expand our presence across India and globally and strengthened our capabilities in key modalities, i.e. critical care. We have subsequently leveraged these acquired capabilities to grow our operations. For instance, through our acquisition of CEI-Italy, we were able to vertically integrate our radiology product line and distribute our radiology devices through the same distribution channels in Europe. Since the inception of our Company, 14 years ago, we have acquired fully or majority stake in, and successfully integrated 5 businesses with our own.

Since we have been able to successfully acquire and integrate companies in the past, we intend to continue to grow inorganically through acquiring and integrating companies that complement our competencies and enable us to achieve our business objectives.

### ***Rationale for acquisitions:***

The following are the key objectives which we intend to achieve while considering an acquisition:

- (a) **To enhance our technological capabilities and expand the modalities that we operate in:** As the clients we service look towards more cost-effective solutions for their medical devices' requirements, we believe our acquisitions will help us to stay relevant not only with emerging technologies, but also complementary technologies. We intend to identify acquisition targets with expertise in areas such as ultrasound, in-vitro diagnostic (IVD), technologies used in operating theatres, home-health technologies, amongst others. These acquisition targets will enable us to provide our customers a suite of products that will fully equip their healthcare service organizations. We intend to provide the much required synergies such as technology expertise, global regulatory compliance capabilities, supply chain capabilities and global distribution network to such acquisitions to equip them with the right tools to quickly ramp up their operations. These acquisitions will also allow us to enhance usability of existing products, provide advanced remote connectivity for monitoring remote patients and enable cross-pollination of modules between existing and acquired products.
- (b) **To gain new clients and expand our service offerings:** We intend to continue expanding our range of product offerings by deepening and widening our portfolio to increase business from our existing clients as well as acquire new clients. Further, due to the dynamic nature of our industry, some of which has been driven by regulatory changes in developing markets that we serve, we often receive requests from existing as well as new clients to provide products which are not part of our current portfolio. Considering this, similar to our past acquisitions, it is important that an acquisition enables us to increase our product / service offerings, gain new clients as well as provides us with a platform to cross sell our existing services to new clients.
- (c) **Enhancing our geographical reach:** One of our strategies is to increase our customer and revenue from geographies such as the United States, Europe and other emerging markets. For further details see "*Our Business – Strategies - Capitalize on evolving industry opportunities to strengthen our market position in India and internationally*" on page 136. To achieve this, we seek to acquire entities which have a geographical presence in these regions. This would help us to either establish our presence or enhance our service offerings in these regions. Additionally, we look at acquisitions that help us obtain regulatory clearances in these markets that typically have long lead times.

### ***Acquisition process:***

Our acquisition strategy is supervised by our Board. While acquiring a company, we typically follow the process mentioned below:

- Entering into a non-disclosure agreement with the target company;
- Conducting a detailed due diligence of the target company by hiring relevant specialists, external advisors, and agencies; and
- On satisfactory conclusion of the due diligence exercise, our Company enters into definitive agreements to acquire the target company based on the approval of the Board and the shareholders, if required.

For instance, as on the date of this Draft Red Herring Prospectus, we have made an offer amounting to ₹190 million to an entity which has been accepted. This offer pertains to company that operates in surgical imaging and neonatal ICU equipment and we expect that with the integration of this company, we will be enhance our existing platforms and also give us access to more clients. We have not entered into any definitive agreements towards any future acquisitions. The amount of Net Proceeds allocated for inorganic growth is based on our management's current estimates from our discussions and negotiations with potential targets and partners and other relevant considerations. The actual deployment of the funds will depend on several factors, including the timing, nature, size and number of strategic acquisitions undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential strategic initiatives, i.e., whether they will involve equity, debt or any other instrument or combination thereof. The portion of the Net Proceeds allocated towards this object may not be the total value or cost of any such strategic initiatives but is expected to

provide us with sufficient financial leverage to enter into binding agreements. If there is a shortfall of funds required for such strategic initiatives, such shortfall shall be met out of our internal accruals or debt or any combination thereof.

## 2. Funding working capital requirements of our Company

Our business is working capital intensive and we fund most of our working capital requirements in the ordinary course of our business from internal accruals and draw down on our overdraft facilities from scheduled commercial banks depending on our requirement. We are planning on maintaining an inventory of approximately three months of inventories (raw material and finished goods) based on our annual operating plan to serve the needs of our customers quickly as they arise. Additional working capital is planned to maintain this inventory which will enable us to achieve our growth targets, and serve our customers on a consistent timeline.

### a. Existing Working Capital:

Our Company's existing working capital as of March 31, 2020, 2019 and 2018 and the nine months ended December 31, 2020 are stated below:

(in ₹ million)

S. No	Particulars	Nine Months ended December 31, 2020	Fiscal 2020	Fiscal 2019	Fiscal 2018
<b>I.</b>	<b>Current assets</b>				
A.	Inventories	775.37	560.11	514.43	536.64
B.	Trade receivables	253.08	260.3	314.58	324.21
C.	Loans	123.07	10.56	19.24	53.89
D.	Cash and cash equivalents	661.7	124.23	28.01	20.92
E.	Bank balances other than cash and cash equivalents	305.82	73.95	513.64	419.67
F.	Other financial assets	16.12	16.74	8.56	2.51
G.	Other current assets	143.52	157.45	130.01	110.79
	<b>Total current assets (I)</b>	<b>2,278.68</b>	<b>1,203.34</b>	<b>1,528.47</b>	<b>1,468.63</b>
<b>II.</b>	<b>Current liabilities</b>				
H.	Borrowings	535.32	251.84	957.33	1,151.31
I.	Lease liabilities	5.07	4.91	11.97	13.41
J.	Trade payables	517.03	442.87	474.19	382.42
K.	Other financial liabilities	88.98	371.22	102.63	50.85
L.	Other current liabilities	109.54	174.99	104.25	90.1
M.	Provisions	38.14	27.83	28.2	19.65
	<b>Total current liabilities (II)</b>	<b>1,294.08</b>	<b>1,273.66</b>	<b>1,678.57</b>	<b>1,707.74</b>
III	<b>Total working capital requirement excluding cash and cash equivalents and bank balances other than cash and cash equivalents and borrowings (III) = (I-D-E) - (II-H)</b>	<b>552.40</b>	<b>(16.66)</b>	<b>265.58</b>	<b>471.61</b>
<b>IV.</b>	<b>Fund pattern</b>				
	Borrowings	<b>552.40</b>	<b>-</b>	<b>265.58</b>	<b>471.61</b>

### b. Incremental Working Capital

The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated June 12, 2021, and key assumptions with respect to the determination of the same are mentioned below. Our expected working capital requirements for Fiscals 2022 and 2023 and the proposed funding of such working capital requirements are as set out in the table below:

(in ₹ million)

S. No	Particulars	Fiscal 2022	Fiscal 2023
<b>I.</b>	<b>Current assets</b>		
A.	Inventories	1,345.45	1,546.70
B.	Trade receivables	1,055.71	1,101.33
C.	Cash and cash equivalents including Bank balance*	3,725.40	3,638.16

S. No	Particulars	Fiscal 2022	Fiscal 2023
D.	Other assets	239.89	265.42
	<b>Total current assets (I)</b>	<b>6,366.46</b>	<b>6,551.60</b>
<b>II.</b>	<b>Current liabilities</b>		
A.	Trade payables	608.87	597.62
B.	Other liabilities	519.95	729.16
	<b>Total current liabilities (II)</b>	<b>1,128.82</b>	<b>1,326.78</b>
<b>III.</b>	<b>Total working capital requirement (III) = (I-C) - (II)</b>	1,512.24	1,586.66
<b>IV</b>	<b>Fund Pattern</b>		
A.	Internal accruals	1,012.24	1,386.66
B.	Usage from Net Proceeds	500.00	200.00

\* Assuming addition of Issue Proceeds less amounts proposed to be deployed in the respective years

The following table sets forth the details of the holding levels (with days rounded to the nearest) considered:

Particulars	Actuals			Projected	
	March 31, 2018	March 31, 2019	March 31, 2020	March 31, 2022	March 31, 2023
Inventory	148	116	140	89	84
Trade receivables	90	71	65	70	60
Trade payables	208	189	207	75	60

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Particulars	Assumptions and Justifications
Inventories	Inventory days have been calculated as inventory as on balance sheet date divided by Sales over 365 days. Inventory days for Fiscal 2022 and 2023 are anticipated to be 89 days and 84 days respectively for maintaining required level of inventory to meet the future requirements.
Current trade receivables	Current receivables days are calculated as current trade receivables as on balance sheet date divided by revenue from operations over 365 days. Holding levels for trade receivables are considered as 70 days and 60 days of revenue from operations for Fiscal 2022 and 2023, respectively.
Other assets	Other assets majorly comprise of security deposits, interest accrued on deposit, advance income tax, prepaid expenses, advance to suppliers, loans and advances, and balances with statutory/governmental authorities. We expect the growth in other assets to be in line with the expected growth in business.
Trade payables	Trade payable days are calculated as trade payable as on balance sheet date divided by COGS over 365 days. Holding levels for trade payables are considered as 75 days and 60 days of COGS for Fiscal 2022 and 2023, respectively.
Other liabilities	Other liabilities primarily include provision for expenses, current tax liabilities (net), advance received from customers, other financial liabilities, and statutory dues. We expect the growth in other liabilities to be in line with the expected growth in business.

Our Company proposes to utilize ₹ 700.00 million of the Net Proceeds in Fiscals 2022 and Fiscal 2023 towards our working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals.

Pursuant to the certificate dated June 27, 2021, Laxminiwas & Co, Chartered Accountants have compiled the working capital estimates and working capital projections, as approved by the Board pursuant to its resolution dated June 12, 2021 and have provided no assurance on the prospective financial information or projections and have performed no service with respect to it.

### 3. Investment in our Subsidiaries

Our Company proposed to utilise ₹ 700.00 million towards making an equity investment in the following subsidiaries:

Name of Subsidiary	Location	Amount proposed to be invested (₹ million)	Nature of benefit expected to accrue to our Company as a result of the investment
Skaray Latinoamerica S.a.	Mexico	80.00	We will be utilizing this capital towards expanding our reach as well as expanding its sales and building distribution networks in the Latin American Markets.
Skaray Americas, Inc.	USA	60.00	We will be utilizing this capital towards expanding our reach as well as expanding its sales and building distribution networks American Markets.
Skaray Global (Singapore) PTE	Singapore	60.00	We will be utilizing this capital towards expanding our reach as well as expanding its sales and building distribution networks in Asia.
Skaray Europe SRL	Italy	150.00	We will be utilizing this capital towards meeting developing new products, R&D, and working capital.
Skaray Healthcare Global Private Limited	India	300.00	We will be utilizing this capital towards meeting working capital requirements.
Skay X Radiology Devices SpA	Italy	50.00	We will be utilizing this capital towards enabling automation of processes, investments towards industrial tubes, and machinery to expand capacity.

### 4. Funding capital expenditure requirements of our Company

We aim to continue investing in existing manufacturing technologies to build new capabilities to support the production of our portfolio of product. The purpose of the investment is to (i) increase our manufacturing capacity through an expansion of our existing facility as well as construction of a new facility at our existing premises. Further, since our Company has recently acquired SHGPL, it plans to implement SAP across all our facilities and offices for integrating, *inter alia*, financial accounting, controlling/costing, sourcing and inventory management, human resources, document management systems and quality management.

Our Board in its meeting dated June 12, 2021 took note that an amount of ₹ 419.16 million is proposed to be funded for capital expenditure from the Net Proceeds. Our Company has received quotations from various suppliers for such equipment and is yet to place any orders or enter into definitive agreements for purchase of such equipment.

The break-down of the estimated costs for each of the aforementioned equipment is as follows:

Part	Details	Amount (₹ mn)	GST	Total
1	Expansion of manufacturing set up at KIADB, Mysore Unit	27.69	4.98	32.67
2	Expansion of manufacturing set up at Hebbal, Mysore Unit	133.52	24.03	157.55
3	Purchase of Specialized Equipment for quality testing, validation and R&D	26.26	4.73	30.98
4	Expansion of SAP Implementation, including for newly acquired subsidiaries	114.50	20.61	135.11
5	Purchase of hardware to bolster IT Infrastructure at Head Office as well as factories	53.25	9.59	62.84
		<b>355.22</b>	<b>63.94</b>	<b>419.16</b>

The details of each of the above is given in the tables below:

#### 1. Expansion of manufacturing set up at KIADB, Mysore Unit

#	Details	Vendor	Date of Quotation	Amount (₹ mn)	GST	Total
1	Civil Construction for new building at KIADB Facility, Mysore	Vivin Constructions	April 21, 2021	13.98	2.52	16.50
2	Cummins Diesel Generator for Power Backup	Powerica Limited	March 24, 2021	6.40	1.15	7.55

#	Details	Vendor	Date of Quotation	Amount (₹ mn)	GST	Total
3	Yale Electric 1.6 tons Reach Truck with 9.5 meters Lift	Hyster-Yale Lift Trucks India Pvt Ltd	June 10, 2021	2.45	0.44	2.89
4	Yale Electric forklift (2 nos.)	Hyster-Yale Lift Trucks India Pvt Ltd	June 10, 2021	3.90	0.70	4.60
5	Yale Electric Rider Pellet Transportation Vehicle	Hyster-Yale Lift Trucks India Pvt Ltd	June 10, 2021	0.96	0.17	1.13
				<b>27.69</b>	<b>4.98</b>	<b>32.67</b>

## 2. Expansion of manufacturing set up at Hebbal, Mysore Unit

#	Details	Vendor	Date of Quotation	Amount (₹ mn)	GST	Total
1	Civil construction for new floor on existing building at Hebbal, Mysore Unit	Vivin Constructions	April 21, 2021	127.12	22.88	150.00
2	Cummins Diesel Generator for Power Backup	Powerica Limited	March 24, 2021	6.40	1.15	7.55
				<b>133.52</b>	<b>24.03</b>	<b>157.55</b>

## 3. Purchase of Specialized Equipment for quality testing, validation and R&D

#	Details	Vendor	Date of Quotation	Amount (₹ mn)	GST	Total
1	Fluke Biomedical VT900A Gas Flow Analyzer	Helix Private Limited	April 19, 2021	5.52	0.99	6.51
2	Fluke Biomedical Accu Lung precision lung simulator	Helix Private Limited	April 19, 2021	0.30	0.05	0.35
3	Fluke Biomedical QA-ES III Electrosurgical Tester and Analyzer	Helix Private Limited	April 19, 2021	4.22	0.76	4.98
4	Fluke Biomedical ProSim 8 Vital Signs and ECG Patient Simulator	Helix Private Limited	April 19, 2021	4.09	0.74	4.82
5	Fluke Biomedical ProSim SpO2 Test Module	Helix Private Limited	April 19, 2021	2.18	0.39	2.57
6	Fluke Biomedical Impulse 7000DP Defibrillator/Pacemaker Tester	Helix Private Limited	April 19, 2021	3.27	0.59	3.86
7	Unfors RaySafe X2 - Radiation measurement device (5 nos.)	Radiological Precision Labs (India) Private Limited	April 17, 2021	6.69	1.20	7.89
				<b>26.26</b>	<b>4.73</b>	<b>30.98</b>

## 4. Expansion of SAP Implementation, including for newly acquired subsidiaries

#	Details	Vendor	Date of Quotation	Amount (₹ mn)	GST	Total
1	SAP S/4 HANA Licenses for 260 Licenses	Entransys Private Limited	April 19, 2021	37.00	6.66	43.66
2	SAP S/4 HANA Licenses for 1 Location	Entransys Private Limited	April 19, 2021	17.50	3.15	20.65
3	SAP S/4 HANA Licenses Rollout Cost for Four Locations	Entransys Private Limited	April 19, 2021	46.00	8.28	54.28
4	Servers and IT Infrastructure Cost for SAP S/4 Hana Implementation	Entransys Private Limited	April 19, 2021	14.00	2.52	16.52
				<b>114.50</b>	<b>20.61</b>	<b>135.11</b>

**5. Purchase of hardware to bolster IT Infrastructure at the Registered and Corporate Office as well as the manufacturing facilities**

#	Details	Vendor	Date of Quotation	Amount (₹ mn)	GST	Total
1	Dell OptiPlex 5080 Micro (200 nos.)	System Needs	April 20, 2021	15.17	2.73	17.90
2	Dell Latitude 9510 Laptops (200 nos.)	System Needs	April 20, 2021	36.43	6.56	42.99
3	Dell PowerEdge R540 Server (6 nos.)	System Needs	April 20, 2021	1.65	0.30	1.95
				<b>53.25</b>	<b>9.59</b>	<b>62.84</b>

There are no second-hand machines that are proposed to be acquired in any of the aforementioned objects. Further, no orders have been placed as on the date of the DRHP for any of the aforementioned objects.

**5. General corporate purposes.**

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include strategic initiatives and acquisitions strengthening of our manufacturing and R&D capabilities, meeting exigencies and meeting expenses incurred by our Company, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any.

**Offer Expenses**

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

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

Other than (i) the listing fees, which will be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, inter-alia, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, fees and expenses of the legal counsel to the Company and the legal counsel to the BRLMs as to Indian law and the international legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, syndicate members, Self- Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by the Company pursuant to the Fresh Issue and/or transferred by the Selling Shareholders pursuant to the Offer for Sale. All the expenses relating to the Offer shall be paid by the Company in the first instance. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholder directly from the Public Offer Account.

The estimated Offer related expenses are as under:



Activity	Estimated Expenses (₹ million) <sup>(1)</sup>	As a % of the total estimated Offer Expenses	As a % of the total estimated Offer size
Fees and commissions to the BRLM (including underwriting and selling commissions and brokerage)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs <sup>(2)(3)(4)</sup>	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs <sup>(5)</sup>	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
<b>Total estimated Offer expenses</b>	[●]	[●]	[●]

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

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

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

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

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

Portion for Retail Individual Bidders	₹[●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders	₹[●] per valid application (plus applicable taxes)

(4) A sum of ₹[●] per valid Bid cum Application Form (plus applicable taxes) would be payable to the sponsor bank as the Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism. The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

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

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

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

## Interim use of Net Proceeds

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

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

## Bridge Financing Facilities

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

### **Monitoring of Utilisation of Funds**

Our Company shall appoint a Monitoring Agency for monitoring the utilization of Net Proceeds of the Fresh Offer prior to the filing of the Red Herring Prospectus. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

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

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Kannada, being the local language of the jurisdiction where the Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, and the SEBI ICDR Regulations.

### **Other Confirmations**

Except to the extent of the proceeds received pursuant to the Offer for Sale, none of our Promoters, Directors, KMPs, Promoter Group or Group Companies will receive any portion of the Offer Proceeds and there are no existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs, Promoter Group or Group Companies.

## BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see “Our Business”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” “Financial Statements” and “Summary of Financial Information” on pages 131, 27, 271, 197 and 61, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

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

- Well-positioned to capitalize on a growing market, being a major player in the Indian medical industry;
- Well-diversified and globally certified portfolio of products;
- Proven research and development capabilities;
- Strong manufacturing and infrastructure capabilities;
- Strategic go-to-market approach with an extensive distribution network and longstanding customer relationships; and
- Experienced and professional leadership team

### Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see “Financial Statements” on page 197.

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

#### 1. Basic and Diluted Earnings per Share (“EPS”)

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	(8.98)	(8.98)	1
March 31, 2019	(10.32)	(10.32)	2
March 31, 2020	1.34	1.34	3
<b>Weighted Average</b>	(4.27)	(4.27)	
Period ended December 31, 2020	45.75	45.75	

Notes:

1. Basic earnings per share (₹) = Restated consolidated profit for the year / period attributable to equity shareholders / Weighted average number of equity shares in calculating basic EPS
2. Diluted earnings per share (₹) = Restated consolidated profit for the year / period attributable to equity shareholders / Weighted average number of equity shares in calculating diluted EPS
3. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended)
4. Weighted Average Number of Equity Shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor

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

Year ended	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on basic EPS for Fiscal 2020	[●]	[●]
Based on diluted EPS for Fiscal 2020	[●]	[●]

#### Industry Peer Group P/E ratio

Not applicable as there are no listed companies in India that engage in a business similar to that of our Company.

### 3. Return on Net worth (“RoNW”)

Year ended	RoNW (%)	Weight
March 31, 2018	(37.96)	1
March 31, 2019	(84.77)	2
March 31, 2020	12.29	3
<b>Weighted Average*</b>	<b>(28.44)</b>	

\* Weighted average means weighted average return on Net worth (“RoNW”) derived from Restated Consolidated Financial Information based on weights assigned for the respective year ends

- (a) *Net Worth: Net Worth is calculated as the sum of (i) Equity Shares; (ii) Compulsory convertible preference shares; and (iii) other equity, less revaluation reserve. Net worth is a non-GAAP measure (see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” on page 15).*
- (b) *Return on Net Worth Ratio: Profit/ (loss) for the period attributable to equity shareholders of the parent divided by Net Worth as attributable to equity shareholders of the parent at the end of the year/period. Return on net worth is a non-GAAP measure (see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation” on page 15).*

### 4. Net Asset Value (“NAV”) per share

Year ended	Particulars	
NAV as on March 31, 2020	13.60	
	At the Floor Price	At the Cap Price
NAV after the completion of the Offer		

- (a) *Offer Price per equity share will be determined on conclusion of the Book Building Process. Net asset value per equity share represents restated net worth (Equity attributable to equity shareholders of the Company) at the end of the year divided by total number of equity shares outstanding at the end of year.*
- (b) *Net asset value per share is calculated by dividing net worth by number of equity shares outstanding as on the respective date.*

### 5. Comparison with Listed Industry Peers

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

### 6. The Offer price is [●] times of the face value of the Equity Shares

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

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 27, 131, 271 and 197, respectively, to have a more informed view.

## STATEMENT OF SPECIAL TAX BENEFITS

To,

**The Board of Directors,**  
Skanray Technologies Limited  
Plot No. 15-17, Hebbal Industrial Area  
Mysore 570 016

**Motilal Oswal Investment Advisors Limited**  
Motilal Oswal Tower,  
Rahimtullah Sayani Road,  
Opposite Parel ST Depot, Prabhadevi,  
Mumbai- 400 025

**Nomura Financial Advisory and Securities (India) Private Limited**  
Ceejay House, Level 11, Plot F, Shivsagar Estate,  
Dr. Annie Besant Road, Worli,  
Mumbai 400 018.

(Motilal Oswal Investment Advisors Limited, Nomura Financial Advisory and Securities (India) Private Limited, with any other book running lead managers which may be appointed in relation to the Offer are collectively referred to as the “**Book Running Lead Managers**” or the “**BRLMs**”)

Dear Sirs,

**Re: Proposed initial public offering of equity shares of face value of Rs. 10 each (the “Equity Shares” and such offering, the “Offer”) of Skanray Technologies Limited (the “Company”)**

We, Gargesh & Co independent Chartered Accountants of the Company, report that the enclosed statement in the **Annexure**, states the possible special tax benefits under direct and indirect tax laws presently in force in India, available to the Company, its shareholders and to its material subsidiaries identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended being Skanray Healthcare Global Private Limited, Skan X Radiology Devices spa, Cardia International Denmark and Skanray Europe SRL (such entities referred to as “**Material Subsidiaries**”). Several of these benefits are dependent on the Company, its shareholders or its Material Subsidiaries, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders or its Material Subsidiaries to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and its Material Subsidiaries faces in the future, the Company, its shareholders and its Material Subsidiaries may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure 1 and 2** are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor advising the investor to invest in the Offer based on this statement.

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

- (i) the Company, its shareholders or its Material Subsidiaries will continue to obtain these benefits in future; or
- (ii) the conditions prescribed for availing the benefits have been/would be met with; or
- (iii) the revenue authorities will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and its Material Subsidiaries and on the basis of our understanding of the business activities and operations of the Company and its Material Subsidiaries.

We also consent to the references to us as “Experts” as defined under Section 2(38) of the Companies Act, 2013 (the “**CA, 2013**”), read with Section 26(5) of the CA, 2013 to the extent of the certification provided hereunder and included in the draft red herring prospectus of the Company or in any other documents in connection with the Offer.

We hereby give consent to include this statement of special tax benefits in the draft red herring prospectus, red herring prospectus, prospectus and in any other material used in connection with the Offer (together, the “**Offer Documents**”).

This certificate is issued for the sole purpose of the Offer, and can be used, in full or part, for inclusion in the Offer Documents, and for the submission of this certificate as may be necessary, to any regulatory / statutory authority, stock exchanges, any other authority as may be required and/or for the records to be maintained by the Book Running Lead Managers in connection with the Offer and in accordance with applicable law, and for the purpose of any defense the Book Running Lead Managers may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may be relied on by the Book Running Lead Managers, their affiliates and legal counsel in relation to the Offer.

We undertake to update you in writing of any changes in the abovementioned position until the date the Equity Shares issued pursuant to the Offer commence trading on the stock exchanges. In the absence of any communication from us till the Equity Shares commence trading on the stock exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

Yours faithfully,

**For and on behalf of**

Gargesh & Co

**Raghuveera.C.S**

Partner

Membership No.: 219362

UDIN: 21219326AAAAEE988

Place: Mysuru

Date:21/06/2021

**Encl: As above**

CC:

**Domestic Legal Counsel to the BRLMs**

**IndusLaw**

#1502B, 15th Floor,

Tower – 1C,

"One Indiabulls Centre",

Senapati Bapat Marg,

Lower Parel,

Mumbai – 400 013

**International Legal Counsel to the BRLMs**

**Squire Patton Boggs (MEA) LLP**

Dubai International Financial Centre (DIFC),

Burj Daman Office Tower, Level 10,

P.O. Box 111713.

Dubai, United Arab Emirates

**Domestic Legal Counsel to the Company**

**Khaitan & Co**  
3rd Floor,  
Embassy Quest,  
45/1 Magrath Road,  
Bengaluru 560 025.

## ANNEXURE- 1

### ANNEXURE 1 STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

#### Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2020 i.e., applicable for Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

#### I. Special tax benefits available to the Company

The Company is eligible to opt for and the Company intends to opt for the beneficial tax rate of 22% (plus applicable surcharge and cess) as provided under Section 115BAA of the Act, subject to the condition that going forward it does not claim the deductions as specified in Section 115BAA(2) of the Act and computes total income as per the provisions of Section 115BAA(2) of the Act. Proviso to Section 115BAA(5) provides that once the Company opts for paying tax as per Section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other Previous Year. The Company will exercise the option under this Section on or before the due date of filing the returns under sub-section (1) of Section 139 of the Act for the Previous Year relevant to the Assessment Year 2021-2022.

Further, the provisions of Section 115JB i.e. MAT provisions shall not apply to the Company on exercise of the option under section 115BAA, as specified under sub-section (5A) of Section 115JB of the Act.

Further on opting about Section 115BAA, the weighted deduction on scientific expenditure available to Company U/s 35(2AB) of the Income Tax Act 1961 will not be available. Further the Company will have to forgo the accumulated weighted average deduction of Rs 167.74 Million accumulated till financial year 2018-19.

#### II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Statement covers only certain relevant benefits under Income tax Act, 1961 read with relevant rules, circulars and notifications and does not cover any indirect tax law benefits or benefit under any other law.
2. The above Statement of possible tax benefits is as per the current Income tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2021-22.
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. 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.

III. Material Subsidiaries outside India do not have any tax benefit under Income Tax Act 1961.

## ANNEXURE- 2

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDER

#### Indirect Taxation:

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications (“GST law”), the Customs Act, 1962, Customs Tariff Act, 1975 (“Customs law”) and Foreign Trade Policy 2015-2020 (“FTP”) (collectively referred as “Indirect Tax”)

#### I. Special tax benefits available to the Company

1. There are no special tax benefits available to the Company under GST law.
2. The Company has availed concessional rate of basic customs duty, under Customs (IGCRD) Rule 2017 by claiming benefit of exemption notification No 50/2017 Customs dated 30/06/2017 for manufacture of medical equipment
3. The Company has availed exemption from basic customs duty on import of goods on account of obtaining Licence/ Authorisation Scrip under Foreign Trade Policy 2015-2020. The Company has to comply with the export obligations undertaken while obtaining these scrips.
4. Duty Drawback under Customs Act 1962 and Duty draw back rules on export of medical equipment’s.

#### II. Special tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

#### Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefit under any other law.
3. Material Subsidiaries outside India do not have any tax benefit under Indirect Tax laws
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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.

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is obtained or extracted from the report titled “Market assessment of medical device industry in India” dated March 2021 (the “**CRISIL Report**”) prepared and issued by CRISIL Research, a division of CRISIL Limited, on our request. Neither we nor any other person connected with the Offer have independently verified industry and third party related information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Also, see “Risk Factors – Industry information included in this Draft Red Herring Prospectus has been derived from an industry report exclusively commissioned by us for such purpose at an agreed fee. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 48.

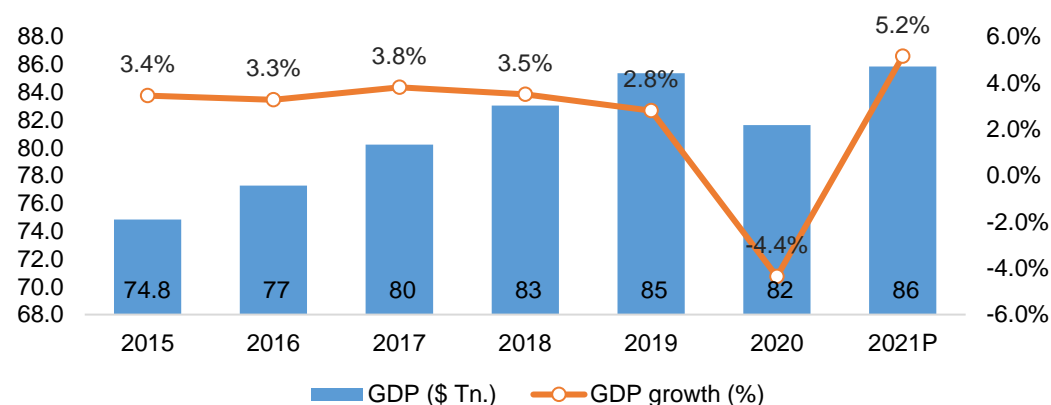
### GLOBAL GDP REVIEW AND OUTLOOK

**Global gross domestic product (GDP) is expected to decline sharply in 2020 owing to the Covid-19 pandemic, and rebound strongly by the end of 2021**

According to the International Monetary Fund (IMF), global real GDP growth was in the range of 3% to 4% during 2015-2018 and declined to 2.8% in 2019. In 2020, the IMF expects global real GDP to de-grow 4.4% owing to the COVID-19 pandemic, which has disrupted businesses across the world. In response, almost all major countries announced stimulus packages, which has resulted in a recovery in the second half of 2020. By the end of 2021, global GDP is expected to rebound strongly and record a growth of 5.2% on-year.

#### Trend and outlook for global GDP (Calendar Year 2015-2021)

(\$ trillion)



P: Projection

Source: IMF economic database, World Bank national accounts data and OECD national accounts data, CRISIL Research

#### Real GDP growth

*Expected to regain the top spot as the world's fastest growing economy in 2021*

India was one of the fastest growing economies in 2018 and 2019. In 2020, GDP of all countries – including that of developed ones such as the US and the UK but except China's – is expected to de-grow primarily due to the negative economic impact of the pandemic. India's GDP is expected to decline by 9.0% in 2020. Further, GDP growth of all major economies is expected to rebound in 2021 as economic activities resume and also due to the low base of 2020. Among the major economies, India, with a growth rate of approximately 10%, is expected to be the fastest growing in 2021 followed by China with 8.2%.

### India's per capita income rose at a healthy pace between fiscals 2012 and 2020

India's per capita income, a broad indicator of living standards, grew at a CAGR of approximately 5% between fiscals 2012 and 2020. This growth was led by better job opportunities, supported by overall GDP growth.

#### 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

## OVERVIEW OF INDIA'S MEDICAL DEVICE INDUSTRY

The medical device market varies greatly in complexity and application. As per industry estimates, there are 2 million different kinds of medical devices in the global market, categorised into more than 22,000 types of generic devices. Medical devices are critical to the delivery of healthcare for prevention, diagnosis and treatment of diseases. They are used in many diverse settings; for instance, by laypersons at home, by paramedical staff and clinicians in remote clinics, by opticians and dentists, and by healthcare professionals in advanced medical facilities for prevention and screening and in palliative care. Such health technologies are used to diagnose illness, to monitor treatments, to assist disabled people, and to intervene and treat illnesses, both acute and chronic.

Medical devices help in correct diagnostics and accurate treatment, helping to reduce length of hospital stay and increase access of healthcare to all. Technology advancements also make the diagnostics process fast, to enable timely delivery of healthcare treatment.

In line with the global medical device market, the Indian market is also divided into four major categories:

Segments	Coverage
 Consumables and disposables	Disposable plastic syringes, sutures, blood bags, IV fluid set, wound management, medical apparels, and others. Syringes and needles constitute the majority of the sales because of frequency of usage
 Implants	Stents, artificial joints and other artificial body parts, and fixation devices, prosthetics, orthopedics, pacemaker, etc.
 Medical equipment and devices	MRI machines, CT scanners, ultrasound machines, dental X-ray machines, ventilators, scintigraphic apparatus and other electro-diagnostic apparatus, and electro-cardiographs, blood pressure machine, dialysis machine
 Diagnostics (reagents)	Medical equipment and reagents used for laboratory purposes, radiation, imaging parts,

Source: CRISIL Research

### Indian medical device industry is fragmented and largely manufacturers consumables

There are over 800 domestic medical device manufacturers in the country, with average revenue of ₹ 350-450 million. The industry was dominated by multinational companies ("MNCs") in the 1980s and is slowly evolving towards a regulated sector. MNCs manufacturing in India include 3M Healthcare, Abbott, Baxter, Boston Scientific, B. Braun, Becton Dickinson, GE Healthcare, Johnson & Johnson, Medtronic, Nipro, Philips, Siemens Healthcare, Transasia, and Terumo.

In the 1990s, several Indian players entered the medical device market. However, the regulatory environment was weak during the time and medical devices were still covered under the Drugs and Cosmetics Act, 1940 as drugs. As a result, foreign players required only an import licence to penetrate the Indian medical device market with no significant compliance burdens. In the 2000's, several foreign players and MNCs established their presence in India to cater to domestic demand of medical devices. With potential for increase in per capita income and expenditure on healthcare, many Indian domestic players also ventured into the market to either support the MNCs influx or directly cater to the medical device demand. However, India continued to be import dependent due to limited investment in technology, supply chain

issues for technology heavy medical devices, and government policies which supported imports rather than encouraging investments into India for medical device manufacturing.

In 2014, the medical device sector was provided separate recognition from pharmaceutical industry and 100% FDI was permitted by the Reserve Bank of India through the “automatic route”. In the last twenty years, the medical devices industry has undergone significant transformation from being entirely dominated by MNC players prior to 1991, to becoming a well-regulated sector with the announcement on regulation of 15 notified devices to the new Medical Device Rules in 2017.

*Timeline for the Indian medical device industry*

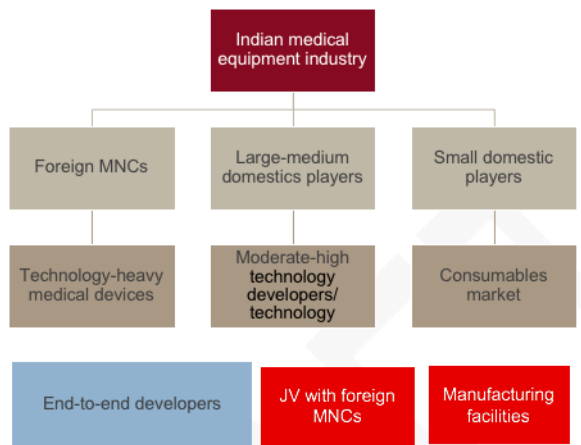
1980s	Dominated by large MNCs; India imported 85-90% of medical devices
1990s	Entry of Indian players with investments from MNC players; India had weak regulatory environment; medical devices were covered under the D&C Act
2000s	Increase in number of Indian players and MNCs with liberalisation
2014	The medical device sector was separate from the pharmaceutical sector, allowing 100% foreign direct investment (FDI) under the automatic route
2017	Medical Device Bill 2017 and medical device classification introduced

Source: CRISIL Research

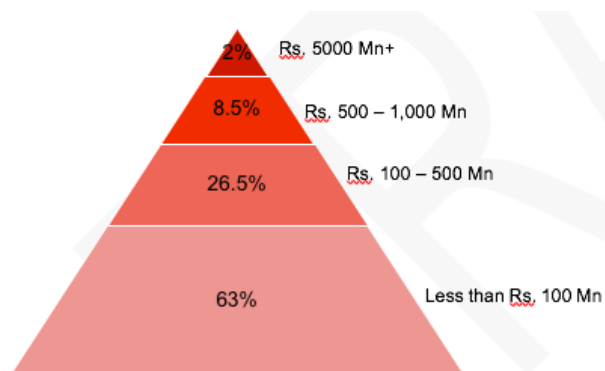
**Indian medical equipment industry dominated by foreign MNCs**

The Indian medical equipment industry is currently dominated by large MNCs, which have a 30-40% share in the consumables and disposables market and 60-70% in the equipment and devices market. Most MNCs have capacities outside and within India; however, most of them have large capacities outside India for major equipment, which they import to the Indian market. India’s imports for medical and scientific devices are largely from the United States, contributing to 25%, followed by Europe and China with a 17% and 6% share, respectively in fiscal 2020. Around 70-80% of the industry’s demand is met through imports. Domestic manufacturers dominate the low-tech, disposable equipment and supplies segment of the industry. Around 65% of Indian manufacturers operate in the consumables segment and cater to domestic consumption with limited export revenue. Large MNCs lead the high-tech end of the medical device market with extensive service networks.

With the “Make in India” initiative, de-risking supply chain from China and increased expertise in the healthcare sector to make quality value products, India has potential to show growth in the mid-high tech medical devices segment. Several Indian players present in the medium-high technology intensive products segment, have entered into joint ventures with foreign MNCs, although there are a few notable players such as Skanray technologies, Bigtec Labs, Perfint Healthcare and Medived players who are end-to-end product developers.



### Structure of the industry based on revenue (2019)



Note: percentage denote share of players within the revenue range for medical device industry

Source: CRISIL Research

The Indian medical device manufacturing industry is largely comprised of consumables manufacturers. It is fragmented, as 60-65% of players have an annual turnover of less than ₹ 100 million, and around 90% have a turnover of less than ₹ 500 million. CRISIL Research estimates 62-63% of players in the industry had an income below ₹100 million in 2020, compared to 65% in 2015. A majority of the manufacturers are in the low-tech space, catering to the consumables segment. A few domestic players indigenously manufacture medical devices. Major players in the Indian medical industry include Hindustan Syringes & Medical Devices, Poly Medicure, Skanray Technologies Opto Circuits (India), Wipro GE Healthcare, 3 M, Medtronic, Johnson & Johnson, Becton Dickinson, Abbott Vascular, Bausch & Lomb, Baxter, Zimmer India, Edwards Life Sciences, St. Jude Medical (Abbott), Smith & Nephew, Cochlear, Stryker, Baxter, Boston Scientific, BPL Healthcare India, Sushrut Surgicals, Trivitron Diagnostics, Accurex Biomedical, Biopore Surgicals, Endomed Technologies, HD Medical Services (India), Skanray Technologies, Eastern Medikit, Harsoria Healthcare, Nidhi Meditech System, Philips Medical, Wipro Technologies, HCL Technologies, and Texas Instruments. End-to-end medical device players have huge potential in India and are expected to drive growth to make India a manufacturing hub for medical devices. End-to-end medical device players also help to make products suitable to Indian consumer markets. Players innovate and design affordable and portable medical device suitable to needs of Indian market.

<b>MNC OEMs / technology providers</b>	Phillips Healthcare, Siemens Healthcare, WIPRO GE Healthcare, Becton Dickinson
<b>Suppliers to OEMs</b>	BL Lifesciences, Johari Digital Healthcare Designs, Angioplast, B&A Health
<b>Indigenous manufacturers and technology innovators</b>	Hindustan Syringes, Skanray Technologies, Ploy Medicure, Sushrut Surgicals, Trivitron Diagnostics, Sahajanand Medical Technologies
<b>Importers</b>	Entities of foreign OEMs in India, MSME domestic players and traders, etc

Source: CRISIL Research

### Product development by Indian medical device companies

Company	Product	Key offerings
Perfin Healthcare	PIGA-CT	Low-cost, easy-to-use and minimally invasive outpatient device for cancer detection and therapy
Skanray	X-ray imaging systems	High-frequency digital X-rays with radiation leakage control Cost a fraction of imported equipment
Bigtec Labs	Micro polymerase chain reaction ( PCR)	Miniaturised, no-frills and portable version of bulky PCR machine Costs Rs 1 lakh, as against Rs 15 lakh for conventional PCRs
MediVed	Pacemaker	Costs Rs 20,000-25,000 below pacemakers produced by international companies
Poly Medicure	Dialyzer	First Indian company to manufacture dialyzers in India

Source: CRISIL Research

The medical device industry has potential to grow and cater to specific needs of India’s urban and rural markets which are aided by the following factors:

1. Government’s enabling policy framework and support ecosystem;
2. Regulation of medical devices act through amendment in rules, 2020;
3. Production linked incentives (PLI) with financial incentives for production of medical device in India and scheme for promotion of medical device parks;
4. National health mission emphasizing on PPP mode in healthcare, and increased expenditure on healthcare from 1.5-1.6% currently to 2.5% of GDP by fiscal 2025; and
5. Low per capita spending on healthcare and low penetration of medical devices in India is expected to improve as healthcare spending rise and per capita income grows.

Segments	Key players	Technology application
Consumables and disposables	Hindustan Syringes, Lotus Surgical, B Braun, Becton, Dickinson and Company, Poly Medicure	Low
Implants	Smith & Nephew, Narang Medical, Johnson & Johnson, Relisys Medical Devices	Medium-high
Medical equipment and devices	GE Healthcare, Philips Healthcare, Danaher Corporation, Mectron India, Roche Diagnostics, Narang Medical, Skanray, Remi Laboratories	High
Diagnostics (reagents)	Abbott Laboratories, Becton, Dickinson and Company, Danaher Corporation	Low-medium (raw materials are key)

Source: CRISIL Research

There are very few Indian companies in the medical equipment and devices segment, with end-to-end designing and manufacturing capabilities. 60-70% of the Indian players in the Indian landscape cater to a single segment or product line. Players such as Transasia Bio-medicals, Skanray Technologies, Allied medical, Mectron India, Remi laboratories are few of the companies present in medical equipment space in India.

The Indian medical equipment manufacturing industry is fragmented in both size and geography. The industry is spread over five major clusters: Gujarat, Haryana –Delhi, Andhra Pradesh – Telangana, Tamil Nadu and Karnataka. The government plans to develop medical devices parks in these clusters to create a large ecosystem of manufacturers, suppliers and technology players. With enhanced manufacturing capabilities and R&D, the sector will see improvement in quality and reduced dependence on imports.

### Review and outlook of India’s medical device market

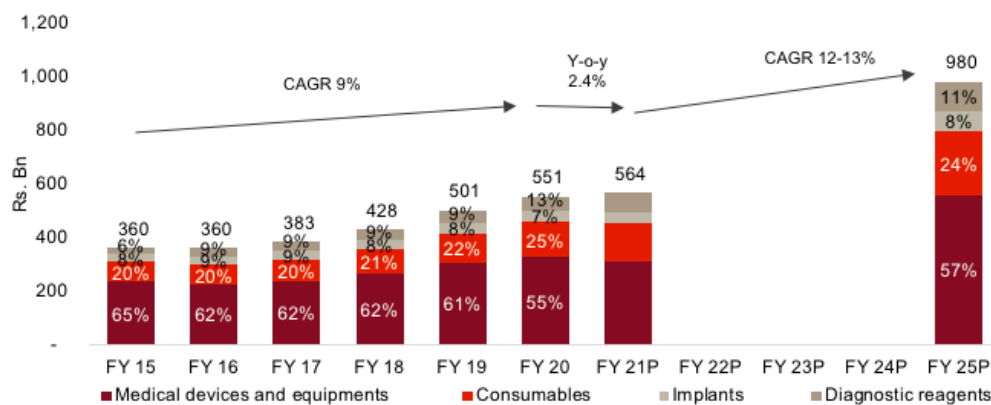
Indian medical device industry is sized at Rs. 560-570 Bn in fiscal 2021
Imports forms 70-80% of the total medical device market
Exports contribute to nearly 45-50% of production value of medical devices
Exports grew faster at 13% CAGR v/s imports at 11% CAGR between fiscal 2016 to fiscal 2020
India largely exports to European countries (35%) followed by USA (17%)
India is among the fastest growing medical device market in the world
Indian medical device industry is expected to grow at 12.0-13.0% CAGR versus global growth of 5.0-6.0% CAGR over next 5 years
India medical device market in among the top 20 markets in the world
India contributes to 2.5%-3.0% of the global medical device market and about 6% of the total healthcare market globally
Diagnostic imaging, cardiology, IVD is expected to grow at 11%, 12% and 13% respectively between fiscal 2020 to 2025

The Indian medical devices sector, estimated at ₹ 540-560 billion in fiscal 2020, comprises more than 14,000 different product types, ranging from wound closure pads to stents. The pandemic has increased the demand for diagnostic tests and reagents and equipment such as ventilators and critical care units. Demand for consumables such as sanitisers, masks, PPE kit, sterilization products, has also increased. The sudden onset of the pandemic and closure of supply chains from China has significantly affected global healthcare services.

Others segments such as medical devices and implants saw a decline with the decrease in medical procedures conducted in hospitals and capex by hospitals. Consumables saw a rise of 30% in fiscal 2021, driven by pandemic related consumption, when hospitals were closed for planned surgeries during the first half of 2020 on account of the nation-wide lockdown. The demand for medical devices will ramp-up with revival of elective surgeries and procedures in hospitals and clinics, as the number of COVID-19 cases show a consistent decline.

The medical devices industry in India grew to ₹ 980 billion in fiscal 2020 from ₹ 360 billion in fiscal 2016 at 9% CAGR driven by strong growth in the healthcare industry. The hospital healthcare industry registered 14% CAGR during the period, driving growth for the medical devices and equipment industry. The medical devices industry grew because of increased expenditure on healthcare and the expansion of healthcare facilities. Government spending on healthcare grew to 1.6% in fiscal 2020 from 1.4% of GDP in fiscal 2018, and PFCE healthcare spending logged 12% CAGR from fiscals 2015 to 2019 at current prices.

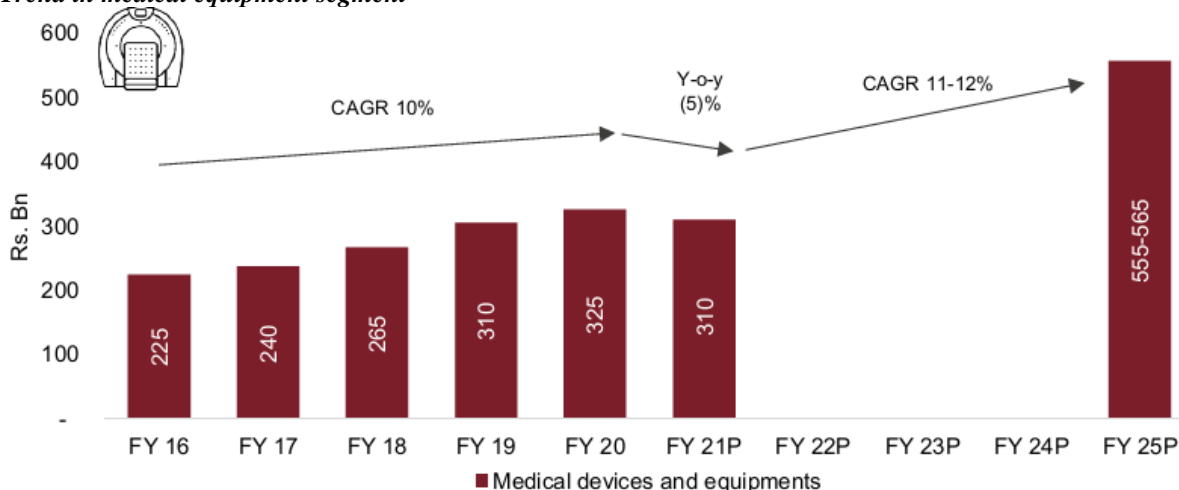
**Trend in medical devices industry**



Source: CRISIL Research

The global medical consumables market size was valued at ₹ 430 billion in 2019 and is expected to grow at a CAGR of 5-6% from 2020 to 2024. The Indian medical device is 2.5-3.0% of the global medical devices market. With the government’s support and an increase in demand of healthcare services, the Indian medical device industry is expected to grow faster than the global industry, at 12.0-13.0% between fiscal 2020 and 2025. The hospital industry is projected to clock 13-15% growth over the period, supporting demand for medical devices and consumables.

**Trend in medical equipment segment**





Source: CIRSL Research

With a 60-65% market share, the medical equipment and electronics segment form the largest component of medical devices industry and is estimated at ₹ 320-330 million in fiscal 2020. The segment is expected to grow at 11-12% from fiscals 2020 to 2025 on account of improvement in hospitals' infrastructure, and the government's aim to increase healthcare expenditure to 2.5% of GDP. The increased usage of technology in Indian healthcare services will also drive the demand for medical equipment. The medical equipment segment is expected to see a decline of 5% in fiscal 2021 on account of the pandemic, as hospitals and healthcare service providers have postponed capex investments. Healthcare institutions and faculties are expected to revert to previous levels of investments and capex as medical procedures in hospitals resume in 2021.

**Cardiology, IVD, ophthalmic and surgery segments to grow moderately faster than other segments in the medical devices industry**

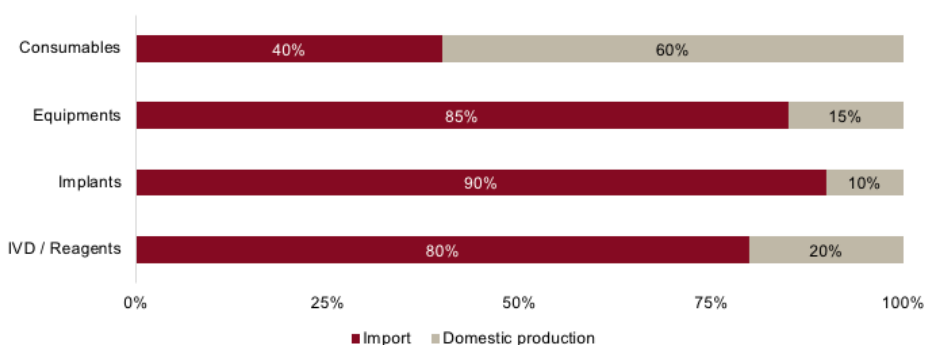
Medical device segments	FY20	FY25	CAGR FY20-FY25
Cardiology	11.5%	12.0%	12%
IVD	10.0%	11.0%	13%
Diagnostic Imaging	10.0%	10.0%	11%
Orthopaedics	9.0%	8.0%	9%
Ophthalmic	7.0%	7.5%	13%
General & plastic surgery	6.0%	6.3%	12%
Others	46.5%	45.2%	11%

Source: Industry estimates, CRISIL Research

The cardiology segment has a 11-12% share in the medical devices industry, followed by in vitro diagnostics (IVD) with a 10-11% share. Cardiology and diagnostics segments are expected to grow faster with the rise in chronic diseases associated with a sedentary lifestyle. These segments are expected to clock 12% and 13% CAGR, respectively, between fiscals 2020 and 2025. General and plastic surgery segment is expected to clock 12% CAGR during the period. Diagnostic imaging segment will continue to contribute a 10% share growing at 11% CAGR between fiscal 2020 and 2025 as preventive check-ups and medical treatments rise with increased expenditure on healthcare.

Due to the Indian players in the market, exports of consumables and low-tech medical instruments has been growing faster than imports and has potential to rise further with increase in capacities and investments on manufacturing supported by the Production Linked Incentive Scheme ("PLI Scheme").

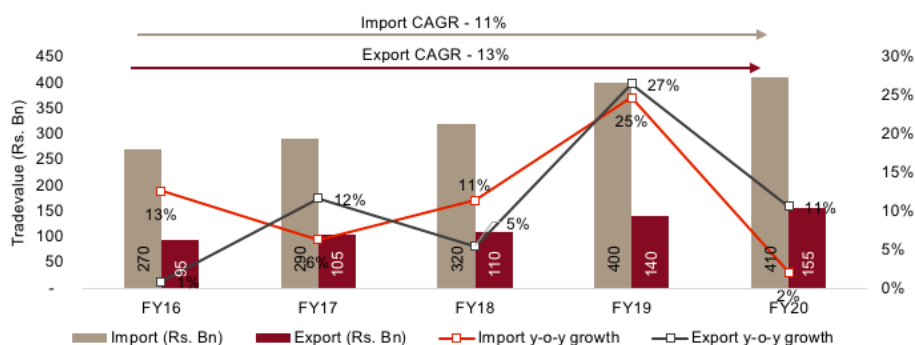
**Share of imports and domestic production in medical device consumption**



Source: CRISIL Research

India has an established exports market for production of medical devices, with exports contributing to nearly 50-55% of the production industry size. India has fairly concentrated exports, with top regions contributing to 90%, and exports majorly in the consumables segment. Europe has a higher share in exports of medical device and consumables from India with 35% share, followed by the United States with 17.8% share in fiscal 2020.

### Import-export trend for the medical device industry



### Top 10 countries for import of medical devices and scientific equipment

	Countries / Region	Share in imports		Countries / Region	Share in exports
Top originator for imports in India	US	25.0%	Top destinations for exports from India	Europe	35.3%
	Europe	17.0%		US	17.8%
	China	6.0%		China	13.6%
	Singapore	5.0%		Japan	8.6%
	Brazil	2.2%		Singapore	6.3%
	Iran	2.2%		Korea	5.1%
	United Kingdom	2.1%		United Kingdom	3%
	<b>Top 7</b>	<b>59.5%</b>		<b>Top 7</b>	<b>90%</b>

Source: DGCIS, CRISIL Research

### Growth Drivers

Both demand- and supply-side factors are driving growth for the medical device industry in India. While demand-side factors include rising income level and healthcare expenditure, ageing population, increased occurrence of chronic and lifestyle disease, and increased awareness about healthcare diagnostics and prevention, demand for quality healthcare, increase in health insurance; it is the government's focus on 'Make in India', industry-supportive policies and schemes, potential for import substitution, and a shift from geographic concentration of imports on the supply side. Regulation of product pricing and Government's focus on providing cost effective healthcare service in India will led to higher demand for cost-effective products which will generate demand for locally manufactured products that are distributed at competitive prices. Owing to pricing pressures, OEMs are seeking cost-competitive alternatives, which is giving rise to India as an emerging hub for manufacturing of high complexity and medium volume medical devices. This provides opportunity for indigenous medical device manufacturers to upgrade their production facilities and cater to rise in demand for locally manufactured cost effective medical devices.

India is among the fast-growing markets for healthcare and medical devices in the Asia-Pacific. With improving medical device regulations, setting up of the National Medical Devices Promotion Council, and the government's focus on manufacturing of medical devices, there is huge potential for the Indian medical manufacturing industry.

As of Fiscal 2019, 472 million people were covered under health insurance as against 216 million in Fiscal 2014, recording a CAGR of 16.9%. There is also a large elderly population of 52 million (70+ years) in 2020 which is expected to double in the next 15-20 years. As a result, there has been a growing number of surgical procedures conducted in India, exceeding 18 million per annum.

### ***Rising incidences of chronic diseases***

In India, there has been a gradual shift to and an accelerated rise in the prevalence of chronic or lifestyle diseases such as cardiovascular disease, diabetes, chronic obstructive pulmonary disease, cancers, mental health disorders, and injuries. As per the Indian Council for Medical Research's National Cancer Registry Programme Report, 2020, the projected number of incidence of cancer cases is 1.57 million by 2025, a rise of 15.6% between 2020 to 2025. According to the International Diabetes Federation's Diabetes Atlas (9th Edition), India has 63-96 million people with diabetes as of 2019, which is expected to rise 31% to reach 82-125 million by 2030.

The government is implementing the National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS) with a focus on strengthening infrastructure, human resource development, health promotion & awareness generation and early diagnosis. To tackle the challenge of NCDs, 637 NCD clinics have been set up at the district level and 4,472 at the community health centre-level. The government is also implementing population-level initiatives for prevention, control and screening of common NCDs (diabetes, hypertension and common cancers, such as oral, breast and cervical cancer) and camps for awareness and screening of common NCDs are also being organised. All these factors drive demand for medical devices in India.

### ***Out-of-pocket (OOPS) as % of CHE (2017)***

In India, of-pocket (OOP) expenditure on health was 62% of its total health expenditure as of 2017 (highest among all the other countries compared above). In India, insurance cover does not cover out-patient treatments which makes OOP due to outpatients greater in comparison to inpatients treatments.

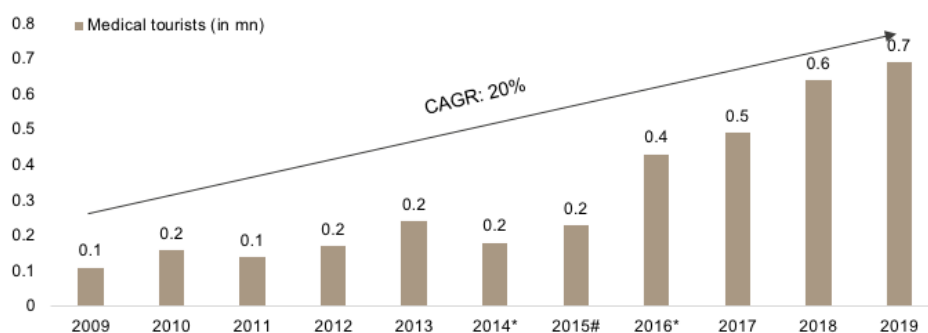
Nearly 25% of the rural population and 18% of the urban population are dependent on borrowings for funding their healthcare expenditure. Health expenditure contributes to nearly 3.6% and 2.9% of rural and urban poverty, respectively. Annually, an estimated 60 to 80 million people fall below poverty line 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. Though this represents a pain point in healthcare financing, it also means there exists substantial potential for those involved in the provision of auxiliary healthcare services.

### ***Rise of medical tourism in India***

India is an attractive destination for medical tourism due to technologically advanced hospitals with specialised doctors, facilities such as e-medical visa and low costs compared to other countries. Treatments mostly sought after in India are for heart surgery, knee implant, cosmetic surgery, and dental care.

As per the Ministry of Tourism, Singapore, Malaysia and Thailand also offer medical-care facilities to foreigners, but what differentiates India apart from state-of-the-art infrastructure with reputed healthcare professionals is traditional healthcare therapies, such as Ayurveda and Yoga, combined with allopathic treatments providing holistic wellness. According to the latest data available with the Ministry of Tourism, of the total foreign tourist arrivals in India, the proportion of medical tourists has grown from 2.2% (0.11 million tourists) in 2009 to 6.4% (0.6 million tourists) in 2019. The government estimates medical tourism to be worth \$9 billion by 2020, garnering 20% of the global share, up from the USD 3 billion in 2015. However, we might fall short of this figure in 2020 due to the pandemic-led travel restrictions.

### ***Growth of medical tourists\****



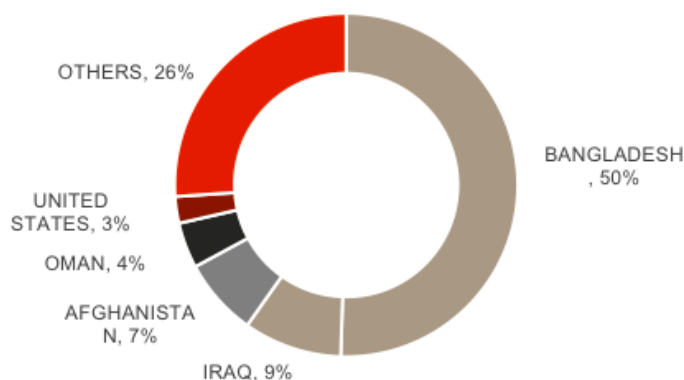
Note: \* includes all types of medical and medical attendant visa; #includes medical visa and medical attendant visa

Source: Ministry of tourism

Nearly 88% of the medical tourists in India come from Africa, West Asia and other South Asian nations. Medical tourists

from the United Kingdom and Canada are also increasing on account of the long waiting periods for availing treatments in these regions.

**Break-up of medical tourists\* by major country of origin**



Note: Based on data as of 2018

Source: Ministry of Tourism

**Rise in home healthcare**

Home healthcare is witnessing a rise in India for treatment of elder patients and long stay patients in their comfortable environment at home. Specially challenged patients can also be treated at home with regular monitoring and proper diagnostics. Home healthcare segment is seeing a faster rise supported by the growth in medical device innovations, as distance / remote location diagnostics is possible with integration of medical device at home.

**Production-Linked Incentive Scheme**

The government of launched the PLI Scheme to promote domestic manufacturing of medical devices. Under the scheme, the applicant must be a company registered in India to avail benefits for setting up a greenfield manufacturing plant in the country. With the objective of product diversification, and production of innovative and high-value medical devices, the scheme aims to help achieve affordable healthcare on a sustained basis. The scheme is expected to lead to substantial reduction in imports of medical devices. According to the scheme, an applicant must be from the following four target segments:

1. Cancer care/ radiology medical devices;
2. Radiology and imaging devices, and nuclear imaging devices;
3. Anaesthetics and cardio-respiratory medical devices (including catheters), and renal care medical devices; or
4. All implants, including implantable electronics devices

A maximum of 10 applicants from each category and total 28 applicants will be selected, with a minimum of three applicants from each segment, if available.

The scheme will provide a maximum benefit of ₹ 1.2 billion per applicant per target segment. An outlay of ₹ 15-34 billion has been earmarked for this scheme, depending on target sales achieved and number of applicants the authority finalises. It will lead to expected incremental production of medical devices to ₹ 684 billion over five years. The government has received 28 applications from 23 medical device manufacturers since November 30, 2020.

**Promotion of Medical Device Parks**

This scheme aims to promote medical device parks in the country in partnership with the state governments. A maximum grant-in-aid of ₹ 1,000 million per park will be provided to the states. The scheme for Promotion of Medical Device Parks is to be implemented by a state implementing agency (SIA). Under the sub-scheme for the promotion of medical device parks, common infrastructure facilities would be created in four medical device parks, which is expected to reduce the manufacturing cost of medical devices in the country.

In line with the PIB notification dated December 1, 2020, the PLI Scheme for bulk drugs and medical devices was approved by the government on March 20, 2020. The initial implementation guidelines for both schemes were issued on July 27,

2020, which were amended based on the feedback received from the industry. The revised guidelines were issued on October 29, 2020. Both schemes have received an encouraging response from the pharmaceutical and medical device industries.

### **Challenges and risks**

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 Government of India controls the prices of certain medical devices by either fixing a price at which they should be sold or by restricting the ability of the marketer to increase the price of the device by more than a prescribed percentage at any given time. The second challenge is the presence of multiple regulators, which may make simple tasks, such as the rectification of an erroneous declaration on the label, quite a complex affair. The third challenge is archaic laws that do not permit manufacturers and importers of medical devices to promote their product directly to customers. Lastly, India does not spend nearly as much as it should be on healthcare and is far behind its peers in terms of healthcare expenditure as % GDP.

#### ***Rapidly changing technology and R&D investment***

The medical equipment industry is vulnerable to fast-changing technology. To stay ahead of the competition, industry players have to keep upgrading. The problem is particularly acute for smaller players as this involves huge capital investments. With the lack of support infrastructure for electronic segments and technology components suppliers, upgrading technology in medical devices for the domestic and international markets poses key challenges for domestic players

#### ***Regulatory intervention and price capping***

The government recently capped prices of coronary stents and knee implants. It is planning to introduce price capping on other medical devices as well, limiting the prices of medical devices that are currently unregulated and sold at high prices.

#### ***Lack of adequate investments in R&D***

In order to remain competitive and ensure sustainable growth, players need to invest in R&D and adopt fast-changing technologies. Also, the break-even period to reap investment benefits is long. As a result, domestic manufacturers hesitate to make any long term-investments in R&D and innovation, limiting their growth prospects in the long run.

#### ***Intense competition***

The industry is highly fragmented. Domestic players face stiff competition among themselves as well as from MNCs. The competition is only expected to intensify with the entry of global firms like Phillips healthcare, Wipro GE Healthcare, Siemens Healthcare, Medtronic, Bayer Diagnostics and other MNC players.

#### ***Lack of intellectual property (IP) rights***

IP protection for new technology is very important for the success of global medical devices players or any technology players investing in R&D. In the absence of effective IP laws, players lack the confidence to invest in R&D and manufacturing assets, thus limiting India's manufacturing potential.

#### ***Quality Assurance***

Quality certification is also important to instill confidence in domestic and international customers. The absence of a dedicated licensing authority reduces export as customers prefer established players and products. Currently, domestic manufacturers are required to acquire an FDA/CE certification to cater to medical device demand from a section of the market in India and other global countries. The approval process take a considerable amount of time and investment, which impacts the introduction of new medical devices in the market.

To fill the regulatory vacuum in the quality certification space for medical devices, the Association of Indian Medical Device Industry (AIMED), in collaboration with the Quality Council of India (QCI) and the National Accreditation Board for Certification Bodies (NABCB), rolled out a voluntary quality certification scheme for medical devices.

#### ***Lack of a well-developed supply chain***

The setting up of manufacturing production is not just limited to investments in plant and machinery and technology but also requires an effective component supply chain and infrastructure. Currently, a major challenge for players in the

electronics manufacturing industry at large, is that a large part of components are imported and the components industry is concentrated in a few global markets, making it difficult to procure cost-effective components and maintain price competition at the end-product level.

Also, medical device regulations and government support for manufacturing in India are not sufficient to bring India out of 70-80% dependency on imports for medical devices. Key issues that limit the growth of medical device manufacturing in India are:

- Public healthcare in India enjoys longer credit cycles from its suppliers or indulges in late payments to suppliers, impacting the financial structure and cash flow of the players and limiting the expansion of the industry. Expediting payments to the MSME medical device sector will improve cash flows and financial health of players, enabling them to invest in expansion.
- Limited supply chain for electronics manufacturing in India. India is dependent on imports for high – medium technology based medical device products including electronic medical devices. The supplier supply chain for electronics is not present in India, discouraging Indian manufacturers from investing in electronic medical device manufacturing as the cost economics are not favourable.
- Custom duty of 7.5% and health cess of 5% on select medical devices products is levied since February, 2020. The customs duty health cess have been removed in the union budget of fiscal 2022, but its impact is expected to be neutral as the directive is applicable only to international organisations and diplomatic missions.
- GST on certain components is higher than the medical device produced, thus locking capital of the players in taxes paid.
- No capping of trade margins for certain medical electronics devices, make the prices of imported products very high. This restricts volume growth in Indian medical devices. With decline in prices, demand for medical devices will go up and quality products will also reach the lower strata of society. So far, only trade margin data on stents, knee implants and syringes have been released in the public domain. In 2017, the government capped MRPs of cardiac stents and knee implants, bringing their prices down by 60-80% for patients. But the move was met with divided responses from domestic and global device makers. Domestic manufacturers said this would provide a level playing field for players, encouraging 'Make in India' production, while foreign companies alleged this would block innovative products in this space from reaching Indian patients.

### ***Union Budget announcement for fiscal 2022***

Budgetary allocation towards health increased to ₹ 2.23 trillion in fiscal 2022. A new centrally sponsored scheme, the 'PM Atma Nirbhar Swasth Bharat Yojana', was announced with an outlay of about ₹ 641.8 billion over 6 years. This scheme has an aim to develop capacities of primary, secondary, and tertiary care health systems, strengthen existing national institutions, and create new institutions to cater to detection and cure of new and emerging diseases. The main interventions under the scheme include support for 17,788 rural and 11,024 urban Health and Wellness Centers, setting up integrated public health labs in all districts and 3382 block public health units in 11 states, establishing critical care hospital blocks in 602 districts and 12 central institutions; operationalization of 17 new Public Health Units and strengthening of 33 existing Public Health Units at Points of Entry, that is at 32 Airports, 11 Seaports and 7 land crossings and Setting up of 15 Health Emergency Operation Centers and 2 mobile hospitals.

### **Assessment of regulatory framework for the industry**

The Indian medical devices industry offers great opportunity, not only because India is an underpenetrated market or the second largest economy in terms of population, but also because of recent introduction of supportive government policies and regulation. The Government of India is focusing on making India a hub for manufacturing for domestic consumption as well as exports, similar to the pharmaceuticals industry, and is introducing policies and regulations to support the medical device industry in this regard.

The Medical Devices and Diagnostics Division of the Central Drugs Standard Control Organisation (CDSCO) is the designated authority for medical device regulation. Prior to the implementation of new medical device rules in 2017, CDSCO was mainly focused on drugs, and medical devices were not separately regulated. Post the introduction of medical device regulation in 2017, the market has become more regulated. Medical Devices notified by the Government of India under the Drugs & Cosmetics Act, 1940, are regulated by CDSCO as 'drugs' under the provisions of the Drugs and Cosmetics Rules, 1945. The quality control over these devices is regulated through the system of registration and import licences.

The Medical Device Rules, 2017 (MDR), was passed by the central government, after consultation with the Drugs

Technical Advisory Board. The rule came into effect from January 1, 2018, to fill in the gap on account of the absence of medical device-specific legislation in India. The government has also passed a new medical devices bill in February 2020 to amend the Medical Device Rules, 2017, to effectively govern all types of medical devices in India. The bill upgraded the existing medical devices regulation by expanding the list of products it applies to, to help create a supportive ecosystem for manufacturing, research and innovation.

- Registration of medical devices – As per the Medical Devices (Amendment) Rules, 2020, the Medical devices referred list shall be registered, for production and import, with the Central Licensing Authority through an identified online portal established by the Central Drugs Standard Control Organization . A certificate of compliance with respect to ISO 13485 is required for medical device registration. The registration number obtained after registering the device on the government portal, must be mentioned on the label of the device.
- Provisions of Public Procurement 2017 – Government controlled bodies shall give preference to production from local suppliers. Class I local suppliers are classified as those with local content in the product above 50%, while and Class II local suppliers have local content in the product between 20% to 50% . Anything below 20% is classified as non-local suppliers. Foreign entities can form partnerships, joint ventures and establish production units in India.
- Drugs and Cosmetics Act, 1940 (“DCA”) - In February 2020, the central government, after consultation with the Drugs Technical Advisory Board, specified the following medical devices definition under the Drugs and Cosmetics Act, 1940, intended for use in human beings or animals as drugs with effect from the first day of April, 2020, namely - all devices including an instrument, apparatus, appliance, implant, material or other article, whether used alone or in combination, including a software or an accessory, which may assist in any pharmacological or immunological or metabolic function by one or more of the specific purposes of:
  1. diagnosis, prevention, monitoring, treatment or alleviation of any disease or disorder;
  2. diagnosis, monitoring, treatment, alleviation or assistance for, any injury or disability;
  3. investigation, replacement or modification or support of the anatomy or of a physiological process;
  4. supporting or sustaining life;
  5. disinfection of medical devices; and
  6. control of conception.

In October 2019, the Medical Device Amendment Rule, 2019, was introduced for the registration of certain medical devices after consultation with the Drugs Technical Advisory Board (DTAB) that accepted the recommendations of Ministry of Health and Family Welfare (MOHFW) medical devices committee that all medical devices in India should be regulated under the Drugs and Cosmetics Act, 1940 in a phased manner.

- Phase 1: all manufacturers and importers of non-regulated medical devices should register their medical devices on the medical device application online portal. Registration will be voluntary during the first 18 months following the official notification for registration and will become mandatory thereafter. Companies must adhere to the Materiovigilance Programme of India (MvPI) and report serious adverse events.
- Phase 2: after the 18-month voluntary registration period, licensing under the Medical Device Rules, 2017 (MDR 2017) will become mandatory for all Class A and Class B devices within 12 months.
- Phase 3: after the 18-month voluntary registration period, licensing under the MDR 2017 will become mandatory for all Class C and Class D devices within 24 months.

A statutory body under the jurisdiction of the Directorate General of Health Services with specialist expertise to regulate medical devices shall come into effect along with the establishment of a National Register of Medical Devices and introduction of a unique device identification number to improve product traceability.

Under the regulatory roadmap, it was proposed that CDSCO would set up a medical device vertical to handle the new regulatory requirements, headed by an Additional Drugs Controller (Medical Devices), assisted by four Joint Drugs Controllers, with responsibility for invasive medical devices, non-invasive medical devices, in-vitro diagnostics and materiovigilance. The committee also recommended that five medical device testing laboratories be set up within five years. It was also proposed to employ an extra 785 staff in total, comprising 449 regulatory officials, 305 laboratory personnel and 31 experts and specialists.

Once the 'New Definition Notification' comes into effect, manufacturers and importers of new devices would be required to obtain manufacturing and import licenses under the MDR to engage in the manufacture and import of medical devices. However, once the new device has been registered on the portal as per the procedure described in the registration notification, such device will be exempt from the MDR (and consequently from obtaining the abovementioned manufacturing and import licenses) for a period of 30 months from April 01, 2020, if the New Device is a Class A or Class B device, and for a period of 42 months if the new device is a class C or Class D device ("Exemption Provision"). Notably, the registration of new devices on the portal is on an optional basis for 18 months and mandatory thereafter. However, as the exemption provision is applicable only for new devices that have been registered on the portal, manufacturers and importers have a strong incentive to register their new devices as soon as the portal becomes operative so that they can avail of the exemption provision.

In February 2020, India's CDSCO amended the list of products falling under medical device regulation. All medical devices, except those specified in the Annexure A of Eighth Schedule of MDR amendment, 2020, would be treated as 'non-scheduled formulations' under the DPCO. As a result, the prices of such medical devices cannot be increased by more than 10% within a given 12-month period. Also, medical devices under Annexure A would come under the purview of the DPCO as and when they are notified.

#### ***Status of medical devices exempted under the registration notification***

The medical devices that have already come under the purview of the MDR or will come within the purview of the MDR over 2021 (as specified in Annexure A) have been specifically excluded under the registration notification of MDR 2017. As a result, these devices are not required to be registered on the online portal. These devices would also be exempt from compliances under the MDR until the date the medical device is slated to come under regulation, as mentioned in the Annexure. For instance, X-ray equipment which has been notified under the MDR with effect from April 01, 2021, will not be governed under the MDR by virtue of the notifications and hence no registration is required for X-ray. However, X-ray equipment would be governed by the MDR with effect from April 01, 2021. Therefore, manufacturers and importers of X-ray equipment would be required to obtain the requisite licenses prior to effective date to carry on commercial activity thereafter. As per industry interactions, it takes the regulators take anywhere between 9 to 12 months to grant an import/manufacturing licence.

In line with the global practice, MDR has also introduced a risk based classification system for regulation of medical devices, where low risk devices are classified as Class A, low to moderate risk as Class B, moderate to high risk as Class C and high risk as Class D. The method of classification and the categorization of products is as per classification decided by DCGI and cannot be decided by the manufacturer / importer.

#### ***Product labelling***

In March 2017, the National Pharmaceutical Pricing Authority (NPPA) issued a memorandum making it compulsory to display the maximum retail prices on the packaging of notified devices.

#### ***Single window for clearance and registration***

All applications for import, manufacture, sale or distribution and clinical investigation, whether to be assessed by the DCGI or the state licencing authority, will have to be made through a single online portal of the central government i.e., the online system for medical devices.

#### ***Licence for sale of medical devices***

The MDR does not have separate provisions for sale of medical devices. The provisions related to 'sale of drugs other than homeopathic medicines' in Part VI of the DCR will apply to medical devices as if it was inserted within the MDR.

#### ***Time line for obtaining licenses***

Under MDR 2017, an applicant can be certain and aware of the time within which the application will be decided and can also plan the duration within which one can expect an audit or inspection to take place because timelines have been assigned to each regulatory function. The scrutiny for Class C or Class D devices shall be completed by the Central Licensing Authority within a period of 45 days from the date of online submission of application. The scrutiny for Class A or Class B devices shall be completed within a period of sixty days from the date of online submission of application.



**Consolidated of registration certificate and import license** - The MDR have done away with separate requirement of a registration certificate for the foreign manufacturer for its manufacturing site and the products. The only regulatory requirement now to be able to import and market products in India is to appoint an authorised agent in India and apply for an import licence through it. The immediate impact of this change has been that the hassle of making two separate applications (registration and import license) has vanished and the timeline for obtaining the import license (of nine months) has become certain.

#### **Local medical device testing laboratories**

The Department of Pharmaceuticals has said it is planning to set up three dedicated medical device testing laboratories in the states of Gujarat, Haryana and Uttar Pradesh to serve local medical device manufacturing clusters. The laboratories will receive technical support from the National Health Systems Resources Centre within the Ministry of Health and Welfare (“MoHW”).

#### **Materiovigilance**

The MoHW initiated MvPI to monitor medical device-associated adverse events (MDAE). For this, the programme aims to assess the safety and efficacy of medical devices and collects data on the same; this feeds into regulatory decisions and recommendations on the safe use of medical devices. MvPI creates awareness among healthcare professionals about the importance of MDAE reporting in India and monitors the benefit-risk profile of devices. It also intends to generate independent, evidence-based recommendations on the safety of medical devices and communicates findings to all key stakeholders. MvPI hubs in 10 medical colleges have been set up, coordinated by the Sree Chitra Thirunal Institute of Medical Sciences and Technology in Thiruvananthapuram, and run along the lines of the existing pharmacovigilance and haemovigilance programmes.

#### **Procurement**

The Department of Pharmaceuticals (“DoP”) released draft guidelines for the implementation of provisions in March 2018 under the Public Procurement Order (PPO) of 2017, which is related to medical devices valued at less than ₹ 5 million (USD 75,000). The guidelines propose that to be eligible for public procurement, medical devices need to have minimum local content ranging from 25% for instruments and equipment to 50% for consumables. The DoP collects data regarding domestic production capacity of various types of medical devices. Based on these findings, it can revise the local content percentage after one year or as soon as relevant data becomes available. In line with the 2017 PPO, preference will be given to local companies provided there is enough capacity and competition in India (at least two local suppliers for each tender). If a foreign manufacturer is the lowest bidder, domestic firms will be asked to match the lowest bid to supply 50% of the contract.

#### **Foreign direct investment**

In the medical device manufacturing sector, 100% FDI through the “automatic route” is permitted (i.e. without the government’s prior approval). This enables quick capital infusion to scale up operations as well as strategic acquisitions.

#### **Production-Linked Incentive Scheme and promotion of Medical Device Parks**

The GoI launched the Production-Linked Incentive (PLI) Scheme to promote domestic manufacturing of medical devices. Under the scheme, the applicant must be a company registered in India that can avail benefits/ incentives to set up a greenfield manufacturing plant in the country. With the objective of product diversification, and production of innovative and high-value medical devices in India, the scheme aims to help achieve affordable healthcare on a sustained basis. The scheme is expected to lead to substantial reduction in imports of medical devices. According to the scheme, the applicant must be from the following four target segments:

1. Cancer care/ radiology medical devices
2. Radiology and imaging devices, and nuclear imaging devices
3. Anaesthetics and cardio-respiratory medical devices (including catheters), and renal care medical devices
4. All implants, including implantable electronics devices

The incentives under the scheme, of 5%, will be calculated on incremental sales over the base year of fiscal 2020 and is available for five years; this scheme is applicable until fiscal 2028.

A maximum of 10 applicants from each category and total 28 applicants will be selected, with a minimum of three applicants from each segment, if available. A single applicant can apply to more than one segment by submitting two or more applications, but would require to meet the eligibility criteria for investment separately.

**Promotion of Medical Device Parks**

This scheme aims to promote medical device parks in the country in partnership with the state governments. A maximum grant-in-aid of ₹1,000 million per park will be provided to the states. The scheme for Promotion of Medical Device Parks is to be implemented by a state implementing agency (SIA). Under the sub-scheme for the promotion of medical device parks, common infrastructure facilities would be created in four medical device parks, which is expected to reduce the manufacturing cost of medical devices in the country.

In line with the PIB notification dated December 1, 2020, the PLI Scheme for bulk drugs and medical devices was approved by the government on March 20, 2020. The initial implementation guidelines for both schemes were issued on July 27, 2020, which were amended based on the feedback received from the industry. The revised guidelines were issued on October 29, 2020. Both schemes have received an encouraging response from the pharmaceutical and medical device industries.

**Supply chain regulations**

Indian regulations do not have separate provisions for the sale of medical devices. However, MDR does address a practical supply chain difficulty faced by many distributors in India. Implantable medical devices cannot be self-administered and, therefore, cannot be retailed. They are stocked by hospitals for clinical use as and when a patient arrives for treatment. However, hospitals do not buy devices in large quantities to avoid capital being locked away. Hospitals keep limited stock to ensure availability for emergency. In contrast, critical medical devices have to be stocked well in hospitals. As a result, the distributor transfers a sizeable stock of the medical devices to the hospital through a stock transfer, which is not sale or distribution. This stock present at hospitals is movement of goods in distribution and is considered sales and applicable taxes. To resolve this complication, MDR has permitted the supply of implantable medical devices against a delivery note (challan) to avoid litigation for a mere stock transfer.

**OVERVIEW OF THE GLOBAL MEDICAL DEVICE INDUSTRY AND VALUE CHAIN**

**Medical device industry is more regulated in developed nations**

Medical devices provide a wide range of benefits to healthcare providers related to monitoring and diagnosing patients’ healthcare and enhancing the same. Sale of medical equipment and their service form a major part of the medical equipment industry. The types of medical devices range from highly complex equipment such as diagnostic equipment to simple ones such as bandages. The broad classification of medical devices can be given as follows:

Surgical and medical equipment	• Devices used in surgery such as scissors and dental drillers
Disposable equipment	• Basic hospital supplies such as bandages and gloves
Therapeutics	• Devices such as cardiac pacemakers, ventilators and infusion pumps
Diagnostic equipment	• Devices such as MRI and CT scanners

Source: CRISIL Research

The industry is known for its tendency to make frequent, progressive changes to products. On a global scale, the medical device industry is highly regulated among developed nations such as the United States, the European Union and Japan. However, the regulatory environment in developing nations is at a nascent stage.

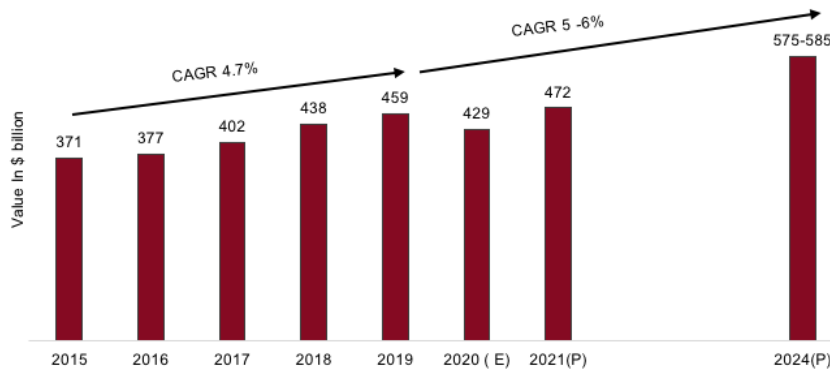
**Market size review and outlook**

The global medical device industry reported a CAGR of 4.7% from USD 371 billion in fiscal 2015 to USD 459 billion in

fiscal 2019. CRISIL Research estimates that the industry’s market size contracted and was valued at USD 429 billion in fiscal 2020, due to the pandemic. Though the healthcare system has been put to major use during this period, discretionary spending and capital expenditure on medical devices are hurt due to postponement of surgeries and reduced individual spending.

While the demand for some products has increased (such as personal protection equipment and ventilators) amid the pandemic, some products have reported reduced sales due to the postponement of elective surgeries. Surgical devices saw suppressed demand on account of postponement of elective surgeries during first half of 2020 due to COVID-19 pandemic spread. With vaccination drives and containment of pandemic spread, elective surgeries will see a rise, which will drive demand for surgical devices such as C-arms. In 2021, the medical device is expected to recover quickly on account of pent-up demand for medical procedures and normalcy in economic activities and business operations post introduction of vaccination.

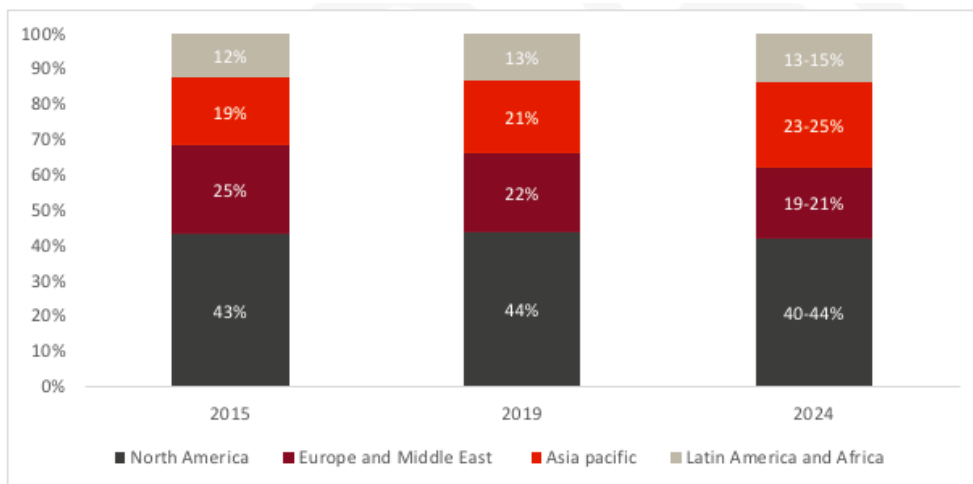
**Market size of global medical device industry during fiscals 2015–2024**



Source: CRISIL Research

CRISIL Research estimates the size of the global medical device industry to be USD575-585 billion in 2024, expanding at a CAGR of 5–6%, supported by a rising ageing population, an increase in the burden from non-communicable diseases (such as cardiovascular diseases, diabetes and cancer), rise in healthcare spending, and faster growth of healthcare spending in the developing and middle-income groups. Other growth drivers are introduction of new technologies, increased security for healthcare data, and increase in disposable income and rising number of sedentary lifestyle-based disease cases. Development in rural healthcare systems owing to technological advancements has also boosted growth in Asia and Africa. Majority of medical device sales occur in the United States, followed by the European region. North America dominates with a 43-44%, while the Middle-East accounts for 22–25% during fiscals 2015 to 2019.

**Geographical break-up of global medical devices industry**



Note: The above break-up is based on geographic segmental revenues reported by top MNCs companies across the globe  
Source: CRISIL Research

Going forward, the Asia- Pacific region is expected to see higher growth as the consumption market in this region grows strongly with increase in population, healthcare expenditure and economic output (GDP). Asia- Pacific region’s share is

expected to reach 23-25% in the overall medical device industry, while North America is expected to maintain its dominant position.

With increasing trade tensions and protectionist policies being introduced by several governments, companies with investments in different regions across the globe, are expected to be less affected.

In the US, medical device approval for all entities manufacturing, relabeling, repackaging or importing is given by the USFDA’s Centre for Devices and Radiological Health (CDRH). The CDRH segregates medical devices into: Class I, Class II, and Class III. The classes are based on the risk level that the medical devices pose to the patient, with Class I being the lowest risk.

Manufactures, both US-based or foreign, and first time importers, must register their entities with the USFDA. Foreign manufactures, in addition to the registration, must also appoint a US agent.

**Quality system regulation**

This includes compliance of methods, facilities, and controls used in the manufacturing, designing, packaging, labelling, purchasing, storing, installing, and servicing with USFDA standards. The manufacturing facilities could also undergo USFDA inspection with respect to quality requirement. In the European market, entities need to get the European Conformity (CE) mark for their products. On obtaining the CE mark, the entities can market the medical device across EU member nations; however, they also need to comply with additional regulations of member nations, such as individual country registration. In each of the countries, a separate inspection is carried out to check for compliance with respect to standards. In addition, if the manufacturer has no registered business in the EU, it must have an authorised member.

**Labelling and medical device reporting**

The manufacturer needs to comply with labelling regulations for medical devices under Title 21 of the Code of Federal Regulations (CFR). If a medical device has caused injury or death, or malfunctions, it must be reported to the USFDA under the Medical Device Reporting (MDR).

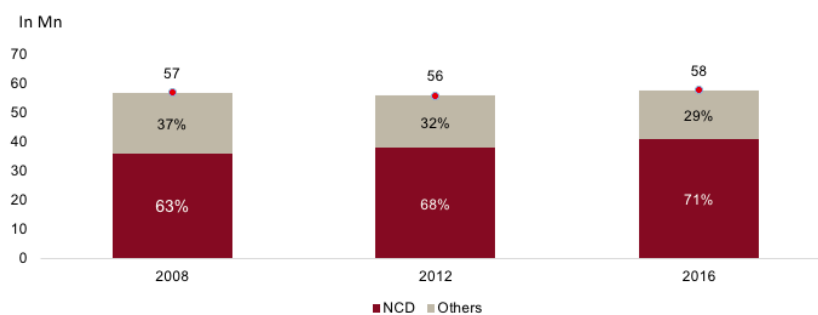
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**Review of demand drivers for global market**

***Increase in burden from non-communicable diseases***

Increase in number of people with NCDs, such as cancer and cardiovascular diseases, provides a major avenue for the medical devices market. According to the WHO’s World Health Statistics, deaths due to NCDs increased from 63% in 2008 to 71% in 2016, as a % of total deaths. Given that total deaths stood at 58 million in 2016, 41 million of the deaths were because of NCDs.

***Global cause of deaths from 2008 to 2016***



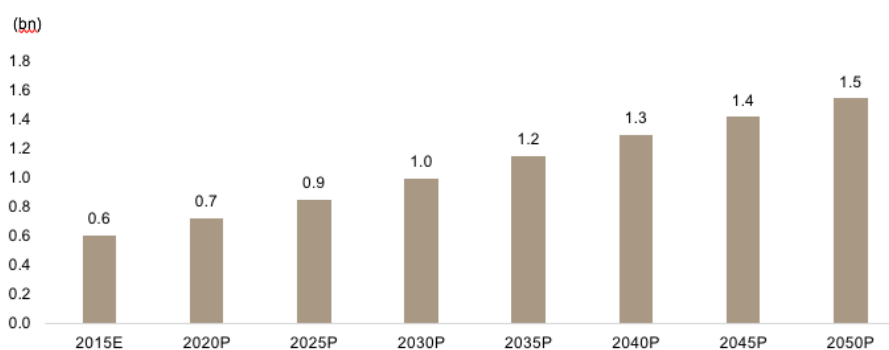
Source: WHO, CRISIL Research

A further peeling of the data reveals that in high-income countries, cancer has become major cause of deaths, whereas in lower and lower-middle income countries, cardiovascular diseases is the main cause. The major causes of NCDs include unhealthy diets, use of tobacco, and physical inactivity.

### ***Rising ageing population***

According to a UN report, the above 65-year population would increase from 703 million in 2019 to 1.5 billion in 2050, which is a rise of 112% over 21 years. Consequently, the share in overall global population of the age group would expand from 9% to 16% over the period. The major regions with rapidly ageing populations include the Caribbean, Latin America, and some Asian countries.

#### ***World population above 65 years from 2015 to 2050***



E: Estimated; P: Projected

Source: UN World Health Prospectus (2019), CRISIL Research

While living long, the incidence of co-morbidity also increases, i.e. a situation where an individual faces several illnesses at the same time. This raises the demand for several medical devices by the particular age group for homecare, etc.

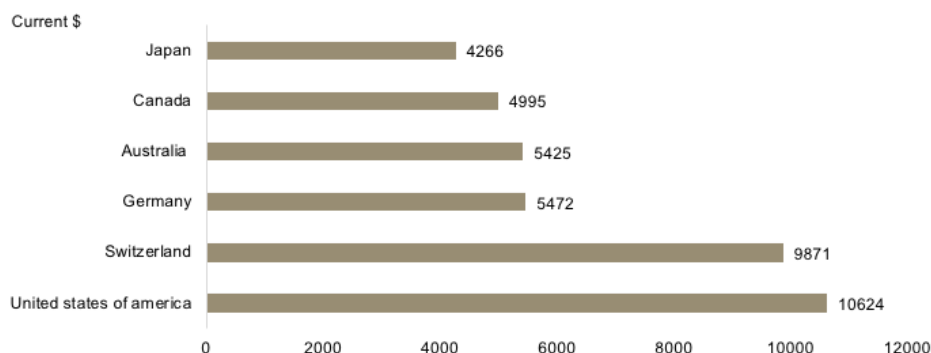
### ***Urbanisation***

According to UN World Urbanization Prospects (2018), the urban population across the world increased sharply, from 751 million in 1950 to 4.5 billion in 2018. In 2018, approximately 55% of the world's population resided in urban areas, which according to the UN would increase to 68% by 2050. If the projection plays out, this will add approximately 2.5 billion to the urban population. Major contributors to this surge would be China, India, and Nigeria, which will comprise 37% share of the total growth. The rise in the urban population will translate to increase in vehicular traffic, causing a rise in air pollution and accidents. There will also be an increase of slums in urban areas, thereby increasing the incidence of diseases such as diarrhea. The growth in the urban population, in conjunction with increase in the above 65 years age group, would augment the need for medical devices.

#### ***Growth prospectus in emerging markets due to spending gap***

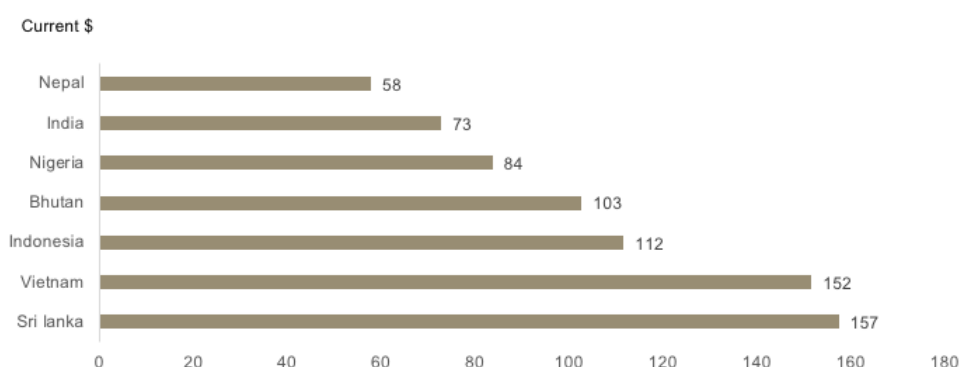
The healthcare expenditure per capita rose at a minimal approximately 4% CAGR over 13 years, from USD 686 in 2005 to USD 1,111 in 2018. The low trajectory was primarily because of a wide spending gap between emerging markets and mature markets. Developed countries, such as the United States, Japan, spend USD 4,266, with emerging nations spending far less.

### **Health expenditure per capita of mature countries (2018)**



Source: World Bank, CRISIL Research

### **Health expenditure per capita of emerging countries (2018)**



Source: World Bank, CRISIL Research

However, with rising awareness about healthcare along with population growth in countries such as India and Nigeria, emerging markets poses a viable option for the medical device industry.

### **Challenges and key risk factors**

#### **Regulatory compliance**

Regulatory guidelines ensure the adherence of quality and safety standards by medical devices. Industry manufacturers must adhere to these standards, considering the number of lives at stake. However, there is no standard medical device regulatory template followed globally. Countries have their own regulatory authorities and device-approval mechanisms. Therefore, it is a challenge for medical equipment manufacturers having global footprints to monitor new compliance changes across countries they intend to market.

#### **Data security issues**

With the introduction of industry 4.0, the medical device industry is moving towards internet-of-things (IoT). However, technology-dependent medical devices pose a challenge for manufacturers, with the main concern being collection, storage and management of sensitive information of/from customers.

#### **Cost of product development and R&D**

The medical device industry is ever-evolving and faces intense competition, making R&D investments towards the improvement of existing devices/ introduction of new medical devices a key monitorable. Companies invest around 6-7% of their revenue on R&D expenditure every year, with top MNCs investing up to 8-9%. Thus, high R&D expenditure adversely impacts the industry/ players in case of product development failures.

#### **Decline in young population**

According to the UN World Fertility and Family Planning Report (2020), the total fertility rate has fallen such that nearly 50% of the global population is residing in countries where lifetime fertility rates are below 2.1 births per woman. The UN World Fertility and Family Planning Report estimates fertility rates to decline further to approximately 2.2 births per

woman by 2050 and 1.9 births per woman by 2100, posing a challenge for the global medical device industry, as it would hinder overall population growth over the long term.

### Evolution of new technologies, products and their impact on the industry

**3D printing.** This technology offers wider advantages across the medical device industry, especially for orthopaedic and cranial implants, dental restorations, prosthetics and various instruments used for surgeries. 3D printing can reduce the number of steps involved in the process and components, thus reducing the overall manufacturing cost. Although the adoption of 3D printing is in early stages across segments, it would be implemented widely with an increase in efficiency, leading to early adopters reaping higher benefits.

**IoT.** The need for connected devices that can effectively monitor chronic diseases and healthcare systems that can remotely track patients' health is increasing with changing demographics. Technological advancements enable early detection and continuous monitoring of health issues through connected devices and also from the data collected using them.

**Wearable devices.** Wearable devices, such as smartwatches and fitness bands, track and record health and fitness activities of the users. Portable medical devices and at-home measurement devices use automated method to enable patients to monitor health changes at home. For example, an automated method to measure BP with the help of an occluding cuff employs the oscillometric technique. COVID-19 has increased awareness on healthcare monitoring. All these factors make wearable devices a vital part in the medical device industry.

**Artificial intelligence.** The AI-associated healthcare market has grown tremendously in the past few years. AI-enabled medical devices can process patient data, generate required solutions, and identify and rectify mistakes more efficiently, which, in turn, improves the overall process. Companies are integrating AI and IoT to better monitor patient response and adherence to treatment protocols and helps to improve clinical outcomes. Automated and AI help to increase regular monitoring but in hospital and critical care units, traditional method are considered reliable.

Invasive (intra-arterial) blood pressure (IBP) monitoring is a commonly used technique in the Intensive Care Unit (ICU) and is also often used in the operating theatre. This technique involves direct measurement of arterial pressure by inserting a cannula needle in a suitable artery. Patients who are at risk for hemodynamic instability are advised to be monitored by continuous BP measurement. The IBP module continuously measures blood pressure invasively through a pressure transducer connected to patients. Especially in critical cases (arrhythmia, vasoconstriction, hypertension, shock), IBP devices are more accurate and provided information about any fluctuation than devices using other non-invasive measuring techniques. AI and technology aids to improve the other factor such as instant update on any fluctuation, quick data analysis of any abnormality etc.

### KEY PLAYERS IN THE INDIAN MEDICAL DEVICE MARKET

Name of the company	Year of incorporation	Public / private firm	Headquarters	Particulars
<b>Agappe Diagnostics Ltd</b>	1998	Private	Mumbai, Maharashtra	<ul style="list-style-type: none"> <li>The company is engaged in the development, manufacturing, sale and distribution of in vitro diagnostic reagents and equipment, and rendering of maintenance services</li> <li>It has a wholly owned subsidiary, Agappe Diagnostics Switzerland GmbH, a Switzerland-registered company engaged in the business of laboratory equipment and diagnostics</li> </ul>
<b>Allengers Medical Systems Ltd</b>	1992	Private	West Delhi	<ul style="list-style-type: none"> <li>Based in Chandigarh, the company was established as a proprietorship concern by Mr Suresh Sharma in 1987, and reconstituted as a closely held public limited company in 1997</li> <li>It manufactures X-ray-related medical diagnostic and imaging equipment</li> </ul>
<b>Ascent Meditech Ltd</b>	2012	Private	Dadra and Nagar Haveli	<ul style="list-style-type: none"> <li>It is a publicly-held entity, where promoters hold a 41% share</li> <li>Key director shareholder Rajiv Ishwarbhai Mistry holds a 40% share</li> <li>Key business activities include other manufacturing jewellery, musical instruments, medical instruments, sports goods, etc., contributing to the company's 100% turnover</li> </ul>
<b>BPL Medical Technologies Private Ltd</b>	2012	Private	Bengaluru Urban, Karnataka	<ul style="list-style-type: none"> <li>The company is engaged in the business of manufacturing, trading, sale and maintenance of medical devices</li> </ul>



Name of the company	Year of incorporation	Public / private firm	Headquarters	Particulars
<b>Hindustan Syringes and Medical Devices Limited</b>	1957	Private	New Delhi, Delhi	<ul style="list-style-type: none"> <li>Major player in medical disposables and utilities segment.</li> <li>Product includes all types of syringes, I.V. Cannulas, vein sets, scalpels, pen needles, surgical blades</li> </ul>
<b>Philips India Ltd</b>	1930	Private	North 24 Parganas, West Bengal	<ul style="list-style-type: none"> <li>The company operates as a subsidiary of Koninklijke Philips NV, which holds a 96.13% stake in the company</li> <li>It previously included the lighting business in India, which was demerged in FY16</li> <li>It sells domestic appliances, personal care products, and medical equipment, and meets a large part of the parent's global technological requirement through its innovation centre</li> </ul>
<b>Poly Medicure Ltd</b>	1995	Public	South Delhi	<ul style="list-style-type: none"> <li>It manufactures disposable medical items such as IV cannula, blood bags, blood collection tubes, and infusion and transfusion sets</li> <li>The company is currently listed on the Bombay Stock Exchange and the National Stock Exchange</li> <li>The group currently has five manufacturing facilities in India.</li> <li>The company also has three facilities overseas one in Italy-wholly owned subsidiary, one facility in China – wholly owned subsidiary and one joint venture in Egypt</li> </ul>
<b>Prognosys Medical Systems Pvt Ltd</b>	2003	Private	Bengaluru Urban, Karnataka	<ul style="list-style-type: none"> <li>The company is owned and managed by Mr V. Krishna Prasad, Mr Kesava and Mr Sunil Monga</li> <li>It is engaged in designing, manufacturing, integrating and installing products related to digital radiology equipment</li> <li>It is also involved in manufacturing other related accessories, providing end-to-end solutions in the healthcare industry through the integrated delivery of medical devices, communication equipment, computers, servers, software supply, installation and maintenance of the same on a turnkey basis under the brand ProRad</li> </ul>
<b>Relisys Medical Devices Ltd</b>	1997	Private	Ranga Reddy, Telangana	<ul style="list-style-type: none"> <li>It designs, develops and manufactures critical care devices such as stents, catheters, and stent systems to treat cardiovascular, peripheral vascular, neurovascular (stroke), and other life-threatening diseases</li> <li>Operations are managed by Dr N Krishna Reddy (chairman and managing director) and Mr Subramanian Sivaraman (director operations)</li> </ul>
<b>Sahajanand Medical Technologies Pvt Ltd</b>	2001	Private	Surat, Gujarat	<ul style="list-style-type: none"> <li>The company is promoted by Mr Dhirajlal Kotadia and his family members</li> <li>It manufactures medical stents used in cardiac surgeries; products are marketed under the SMT brand</li> <li>PE players, Samara Capital Markets Holding Ltd and NHPEA Sparks Holdings BV, hold stakes of 36.59% and 18.44%, respectively</li> </ul>
<b>Siemens Healthcare Pvt Ltd</b>	2015	Private	Mumbai, Maharashtra	<ul style="list-style-type: none"> <li>The company is a wholly owned subsidiary of Siemens Diagnostics Holding II B.V., Netherlands</li> <li>It is principally engaged in the business of manufacturing and selling of medical equipment, including maintenance services and supply of their spare parts, reagents or consumables to its customers</li> <li>The company also provides R&amp;D, including the development of software and software solutions for its group companies</li> </ul>
<b>Skaray Technologies Pvt Ltd</b>	2007	Private	Mysuru, Karnataka	<ul style="list-style-type: none"> <li>It is engaged in design, development, manufacturing, marketing and services of medical equipment such as radiology, imaging systems, patient monitoring systems, central nursing stations, ECG machines, etc</li> <li>The company has US FDA approved manufacturing plants in Mysuru</li> </ul>
<b>Trivitron Healthcare Pvt Ltd</b>	1998	Private	Chennai, Tamil Nadu	<ul style="list-style-type: none"> <li>Promoted by Dr G S K Velu, the Chennai-based Trivitron group trades in and manufactures medical equipment, medical devices, and medical consumables</li> <li>It is the group's flagship company</li> <li>The Trivitron group has also floated several JVs with leading global medical equipment manufacturers and healthcare service providers</li> </ul>



## Key business metrics

Key business areas	R&D Capability	R&D Spend (% of Revenue)*	Manufacturing Capability	Global manufacturing capabilities	Exports (Y/N)	Own Products / Traded	# of Patents
Agappe Diagnostics Ltd	DSIR approved R&D – diagnostics reagents and equipment	3.3%	Yes (1)	No	Yes	Mfg: 75% Traded: 25%	1
Allengers Medical Systems Ltd	-	-	Yes	No	Yes	Mfg: ~100%	-
Ascent Meditech Ltd	-	-	Yes	No	Yes	Mfg: ~100%	-
BPL Medical Technologies Pvt Ltd	-	2.8% - 3.0%	Yes	No	No	Mfg:4% Traded: 55%	4
Hindustan Syringes and Medical Devices Limited	-	-	Yes (4)	No	Yes	Mfg	2,029
Philips India Ltd	-	0.05%	Yes	Yes (Global parent )	Yes	Mfg: ~100%	52
Poly Medicure Ltd	Ministry of Science & Technology, GoI approved R&D center	2%	Yes (5)	Yes (3)	Yes	1%	114
Prognosis Medical Systems Pvt Ltd	-	-	Yes (1)	No	Yes	Mfg: 100%	-
Relisys Medical Devices Ltd	-	-	Yes	No	No	Mfg: 100%	4
Sahajanand Medical Technologies Pvt Ltd	-	11%-15%	Yes	Yes (1)	Yes	Mfg: ~100%	48
Siemens Healthcare Private Ltd	-	-	No	Yes (Global parent )	Yes	Traded: ~100%	4,917
Skarray Technologies	R&D in India	0.5-1.5%	Yes	Yes(2)	Yes	Mfg: ~100%	14
Trivitron Healthcare Private Ltd	-	-	Yes	No	No	Mfg: 40% Traded: 60%	1

# of patents based on patent search on Indian Patent System website.

Note: DSIR - Department of Scientific and Industrial Research

Source: Company annual reports, CRISIL Research

### US FDA Registration by Vendor name

Company	Agappe Diagnostics	Allengers Medical Systems	Ascent Meditech	BPL Medical Technologies	Philips India	Poly Medicure	Prognosys Medical Systems	Relisys Medical Devices	Sahajanand Medical Technologies	Siemens Healthcare	Skonray Technologies	Trivitron Healthcare
FDA registrations	-	-	-	-	18	11	2	-	-	-	34	11

Source: FDA.gov, CRISIL Research

### Key observations

The Company stands among the key Indian medical device players engaged in designing, development, manufacturing and marketing of medical devices. It has a wide-range of product under medical equipment such as radiology, imaging systems, patient monitoring systems, central nursing station, electrosurgical units, ventilators, anesthesia systems, ECG machines, etc. It also has the highest number of medical devices listed with FDA (34) as of January 2021 among the Indian entities listed above. The Company is among the few companies in India to have FDA approval for medical devices under monitor classification (patient monitoring devices) and share the highest listings under the category with Wipro GE healthcare, both having 6 listings under monitor classification. It is also among the few companies in India to have FDA approval for medical devices under X-ray classification.

Skonray USA is among the select 84 manufactures to receive US FDA EUA (Emergency Use Authorization). FDA has issued EUAs to help increase the availability of ventilators and ventilator accessories, which are integral to treat patients with severe respiratory distress during the COVID-19 pandemic. SKANRESPIRO and SKANRESPIRO PLUS are the two products manufactured by Skonray Technologies (USA) to receive US FDA EUA for ventilators in April 2020. SKANRESPIRO Ventilator is intended for continuous and intermittent mechanical ventilation to provide positive pressure ventilatory support to adults and pediatrics patients aged two years and above. The product is intended to be used within hospital intensive care ward, recovery room, emergency medical care. The second product, SKANRESPIRO is portable and can be mounted on a trolley for intra-hospital transport. SKANRESPIRO is intended to be used by qualified and trained personnel under the supervision of Medical practitioner, within its stated technical specification.

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 18 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 27, 197 and 271, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company’s Fiscal year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see “Financial Statements” on page 197.*

*Pursuant to the Share Transfer Agreement dated March 2, 2021, our Company acquired Skanray Healthcare Global Private Limited with effect from March 3, 2021. Accordingly, our Company’s historical operational and financial information prior to this Acquisition are not comparable to those subsequent to such Acquisition. For further information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information – Acquisition of Skanray Healthcare Global Private Limited”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition – Effect of Acquisition of SHGPL” and “Financial Statements” on pages 273, 274 and 197, respectively. The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader’s level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company” or “our Company” are to Skanray Technologies Limited on a standalone basis, and references to “the Group”, “we”, “us”, “our”, are to Skanray Technologies Limited on a consolidated basis.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled “Market Assessment of the Medical Device Industry in India” dated March 2021 (the “CRISIL Report”) prepared and released by CRISIL Limited and exclusively commissioned by our Company at an agreed price, in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 16.*

### Overview

We are among the key Indian medical device players engaged in designing, development, manufacturing and marketing of medical devices (*Source: CRISIL Report*). We are a multi-product company offering a diversified portfolio of products, including patient monitoring systems, cardiology devices, respiratory management systems and radiology/ imaging systems, to hospitals, OEMs and for personal medical use/ retail sale globally. Our products are designed and developed in-house based on intellectual property that we own. In Fiscal 2020 we sold our products and services to over 1,830 customers in 20 countries. We have an extensive in-house research and development (“R&D”) team that has been granted 27 patents, 49 trademarks, and 11 design registrations as of December 31, 2020. Our R&D activities are focused on developing modular technology platforms which can be used across multiple products in our portfolio. Our growth has been supplemented by strategic acquisitions designed to improve our ability to take advantage of growth opportunities in the medical device industry.

We were incorporated on February 14, 2007 and have grown our business with the objective of accessing various global markets that have localised regulatory requirements and distribution nuances. We have since evolved into a multi-product company on the back of our in-house R&D capabilities and our ability to successfully integrate new businesses and platforms that we have acquired for fast-track time-to-market strategies in terms of product and market expansion. Our product-driven acquisitions include the acquisition of the medical equipment business of Larsen and Toubro Limited to

grow our PMS and ESU product portfolio, which form part of our critical care segment, and to leverage the pan-India distribution network of Larsen and Toubro's business. We acquired Pricol Engineering Industries Limited's medtech business in 2013 to gain access to their RMS product portfolio. Our market-driven acquisitions include the acquisition of CEI-Italy (Compagnia Elettronica Italiana), an Italian X-ray tube manufacturer, to gain a presence in the European market and to vertically integrate our radiology product line for which X-ray tubes are a critical component. The acquisition of Cardia International A/S, manufacturer of AED, was similarly driven to gain access to a distribution network in Europe. These acquisitions allowed us to expand our presence across India and globally and strengthened our capabilities in key modalities, i.e. critical care. We have subsequently leveraged these acquired capabilities to grow our operations. For instance, through our acquisition of CEI-Italy, we were able to vertically integrate our radiology product line and distribute our radiology devices through the same distribution channels in Europe.

We have a well-diversified portfolio of products that can be classified into three broad categories, critical care products, radiology products and respiratory management systems. Our critical care products include patient monitoring systems, cardiology devices, syringe-pumps, and electro-surgical units. Our radiology products include mobile and fixed X-ray systems, DR systems, surgical C-arms, and dental x-ray systems. Our portfolio of respiratory management systems includes anaesthesia delivery systems and ICU ventilator systems. Our products have received several certifications including US FDA, CE and certain of our processes are ISO certified.

Our R&D activities are focused on continuous expansion of our product portfolio, improvement of product quality, and refining our processes to increase cost effectiveness. We carry out R&D activities with a platform-based approach to maximize value, where we develop advanced technology platforms that are common across products, and based on which multiple products can be developed in-house. We capitalized on this platform-based model most recently by entering into a licensing framework with Bharat Electronics Limited to manufacture 30,000 ventilators (model CV-200) during the initial months of the COVID-19 pandemic in India. These ventilators have been distributed to various government hospitals in India. We actively protect and promote our R&D efforts by making timely applications for protection of intellectual property rights, resulting in ownership of intellectual property in our key products and modular-platforms.

As of December 31, 2020, we had three manufacturing facilities, of which two are in India and one in Italy, that had an aggregate installed manufacturing capacity of 49,000 units per annum. Through the acquisition of SHGPL we acquired two more facilities, one in Italy and one in the Netherlands, that had an aggregate installed manufacturing capacity of 5,200 units per annum, as of December 31, 2020. Each of our facilities is periodically subject to third-party audits and manufactures US FDA and CE certified devices. Our in-house manufacturing capabilities enable us to control costs, monitor quality, and mitigate supply chain related risks around our key products. With manufacturing facilities located in India we are well-positioned to cater to customers in the growing markets of South East Asia at competitive prices. In addition, with facilities located in Europe, we are able to produce 'Made in Europe' devices that get preference in certain markets within Europe, giving us a competitive advantage over manufacturers outside Europe.

Owing to our portfolio of globally certified products and manufacturing facilities, we have been able to build an extensive global and pan-India distribution network. Our distribution network can broadly be categorized based on geography and customer-type, i.e. sales within India, sales outside India, and sales to OEMs. Revenue generated from operations, within India and outside India, amounted to ₹ 844.06 million and ₹ 612.02 million in Fiscal 2020, respectively, and represented 57.97% and 42.03% of our revenue from operations in Fiscal 2020, respectively. Revenue generated from sales to OEMs amounted to ₹ 310.72 million and represented 21.34% of our revenue from operations in Fiscal 2020. For sales within and outside India, our products are sold under our own brands such as "Skan", "CEP" and "Cardi", using a combination of our in-house sales team and distribution partners. Within India, we generate revenue from sale of products directly to large hospitals, to distributors, to certain central and state government agencies in India, as well as for servicing of our products. As of December 31, 2020, we installed an aggregate of 126,824 products in India. Sales outside India are driven by having a direct local presence in key geographies such as the United States where we have a subsidiary, and Europe where we have our own manufacturing operations and distributor relationships. We also distribute our products to countries in the LATAM, South East Asia and Africa regions, through engagements with distributors. In addition, products that are designed and developed by us in-house are also sold to our OEM partners for onward sale under various OEM brands, helping us leverage the customer base of OEMs and further expand our geographic reach. Some of our OEM tie-ups include Medtronic, GE, Fujifilm, Hatch Inc., ImageWorks and Kruise.

We are led by our experienced Individual Promoter and Managing Director Mr. Vishwaprasad Alva, have been supported by our other Promoters including Agnus Group, and have received strategic investments from Ascent Capital. We also have an experienced senior management team that has an average experience of over 20 years. Further, each of our

international businesses are led by designated CEOs, being experienced professionals with extensive industry and market expertise.

We have consistently strengthened our financial performance over the years. Our revenue from operations grew from ₹ 1,319.20 million in Fiscal 2018 to ₹ 1,456.08 million in Fiscal 2020. Further, for the nine months ended December 31, 2020, we recorded revenue from operations of ₹ 3,469.33 million. Our EBTIDA in Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2020 was ₹ (77.16) million, ₹ (81.94) million, ₹ (50.53) million and ₹ 1,918.97 million respectively. For a reconciliation of EBITDA to restated profit/ (loss) for the year/ period, see “*Management’s Discussion and Analysis of Financial Information and Results of Operations – Non-GAAP Measures – Reconciliation of EBITDA and EBITDA Margin to Profit for the Year/ Period*” on page 283. Our restated profit/ (loss) for the year/ period for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2020 was ₹ (233.23) million, ₹ (294.19) million, ₹ 37.61 million and ₹ 1,327.30 million respectively.

## **Strengths**

### ***Well-positioned to capitalize on a growing market, being a major player in the Indian medical industry***

India is among the fast-growing markets for healthcare and medical devices in the Asia-Pacific region. Driven by industry-supportive policies such as the government’s ‘Make in India’ program for manufacturing locally, there is significant scope for import substitution and a corresponding shift from geographic concentration of imports in terms of supply of medical devices. Regulation of product pricing and the government’s focus on providing cost effective healthcare service in India are expected to lead to higher demand for cost-effective products, which will generate demand for locally manufactured products that are distributed at competitive prices. (Source: CRISIL Report).

Being among the very few Indian companies in the medical equipment and devices segment with end-to-end designing and manufacturing capabilities (Source: CRISIL Report), we believe we are well positioned to benefit from the growth anticipated in the medical devices sector. We are a major player in the Indian medical industry, and have 34 US FDA certified products in our portfolio as of January 31, 2021, being the highest among our peers (Source: CRISIL Report). We are also among the few companies in India to have FDA approvals for medical devices under X-ray classification (Source: CRISIL Report). In addition, we are among the few companies in India to have FDA approvals for medical devices under monitor classification and share the highest listings under this category with Wipro and GE healthcare (Source: CRISIL Report). We have achieved this on the back of our R&D initiatives, diverse portfolio of high quality, globally certified, value-priced medical devices and our deep understanding of the regulatory environment for both emerging and regulated markets, and are accordingly well-positioned to capitalize on the growing medical devices market, within India and globally.

### ***Well-diversified and globally certified portfolio of products***

We manufacture medical devices suited for a range of functions based on end-use, classified into three broad categories, critical care products, radiology products and respiratory management systems. In Fiscal 2020, revenue generated from critical care, radiology, and respiratory management, represented 37.87%, 45.40% and 7.77% of our revenue from operations, respectively.

Our diversified portfolio of critical care products cater to various requirements of healthcare professionals. We have a wide range of patient monitoring systems (“PMS”), and were among the few companies in India to have US FDA approved medical devices under monitor classification (patient monitoring systems) (Source: CRISIL Report), with PMS installed globally. Our PMS products include solutions for healthcare professionals to remotely monitor patient status and provide real-time updates for critical situations. Other critical care products comprise cardiac care devices such as defibrillators and echocardiogram (ECG) solutions that have been developed on a computer-based ECG system for telemedicine functions for deployment in remote areas for tele-cardiology to be practiced. With the manufacturing and distribution infrastructure already in place, we are equipped to develop similar devices for use in telemedicine, and have recently launched ‘Skan Life’, a hospital-assisted homecare device, with videoconferencing facilities for teleconsultation. We are present in several countries through distribution of our radiology products, and manufacture a wide range of stationary anode tubes including intra-oral X-ray, 2-dimensional panoramic and 3-dimensional CBCT. Other devices within our portfolio of X-ray tubes includes medical tubes and industrial tubes. Radiology devices include high-frequency x-ray generators for radiography, fluoroscopy, and surgical C-arms. Respiratory management system includes anaesthesia delivery systems and ventilators with invasive and non-invasive capabilities for adult and paediatric use.

Most of our products have received US FDA and CE certifications and are certified for distribution and use in multiple countries. We believe our portfolio of globally certified medical devices allows us to meet a greater share of the requirements of small to mid-scale hospitals and deepen our relationships with our customer base. The comprehensive product portfolio we have developed over time also enables us to cross-sell our products to customers for further growth of our business. We have strategically pursued business opportunities by way of these offerings and leveraged our experience to cater to the evolving requirements of existing customers in terms of the nature and volume of products. We intend to similarly capitalize on our existing product portfolio to meet the requirements of the veterinary care segment, and have recently commenced manufacturing portable X-rays, monitoring systems and anaesthesia machines for veterinary applications.

### ***Proven research and development capabilities***

We have made and intend to continue to make significant investments in R&D, with the aim to manufacture high quality, value-engineered products for global markets with in-house developed core technologies. As of December 31, 2020, our R&D team comprised of 135 personnel. We actively protect and promote our R&D efforts by making timely applications for protection of intellectual property rights. As of December 31, 2020, we have been granted 27 patents, 49 trademarks, and 11 design registrations. In addition, as of December 31, 2020, we have submitted applications for 18 patents, four trademarks and four design registrations.

Our R&D activities enable us to develop multiple products in-house and we follow a platform-based approach to develop advanced technology platforms that are common across products. For instance, our ECG and respiration module, NIBP module and IBP module, can be leveraged to develop multiple critical care products including patient monitoring systems, defibrillators and electro-surgical units. For further information on our modules, see “ – *Business Operations – Skanray Products*” on page 138. We capitalized on this platform-based model most recently by entering into a licensing framework with Bharat Electronics Limited to manufacture 30,000 ventilators (model CV-200) during the initial months of the COVID-19 pandemic in India. These ventilators have been distributed to various government hospitals in India.

Our key R&D efforts have resulted in multiple notable developments. We have developed a surgical C-arm for surgical imaging devices particularly useful for challenging GI, neurologic, spinal, orthopaedic, urologic and peripheral vascular procedures. It is designed for better mobility in congested spaces. Other notable developments include high frequency x-ray generator that produces higher-quality images, with reduced noise as compared to our previous models. In addition to developing new products, our R&D efforts focus on improving our manufacturing processes and integrating acquired technologies with our operations. For instance, we have been able to integrate the technology of monitoring vital parameters that we acquired from L&T, with that of a respiratory assistance function acquired from Pricol Engineering Industries Limited, into one device, ‘SkanLife’, a vital life supporting system with multiple monitoring diagnosis health support and safety features. For further information on our integration capabilities, see “ – *Strengths – Well-positioned to capitalize on a growing market, being a major player in the Indian medical industry*” on page 133.

### ***Strong manufacturing and infrastructure capabilities***

As of December 31, 2020, we had three manufacturing facilities, of which two are in India and one in Italy, and through the acquisition of SHGPL we acquired two more facilities, one in Italy and one in the Netherlands. We also jointly own a testing facility in Mysore (India) together with the state government and other entities. All five facilities primarily manufacture US FDA and CE certified products. Our manufacturing presence in key geographies enables us to manufacture our products where it is cost effective in terms of marketing and delivering these efficiently. For instance, through our CE certified manufacturing facilities in Italy, we are able to meet the demand for our products across Europe and other countries in the region, while the facilities in India cater to domestic customers, and act as a low-cost base for exports. As of December 31, 2020, the aggregate installed production capacity across all five facilities was 54,200 units per annum, and the aggregate capacity utilization level was 54.17% (unannualized). For further information, see “ – *Capacity and Capacity Utilization*” on page 148.

We have stringent product quality processes and facilities that are certified by international agencies. For instance, we are one of the few Indian companies in the medical equipment and devices segment with end-to-end designing and manufacturing capabilities, and have 34 US FDA certified products in our portfolio as of January 31, 2021, being the highest among our peers (*Source: CRISIL Report*). Our overall infrastructure capabilities include power electronics, high voltage engineering, image reconstruction and embedded systems and software. In particular, our manufacturing facility

for radiology devices is supported by infrastructure for a high voltage and precision electronics assembly line. We also operate an EMI/ EMC laboratory within this facility which is equipped to comply with IEC 1000-4 and IEC 601-1 requirements. Our facility in Mysore is also registered with the US FDA.

Our manufacturing operations enable us to efficiently develop, manufacture and market quality products at competitive prices, with limited procurement of components from third-parties. In particular, majority of the components used in our products are sourced within India, de-risking our supply chain from imports and related price volatility on account of currency fluctuations and trade tensions. Our in-house capabilities include dedicated engineering processes, product development processes, manufacturing processes and verification and validation processes. We undertake usability and ethnography studies to examine the workflow of specific subjects that enables us to identify areas for process and product improvement, and our dedicated value engineering team is then engaged to carry out these improvements. These capabilities enable us to lower material and component costs by using common components and materials within and across business segments; restrict production costs and dependency on key suppliers as most components are manufactured in-house; reduce capital expenditures, create a more efficient workflow and improve our quality control through the use of common manufacturing and assembly practices.

### ***Strategic go-to-market approach with an extensive distribution network and longstanding customer relationships***

We distribute our products globally through our network of distributors. Our distribution network can broadly be classified based on geography and customer-type, i.e. sales within India, sales outside India, and sales to OEMs. All products that we manufacture are sold in India and globally using a combination of our in-house sales team and distribution partners. As a multi-product company, our distributors are able to offer a wide range of products to our end-customers, increasing the efficiency of their sales calls, and making us their preferred clients. Revenue generated from sales, within India and outside India, represented 57.97% and 42.03% of our revenue from operations in Fiscal 2020, respectively. Revenue generated from sales to OEMs represented 21.34% of our revenue from operations in Fiscal 2020. Within India, we generate revenue from sale of products directly to hospitals, through distributors, to certain government and state agencies in India, as well as through servicing of our products. We have a pan-India presence and as of December 31, 2020, we had installed 126,824 products in India. Direct sales in India are managed by our internal sales team that comprised 60 personnel as of December 31, 2020.

We have leveraged our multi-product marketing approvals to grow our sales outside India. In Fiscal 2020, revenue generated from India and outside India represented 57.97%, and 42.03% of our revenue from operations, respectively. Sales outside India are driven by having a local presence in key geographies, supported by local teams and their expertise of the market and established relationships, including with customers, distributors and component suppliers. For instance, we are present in the United States through a subsidiary that engages sales personnel for direct sales in the US. We are present in Latin America through an engagement with an experienced healthcare entrepreneur Mike Ackerman, who offers regulatory and distribution support for our radiology devices, and patient monitoring and respiratory management systems. In Europe, we carry out R&D functions, manufacturing, and distribution of our entire product range. Distribution of radiology devices under the 'Skanray' brand in South East Asia, is carried out through partnership with Fuji of over six years as of December 31, 2020, and SHGPL's partnership with Pt. Dos Ni Roha for over 4 years as of December 31, 2020. We hold certifications for distribution of our key products in Mexico and Indonesia, including for radiology products *SkanMobile* and *MicroSkan*, and critical care products *Star 60* and *Spot Skan*.

In addition to direct sales to hospitals and our distribution network, we develop and manufacture medical devices for onward sale by OEMs, under various OEM brands. In Fiscal 2020 sales to OEMs represented 21.34% of our revenue from operations. Key OEM partnerships include GE and Fujifilm for radiology devices, Medtronic for critical care and patient monitoring, cardiac care, and respiratory management systems, ImageWorks for dental x-ray devices, and Kruuse for veterinary devices.

We have formed long-term relationships with our OEM partners, hospitals and distributors, which has led to consistent retention rates and customer referrals across product segments. We have over the years have emerged as a 'preferred' partner among certain OEM companies. Our ability to cater to the requirements of OEMs are testament to our product quality, and has helped grow our business for own-branded products.

### ***Experienced and professional leadership team***

We are led by our experienced Individual Promoter and Managing Director, Mr. Vishwaprasad Alva, who has 23 years of experience in the medical device industry with past senior global leadership experience at GE Healthcare and Kirloskar Electric. Our senior management with extensive experience is also responsible for the growth of our operations. Our senior management comprises our Director, Balasubramanian Kandankumarath who has an experience in the medical device business of over 25 years, our Chief Technical Officer, Sunil Rao, with an experience of over 34 years, M. Shailendra, our Director – Sales with an experience of over 23 years. In addition, all of the CEOs/ heads of our international subsidiaries have experience of over 15 years. Other members of our senior management team comprise department heads that have been associated with our operations for over seven years. Their industry experience enables us to anticipate and address product development opportunities, carry out R&D functions, manage and grow our operations, and strengthen our OEM relationships. We will continue to leverage on the experience of our management team and their understanding of the medical device business and med-tech industry in order to take advantage of current and future market opportunities.

## **Strategies**

### ***Capitalize on evolving industry opportunities to strengthen our market position in India and internationally***

With the onset of COVID-19, many countries have increased their focus on healthcare infrastructure with the realization of an immediate necessity to upgrade and expand. There is expected to be an increase in government healthcare spending across countries in the near medium term, with a corresponding pressure on costs of healthcare delivery. There is therefore expected to be a substantial opportunity for cost-competitive healthcare brands that provide high quality and globally certified products and solutions. In India, the medical electronics market is growing at 17%, primarily driven by corporatization of hospitals and primary health clinics and greater penetration of health insurance. ‘Aatmanirbhar Bharat’ and ‘Make in India’, the continued focus of the Government of India to increase self-reliance and reduce dependency on imports, are also expected to drive growth in the industry. (Source: CRISIL Report)

We seek to capitalize on these industry trends and government initiatives to deepen our portfolio of products in existing and new markets. To strengthen our market position in India, we intend to continue to selectively bid for government tenders to leverage on our capabilities of procuring and manufacturing locally, under the ‘Make in India’ program. This could assist in making us a preferred partner for several multinational companies that become eligible for certain benefits on partnering with companies that procure and manufacture locally.

Globally, sale of medical devices is expected to increase due to changing market dynamics that witnessed a partial disruption for certain product lines such as C-Arms due to deferred elective surgeries on account of the COVID-19 pandemic.

Being a highly regulated industry, only few companies are able to establish a presence globally and distribute medical devices to countries within Europe, the United States and other high margin markets. For instance, certain European Union regulations prohibit companies from carrying out operations in the EU countries without CE certifications. We plan to grow our international business by leveraging the various regulatory certifications that we have obtained, in order to deepen our penetration in markets where we are present. In order to achieve this, we have set-up assembly lines in Italy and obtained CE certifications for products belonging to our patient monitoring and respiratory management segments that will enable us to distribute our products under the “Made in Europe” label. With increasing trade tensions and protectionist policies being introduced by several governments, we expect to benefit from our historical investments in different regions, and particularly in Europe. We also intend to enter newer geographies such as Africa, and strengthen our presence in existing markets in LATAM and South East Asian countries, by entering into engagements with distributors having extensive presence in these regions.

We have over the years made significant investments in our manufacturing facilities, core technology-platform development, and R&D activities, resulting in a diversified portfolio of products with global certifications that are competitively priced, a streamlined distribution network, strong OEM partnerships, and an experienced execution team. We therefore believe we are well-positioned to capitalize on industry opportunities to further grow our business and increase our market share in the medical devices industry, within India and globally.

### ***Continue to expand our product offerings***



We seek to continue to expand our product offerings within our existing product portfolio and by designing and developing products under new modalities. We propose to achieve this by capitalizing on the modules we have developed to enable accelerated development of new products. We intend to enhance the use of our existing portfolio, by developing specialized features for our patient monitoring systems, devices for cardiac care, and respiratory management systems. These features include user-friendly design and patient safety features. For example, we have integrated our patient monitoring systems and radiology products into hospital information systems that are connected to our key devices, assembling all critical information in a single screen for the doctor. This also enables clinicians to access all of the patient's data in a master record instead of accessing several records, and assists in preparing data-science driven risk scores for patients. We are also in the process of accessing new modalities such as ultrasound devices, and intend to acquire new modules to create ultrasound devices. Other segments we propose to strengthen include veterinary care. We commenced manufacturing products for veterinary care in 2015 and intend to manufacture a complete range of products and perform solution-based sales in this segment. We propose to achieve this by leveraging on the core capabilities and distribution network we have developed in our other product segments.

In addition to expanding our portfolio through R&D efforts and value-engineering, we propose to engage with third-parties for technologies and distribution coverage. For instance, in order to increase our presence in the home health segment, we propose to enter into arrangements with medical service companies, wherein the technology and equipment is provided by our Company, and the medical service is provided by the third-party. We believe these arrangements will enable us to more easily and effectively increase our penetration and brand recognition in these markets.

#### ***Continue to strengthen and establish relationships with hospitals and OEMs***

We intend to continue to strengthen and establish relationships with hospitals and OEMs for our direct sales. Owing to pricing pressures, OEMs are seeking cost-competitive alternatives, which is giving rise to India as an emerging hub for manufacturing of high complexity, medium volume medical devices. We believe we are well-positioned to partner with OEMs, on the back of our capabilities of manufacturing high quality, affordable and certified medical devices in a market that has traditionally been dominated by multinational companies. We also propose to utilize our global marketing team to increase our base of OEM partners.

#### ***Continue to pursue strategic acquisitions***

As a part of our growth strategy, we have and will continue to undertake investments and acquisitions of businesses engaged in the medical devices industry, that we believe are of strategic importance. Also see “*History and Certain Corporate Matters*” on page 159. We intend to pursue selected strategic alliances, including joint ventures, and potential strategic acquisitions, to gain access to newer markets such as LATAM and Africa, and strengthen presence in existing markets including the US, which will complement our business and operations, including opportunities to acquire technology and know-how. We believe that our efforts towards diversifying into new modalities or new international markets can be facilitated by investing in similar business opportunities or acquiring and integrating existing businesses with manufacturing facilities, specialized R&D capabilities including technology and know-how, market share or growth potential. We have entered into a binding term sheet for the acquisition of Irillic Private Limited, a start-up in the surgical imaging segment and continue to identify opportunities for future acquisitions. In addition, we have identified certain strategic investment opportunities that we may pursue on an opportunistic basis. For further information, see “*Objects of the Offer*” on page 89.

### **Business Operations**

#### **Our Product Portfolio**

We design, develop, and manufacture a range of medical devices across various modalities. Our portfolio of products can broadly be classified into two categories: (i) products that we develop and manufacture that are marketed and sold under the “*Skán*”, “*Cardia*”, “*CEP*” brands with related sub-brands (“**Skánray Products**”); and (ii) products we design, develop and manufacture that are sold to third parties, including multinational corporations that market and sell these products under their own brands as own-branded labelled products (“**OEM Products**”). We seek to provide complete solutions and life cycle support, to ensure that our customers are provided with relevant technology upgrades, and service support throughout the life of the product. We store adequate spares at our manufacturing facilities for obsolescence management and technology upgrades so that defects in micro components do not cause a need for equipment replacement.

The following table sets forth the revenue from operations contributed by product portfolio as well as the service revenue that we earn from providing maintenance and support for our product range and the percentage of our revenue from operations they represent for Fiscal 2018, 2019, and 2020 and for the nine months ended December 31, 2020:

Products	Fiscal 2018		Fiscal 2019		Fiscal 2020		Nine months ended December 31, 2020	
	Revenue from Operations	As % of Revenue from Operations	Revenue from Operations	As % of Revenue from Operations	Revenue from Operations	As % of Revenue from Operations	Revenue from Operations	As % of Revenue from Operations
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
Critical Care	472.95	35.85%	626.69	38.56%	551.37	37.87%	454.70	13.11%
Radiology	553.18	41.93%	693.86	42.70%	661.00	45.40%	563.93	16.25%
RMS	149.18	11.31%	166.23	10.23%	113.14	7.77%	714.47	20.59%
Service	134.27	10.18%	115.18	7.09%	108.82	7.47%	1,722.39*	49.65%
Other Operating Revenue	9.62	0.73%	23.17	1.43%	21.75	1.49%	13.84	0.40%
<b>Total</b>	<b>1,319.20</b>	<b>100.00%</b>	<b>1,625.13</b>	<b>100.00%</b>	<b>1,456.08</b>	<b>100.00%</b>	<b>3,469.33</b>	<b>100.00%</b>

\*Includes license fees of ₹ 1,650.00 million from sale of ventilators pursuant to the licensing framework entered into with Bharat Electronics Limited

## Skandray Products

Our portfolio of Skandray Products can be classified into three broad categories: (i) critical care products, (ii) radiology products and (iii) respiratory management systems.

### Critical Care

Our critical care division includes (i) patient monitoring systems; (ii) cardiology devices; (iii) syringe pumps; and (iv) electro-surgical units.

Key technologies deployed:

- *ECG & Respiration Integrated Module*: The ECG and Respiration Integrated Module is used to measure the electrical activity of heart and also the respiratory rate. The module supports 3 electrode, 5 electrode and 10 electrode cables with which clinicians can monitor 7 leads or 12 leads of ECG based on the cable type connected. The module also comprises signal-processing technique for accurate measurement of heart rate calculation, ST segment analysis and arrhythmia analysis. The respiration signal of the patient is acquired from the ECG cable based on the impedance pneumography principle, i.e. that impedance (resistance) to an electrical current passing through the thorax changes between inspiration and expiration because of the difference in the amount of gas in the lungs. The module continuously monitors respiration and clinicians can monitor respiration waveform and respiratory rate.
- *Temperature Module*: Body temperature is measured by placing a temperature sensor on the body. The temperature sensor is integrated with a thermistor and change in temperature is monitored by the temperature module software by tracking the thermistor. The temperature module permits monitoring of temperature on various mediums, such as skin and rectal/ oesophagus, based on the clinicians' requirements.
- *NIBP Module (PulseSKAN)*: The PulseSKAN NIBP module measures systolic, diastolic and mean arterial pressures based on oscillometric principles. The amplitude of pressure changes in the occluding cuff as the cuff deflates from above systolic pressure. The amplitude suddenly increases as the pulse breaks through the occlusion in the artery. As the cuff pressure decreases further, the pulsations increase in amplitude, reach a maximum (which approximates to the mean arterial pressure), and then diminish.
- *SpO2 Module (OxySKAN)*: OxySKAN SpO2 module works based on IR Spectrometry principle. A SpO2 module continuously measures and monitors oxygen saturation of arterial blood, pulse rate, plethysmograph waveform and a perfusion level. Accuracy of OxySKAN is clinically proven in physiological conditions such as low perfusion, hypothermia and during excessive motion.

- **IBP Module:** The IBP module continuously measures and monitors systolic, diastolic and mean arterial pressures invasively through a pressure transducer connected to patients. Our IBP module can be deployed for monitoring arterial blood pressure, central venous pressure, pulmonary artery pressure and other blood paths wherever necessary depending on patient conditions.
- **Invasive Cardiac Output:** Cardiac output (CO) is an important measure of cardiac performance. It measures the volume of blood pumped into the circulatory system by the heart per minute. Cardiac output is closely related to the blood pressure. Several methods can be used for determining cardiac output. The method used by our patient monitoring system is the thermodilution method. With thermodilution, cardiac output is measured as the litres of blood pumped per minute into the pulmonary artery by the right ventricle of the heart.
- **Non-Invasive Cardiac Output:** Non-invasive cardiac output is monitored based on the impedance cardiograph principle, i.e. recording of instantaneous volume (of an object) by measurement of electrical impedance. This is a continuous method of monitoring cardiac output non-invasively. This is especially useful while monitoring a patient's hemodynamic parameters continuously.

**(i) Patient Monitoring Systems (PMS)**





We are among the few companies in India to have US FDA approval for medical devices under monitor classification segment (Source: CRISIL Report). All core technologies on which our products are based, have been developed by our in-house teams. We offer a broad range of monitors for wide range of clinical applications.





Our core algorithm is a key differentiator that accurately measures and monitors patients even in clinically challenging conditions. We utilise technology platforms that allow our monitors to be networked with central stations for centralised and remote monitoring through IOT for improved patient care.

We have installed our PMS globally. Our patient monitoring devices track the physiological parameters of patients, such as heart rate, blood pressure, oxygen saturation, respiration rate, temperature, exhaled carbon dioxide, cardiac output, anaesthesia and related modalities, apart from other parameters that can be customized based on the requirements of the customer. Our portfolio contains multiple series of PMS devices that can be customised to cater to a wide range of clinical modalities that are suitable for adult, paediatric and neonatal patients and are used across the hospital in their intensive care units, operation theatre, OPD, trauma centres, clinics, day care and emergency rooms.

Our product line offers customers a broad range of functionality, such as single-parameter monitors, stationary and portable multi-parameter monitors, central monitoring/ nursing stations that can collect and display multiple patient's data on a single screen. Our multi-parameter monitoring devices can be networked, allowing hospitals to remotely gather patient data from patient rooms and centralize that data in a single location. Our patient monitoring devices also have built-in recorders and have battery backup for portability in most models, as well as power backup in the event of power failure.

The following table sets forth certain information on our portfolio of PMS devices:

Device Series		Key Features	Certifications
<b>Patient Monitoring Systems</b>			
 Star 90	 Star 65	<ul style="list-style-type: none"> <li>▪ 10 / 8 channel sleek modular monitor with 15" / 12.1" high resolution LED touch display</li> <li>▪ Advanced features like SatSeconds™, LoSat™, IPI™, etc.</li> <li>▪ ST segment analysis and arrhythmia analysis, OxyCRG and drug dose calculation</li> <li>▪ USB, HDMI, IABP interface, central nursing station interface (wired/ wireless)</li> <li>▪ HL7 support for HIS interface</li> <li>▪ Also sold for Veterinary applications as StarVET65</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark from EU.</li> <li>▪ USFDA 510K</li> <li>▪ UL classification (UL safety mark)</li> </ul>
 TruSKAN S600	 TruSKAN S500	<ul style="list-style-type: none"> <li>▪ 6 channel monitor with 12.1"/ 10.4" TFT colour display</li> <li>▪ ECG, Respiration, Dual Temperature, NIBP, Dual IBP, SpO2 and microstream EtCO2</li> <li>▪ User configurable layout with multiple layout selections</li> <li>▪ Advanced features like SatSeconds™, LoSat™ &amp; IPI™</li> <li>▪ Wired and wireless connectivity to Skanray's Central Nursing Station</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ UL classification</li> </ul>

Device Series	Key Features	Certifications
	<ul style="list-style-type: none"> <li>Support for HL7 based interfacing with HIS</li> <li>Also sold for Veterinary applications as TruSKAN V600 and V500</li> </ul>	(UL safety mark)
 TruSKAN S400	<ul style="list-style-type: none"> <li>4 channel monitor with 10.4" TFT colour display</li> <li>ECG, Respiration, Dual Temperature, NIBP &amp; SpO2</li> <li>Multiple layout selections</li> <li>Advanced features like SatSeconds™, LoSat™</li> <li>Wired and wireless connectivity to Skanray's Central Nursing Station</li> </ul>	-
 SpotSKAN	<ul style="list-style-type: none"> <li>Point-of-care vital signs recorder with 6.5" LED display</li> <li>SpO2, NIBP, Quick temperature (Tympanic probe)</li> <li>Adult and Paediatric applications</li> <li>Thermal recorder</li> </ul>	<ul style="list-style-type: none"> <li>USFDA 510K</li> </ul>
 CometPlus	<ul style="list-style-type: none"> <li>Pulse Oxymeter (Nellcor™) with Plethysmograph</li> <li>Online SpO2 and PR Graphical Trend</li> <li>Advanced alarm management system including SatSeconds™</li> <li>Adult, Paediatric &amp; Neonatal applications</li> </ul>	<ul style="list-style-type: none"> <li>CE mark from EU</li> </ul>
<b><i>Nursing Station</i></b>		
 Skyline55	<ul style="list-style-type: none"> <li>Windows based Central Nursing Station</li> <li>Monitoring of 8/16 Beds</li> <li>Wired and wireless connectivity to patient monitors (monitor dependent)</li> <li>Multi-parameter and multi-bed modes with detailed views</li> <li>Up-to 72 hours of waveform disclosure</li> </ul>	-


**(ii) Cardiology (“CRD”)**





We have been manufacturing CRD devices since inception and strengthened our capabilities in this segment through the acquisition of Cardia Inc., in 2016. Our cardiology devices are used to measure the wellness of the heart by measuring the ability of the heart to pump blood and determine weaknesses in heart muscle, blood clots, or weakened heart valves. We offer cardiology devices that are suitable for adult and paediatric patients and are used principally in intensive care units, emergency rooms, operating rooms in hospitals, and diagnostic centres.

Our ECG machines are designed to provide an advanced analysis of the electrocardiogram that can prove to be an early indicator of a potential health issue that can be further diagnosed by a clinical expert. This is particularly helpful in rural areas where there may be limited availability of an onsite cardiologist, if at all.

Our defibrillator range of products deploy current-controlled biphasic defibrillation technology to effectively revive the patient. Several options are available including pacing, AED, and ECG, SpO2 and NIBP monitoring. Our products are able to charge in a relatively short period either from the mains or battery with more than 100 shocks on a single charge. The rotary switch on our devices allows for quick selection of energy and are equipped with automatic recognition of shockable heart rhythms. The products are designed for safe shock delivery with R-wave synchronization and are suitable for adults as well as paediatric use. We provide multi-lingual support with voice guided CPR assistance protocol that allows for quick deployment.

The following table sets forth certain information on our portfolio of cardiology devices:



Device Series	Key Features	Certifications
<b><i>Defibrillator – Automated External Defibrillator</i></b>		
 CardiAid (Public Access Defibrillator)	<ul style="list-style-type: none"> <li>Current-controlled biphasic defibrillation technology and deploys an accurate shockable heart rhythms detection algorithm</li> <li>Pre-connected electrodes with user-friendly illustrations and verbal instructions for ease of deployment</li> <li>Up-to 210 shocks in a new battery</li> <li>Ready-to-communicate with a gateway and ability to send real-time self-test results</li> </ul>	<ul style="list-style-type: none"> <li>CE mark from EU</li> </ul>

Device Series	Key Features	Certifications
 SKANRevive, SKANRevive Plus	<ul style="list-style-type: none"> <li>▪ Current-controlled biphasic defibrillation with Synchronised cardioversion</li> <li>▪ 3L/5L ECG support</li> <li>▪ More than 100 shocks from a new fully charged battery</li> <li>▪ Data storage &amp; event summary</li> <li>▪ 6.5" Colour LED display,</li> <li>▪ Built-in thermal printer</li> <li>▪ AED with voice prompts</li> <li>▪ Non-invasive demand / fixed pacing</li> <li>▪ NIBP, SpO2 monitoring with alarms</li> <li>▪ Suitable for adult/paediatric applications</li> <li>▪ Multifunction adhesive pads</li> <li>▪ Less than 7 seconds to charge up to 300 Joules</li> <li>▪ Data Storage up to 350 ECG records</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> </ul>
<b>Echocardiogram</b>		
 CardiSKAN	<ul style="list-style-type: none"> <li>▪ Simultaneous 12 lead ECG with a 3.5" TFT Display with touchscreen and intuitive hotkeys for quick operation</li> <li>▪ 3 Channel thermal printer</li> <li>▪ Built-in ECG measurements and interpretation</li> <li>▪ Visual alarm indicator, Pacer pulse detection.</li> </ul>	-
 CardiSKANmini	<ul style="list-style-type: none"> <li>▪ 12 lead PC based ECG machine with an optional ECG analysis package</li> <li>▪ PDF print, patient database management and A4 print</li> <li>▪ Compact and highly portable</li> </ul>	-
 StressSKAN Cardi	<ul style="list-style-type: none"> <li>▪ 12 Lead wireless Acquisition system</li> <li>▪ Treadmill with 180 kilogram patient capability</li> <li>▪ Automatic arrhythmia detection print and capture.</li> <li>▪ HRR-Heart rate recovery score</li> <li>▪ Standard and user programmable Stress test protocols</li> <li>▪ Clean Trace – Synthesized ECG rhythm with actual HR, rhythm and beat shapes.</li> <li>▪ Full disclosure for post processing and analysis.</li> </ul>	-

**(iii) Electro-surgical unit (ESU)**

Our portfolio of ESU devices covers a wide range of surgical applications. These devices use advanced technology such as a smart feedback system (SFS) where the diathermy unit receives current feedback resulting in adjustment of the output power, which ensures a smooth and consistent quality cut and coagulation as desired by the user for diverse applications such as laparoscopic surgery, neurosurgery, cardiac surgery and general surgery.




The following table sets forth certain information on our portfolio of ESU devices:

Device Series	Key Features
 SurgiSKAN 200	 SurgiSKAN 100
<ul style="list-style-type: none"> <li>▪ Microprocessor controlled</li> <li>▪ Smart feedback system</li> <li>▪ Pre-defined programs</li> <li>▪ Monopolar and bipolar modes</li> <li>▪ Soft, Swift, Force &amp; Spray coagulation</li> <li>▪ Dual output for monopolar coagulation</li> <li>▪ Split patient plate indicator</li> <li>▪ Bipolar coagulation with auto start</li> <li>▪ Automatic power regulation</li> <li>▪ Contact quality monitoring system</li> </ul>	

**(iv) Syringe Pump (SYP)**

We manufacture SYP devices under a manufacturing license from an OEM, i.e. MedCaptain.

The following table sets forth certain information on our portfolio of syringe pump products:

Device Series		Key Features	Certifications
 floSKAN 2000	 floSKAN 3000	<ul style="list-style-type: none"> <li>▪ Syringe Pump with a 3.5” backlit color LCD touch screen (in the 3000 model)</li> <li>▪ Multiple infusion modes and 11 occlusion levels and accurate transmission mechanism with supports syringes of all standard brands</li> <li>▪ Auto-detection of syringe size ranging from 5ml to 60ml and large speed range (up-to 2000 ml per hour)</li> <li>▪ Built-in drug library (1000 drugs) safety design to aid in monitoring the infusion status</li> <li>▪ Backup power for minimum 6 hours (optional extension up to 12 hours)</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> </ul>
 SKANTruFlo		<ul style="list-style-type: none"> <li>▪ Compact and light-weight for bedside and ambulatory use and supports all standard disposable intravenous sets</li> <li>▪ Multiple occlusion levels and pressure display with multiple infusion modes and anti-bolus</li> <li>▪ Maximum infusion rate up to 1200ml per hour and intuitive touchscreen display with night mode</li> <li>▪ Pole mountable with backup power up to 5 hours</li> </ul>	-

### Radiology (RAD)

Our radiology division consists of mobile X-Ray systems, fixed X-ray systems, DR systems, mobile surgical and vascular C-Arms and dental radiology systems.


Our diagnostic X-Ray machines use high frequency switching technology controlled by micro controllers and DSP (digital signal processors) which gives consistent quality of X-ray beams for a wide range of the input voltage fluctuation. We employ high frequency in the range of 100-200 kHz using resonant topology making the X-ray generator compact and efficient. This gives high manoeuvrability to our mobile X-ray and fluoroscopy systems and compactness to our fixed radiography systems. The high power and frequency switching techniques enable the high voltage to be virtually ripple-free and limits the rise-time of the high voltage within milliseconds. This helps in getting consistent high-quality images using optimised dose levels, irrespective of operating conditions.






The SKAN SHIELD technology results in minimal leakage radiation, thereby protecting the patient and clinician from exposure to unnecessary radiation. All X-ray systems operate from a single-phase use power factor correction technology that enables the machine to draw clean power from the mains. We offer radiology devices that are suitable for adult and paediatric patients and are used principally in hospitals and diagnostic centres. The portfolio includes mobile X-ray systems and fixed X-ray systems that could either be Classical RAD or Digital RAD. Our DR system images are DICOM compatible and can be integrated with any HIS.

Key technology deployed:







- *High Frequency Generator*: this is used for all radiography and fluoroscopy X-ray devices.
- *LED collimator*: used for selecting ROI of required anatomy.
- **SKAN SHIELD**: this is a technology applied to reduce radiation hazard to negligible level from X-ray source.

The following table sets forth certain information on our portfolio of radiology devices:



Device Series	Key Features	Certifications
<b>MicroSkon Platform</b>		
 Microskan	<p>This is a 2.8KW mobile X-ray systems weigh relatively less. It comes with an LED collimator and can work from 100-240 input voltage. This comes with a rotating collimator and is convenient for use in a confined clinical room. Due to its compact frame, the machine is easily transported. It is also suitable for neonatal imaging. This comes with an APR (Anatomical Programmed Radiography) that has pre-programmed setting for different anatomies and simplifies the operation of the machines for a new radiographer.</p>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>

Device Series	Key Features	Certifications
 <p>MicroskanIon</p>	<p>Along with features of the Microskan, this device is equipped with battery backup that enables more than 100 exposures on a single charge and makes this a suitable option for rural areas and medical camps.</p>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>
 <p>MicroskanDR</p>	<p>Digital mobile solution that uses the Microskan platform with a battery backup giving an image preview in a short span of time and can be transferred over the internet as required. The compactness of the machine with a cable-less setup and the speed of acquiring images makes it suitable for trauma imaging and emergency radiology, in addition to other applications. Images can be immediately transferred to the PACS system, with versatile use in the ICU. The image preview feature allows the operator to see the image and make necessary corrections, if required, thereby reducing the workflow time.</p>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>
<b>Mobile Platform</b>		
 <p>SkanMobile</p>	<p>The device employs a 4 KW high frequency X-Ray generator. The system is integrated with an LED collimator and assembled on a light-weight trolley with an assisted lifting arm with dual safety mechanism for positioning. The full system weighs less than 90kg and is easy to manoeuvre. The systems operate on a wide input voltage range giving consistent output, making it suitable for challenging operating conditions. These systems are also sold across the globe by reputed medical devices' companies for integration with their digital platform and as mobile radiography systems attached to vehicles for mobility. The X-ray head is also integrated into SkanVet, an innovative veterinary radiography system, sold globally.</p>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>
 <p>SkanMobileDR</p>	<p>This product combines the features of SkanMobile and is integrated with a wireless DR solution and like the MicroSkanDR device, is also particularly useful for trauma imaging and emergency radiology apart from other applications. SkanMobileDR uses highly reliable systems for image processing like the Panasonic ToughBook, which is recognized for its functions in tough operating conditions.</p>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>
<b>Fixed Platform</b>		
 <p>SkanRad 400</p>	<p>The SkanRad 400 has a 32kW monoblock tube head that operates upto 400MA and does not require external high voltage cables, hence increasing the reliability and ease of operations. The tube head movements are motorized that makes it operable with a fingertip. The floating tabletop can endure subjects with a weight of up to 200kg and can be easily positioned in either direction as required for the procedure. The 180 degree rotation of the tube column allows the operator to take the X-ray without transferring the patient onto the table, the tube column can laterally move out of the table position making it easy to use for chest stand for taking images of the foot in standing position at the lowest possible height. Our system comes with an integrated touch screen console with APR table and patient positioning guidelines, enabling a user-friendly work-flow.</p> <p>By using the integrated digital goniometer on the system, the user can manoeuvre the system to get the optimal exposure. We have designed our system to move on dry bearings, thereby reducing dust accumulation on the system rails requiring lesser maintenance and trouble-free operation. It can integrate 17x17 or 14x17 wired and wireless digital panel. The system, if opted, is integrated with a 17x17 panel giving high resolution images.</p> <p>We also offer an optional console that can be mounted on the wall or fixed on the floor, enabling it to attach AEC chamber to the system.</p>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>



Device Series	Key Features	Certifications
 <p>SkanRad 600</p>	<p>In addition to the features of the SkanRad 400, the SkanRad 600 comes with 50kW generator and uses high voltage brick technology, a state-of-the-art delivering up to 600MA.</p>	-
 <p>SkanDR</p>	<p>SkanDR is a 50kW generator and uses high voltage brick technology, a state-of-the-art delivering up to 600MA. It employs a fully motorized U arm that is compact and versatile and can do all the radiographic exposure using a single detector. A special patient positioning stand is provided that can perform image-stitching that is a very useful feature. The U-arm along with the mobile patient table makes it easy to different views of any anatomy.</p> <p>The imaging technology is used from the SkanRad 400/600 platforms.</p>	-
<b>C-Arm</b>		
 <p>Skan-C</p>	<p>Our surgical imaging product, called SKAN-C is a compact high frequency mobile C-Arm for imaging applications needed for GI, Neuro, Spine, Ortho, Uro, peripheral vascular and other surgical procedures. It has been designed to have a small footprint that assists in working in a congested / small workplace. A low lateral height helps to reduce the workflow for aligning all configurations of operating tables.</p> <p>It uses a fully integrated compact HF X-ray generator, capable of high performance and longer exposure sustainability at negligible leakage radiation. A unity power factor controller working in the range of 110 (±10%) / 230 (±10%) Volt AC ensures stable and good quality imaging. The pulsing capability ensures low dose examination. Our user-friendly design of console and layout ensures easy handling, and an intuitive graphic user interface helps to speed up procedures for handling more operations. Virtual collimation enables adjusting the field of view without taking an exposure hence saves unnecessary dose to the patient.</p>	<ul style="list-style-type: none"> <li>▪ FDA</li> <li>▪ CE mark from EU</li> <li>▪ AERB</li> </ul>
 <p>Skan-C Venus</p>	<p>SKAN-C Venus is a variant of SKAN-C and is a 32kW new generation C-arm with complementary metal oxide semiconductor (CMOS) flat panel and fully motorized movements with C-stand wheels included.</p> <p>SKAN-C Venus is suitable for general orthopaedic, spine column, pain management, general surgery, urology, endoscopic retrograde cholangiopancreatography, peripheral vascular, neuro, abdominal vascular, cardiac applications like, electrophysiology with ablation and also hemodynamic procedures.</p> <p>These applications require medium/high power and long-time exposure. The CMOS panel detector allows lower dose procedure with higher image quality and better resolution. It is a fully motorized system with programmable positions and controllers.</p>	
<b>Dental</b>		
 <p>IntraSkanDC</p>	 <p>IntraSkanDC+</p> <p>Our dental platform offer near zero leakage radiation with 3-point control - kV, mA and ms and operate in the 60-70 kV range in steps of 1kV and 4-8 mA range in steps of 1mA. The perfectly balanced zero-drift scissor arm and operator console with APR integration. The systems are available with 0.4, 0.5 and 0.8 mm focal spot for various applications.</p>	<ul style="list-style-type: none"> <li>▪ FDA</li> <li>▪ CE mark from EU</li> <li>▪ Health Canada</li> </ul>



Device Series	Key Features	Certifications
 <p>IntraSkan digi<sup>plus</sup></p>	<p>IntraSkan platform uses flexible sensors with the CMOS technology, for better diagnosis with clear and sharp images, saving both time and space. These DICOM compliant images allow for easy image transfer and remote analysis.</p> <p>Some of the key features include zoom glass, zoom and pan, torch light, horizontal and vertical flip, ROI study and image fusion, 3D color rendering and bone densitometry indication enables a better output.</p> <p>These systems are also sold for Veterinary applications as IntraSkanDCVET.</p>	-
<b>Veterinary</b>		
 <p>SkanVetDR</p>	<p>The SkanVetDR is an all-in-one space saving, innovative design with compact footprint and works from standard domestic power supply. The immediate Image Preview on integrated monitor with a single-action foot-switch providing user friendly veterinary imaging software. It has a provision to record adequate animal-patient anatomies and create a database. It has been designed with reduced noise levels for animal comfort and also to ensure smooth image capture.</p>	-

### ***X-Ray Tubes***

Our X-ray tubes use radiation to create images for medical diagnoses. As of December 31, 2020, we offer more than 70 different X-ray tubes that are suitable for adult and pediatric patients and are used principally in hospitals and diagnostic centers.

We are focussed on providing high quality products at affordable prices resulting from a high level of automation at our manufacturing plants. This enhances our ability to develop customised tubes and delivery of small batches. We have a dedicated team that is able to customise products, even in small quantities, based on our customers' requirements.

The following table sets forth certain information on our portfolio of X-ray tubes:

Classification	Product	Function
Dental	Tubes up to 70K focal spot between 0.2 to 0.7mm	Intraoral imaging
Panoramic for dental screening	Tubes up to 120KV focal spot from 0.1to 0.6mm	Panoramic and cephalometry
3D and CBCT	Tubes with wide target angle up to 120KV, from 0.3 to 0.5 mm focal spot	CT application for dental imaging
Bi-Focal	Tubes up to 125KV, double filament with focal spot from 0.5 to 0.6 (small) and from 1.2 to 1.8mm (large)	Pain management, orthopaedic c-arms
Mobile application	Tubes up to 120KV and 5kW	Mobile imaging
Industrial control	Tube with micro focus up to 0.05mm 80KV	PCB, food and industrial inspection
Security	160KV tube for 24/day use	Baggage inspection

### **Respiratory Management Systems (RMS)**

Our RMS division consists of (i) Anaesthesia delivery systems, and (ii) ICU ventilator systems.




Key technology deployed:

- *Three gas system:* Our three-gas system in ANS – one for nitrogen and two oxygen with bypass, particularly useful in long-duration surgeries.
- *Anti-Hypoxia device (AHD):* We have incorporated AHDs in our all anaesthesia delivery systems. AHD is an important element for patient safety in anaesthesia administration. Our AHD ensures that nitrous is never administered to the patient in absence of oxygen.

**(i) Anaesthesia Delivery Systems (ANS)**

Our ANS are designed to supply blended anaesthesia gases and anaesthetic vapours to the patient. The anaesthesia delivery system monitors oxygen concentration and offers protection devices and alarms designed to keep users and patients safe. The anaesthesia ventilator is integrated with multiple modes for complex ventilation needs. Our Company owns the core technology and algorithm for the systems and has calibrated our systems to ensure accurate anaesthesia delivery with low flow capability.


The following table sets forth certain information on our ANS portfolio:


Device Series	Key Features	Certifications
 SKANSiesta	<ul style="list-style-type: none"> <li>▪ Advanced anaesthesia workstation with 3 gas pipeline and cylinder connectivity with an internal 3 litre O<sub>2</sub> reservoir</li> <li>▪ 5 Tube Rotameter with Low Flow capability.</li> <li>▪ 10.4” intuitive ventilator touch display with advanced modes as standard.</li> <li>▪ Visual and audio alarms with customizable settings</li> <li>▪ Built-in battery back-up for support up to 3 hours</li> <li>▪ Ventilation Modes: VC, VC-SIMV, PC, PC-SIMV, PSV, SP</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark with EU</li> </ul>
 Athena500i	<ul style="list-style-type: none"> <li>▪ 3 gas low flow anaesthesia workstation with a dedicated additional N<sub>2</sub>O cut-off and independent auxiliary O<sub>2</sub> output and FiO<sub>2</sub> monitoring.</li> <li>▪ 5 Tube Rotameter with Low Flow capability.</li> <li>▪ 6.5” color touch display with volume and pressure wave forms and a tidal volume of up to 1600 ml</li> <li>▪ Modes: VC, VC-SIMV, PC, PC-SIMV, PSV, SP</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark with EU</li> </ul>
 AthenaSV200	<ul style="list-style-type: none"> <li>▪ 3 gas low flow anaesthesia workstation with a dedicated additional N<sub>2</sub>O cut-off and independent auxiliary O<sub>2</sub> output and FiO<sub>2</sub> monitoring.</li> <li>▪ 5 Tube Rotameter with Low Flow capability</li> <li>▪ Anti-hypoxia device for patient safety.</li> <li>▪ Airway pressure waveform display with CMV-VC/PC, SP modes</li> <li>▪ 50-1600ml Tidal volume delivery capability.</li> </ul>	-

**(ii) ICU Ventilators**

Our ventilators are mainly used in intensive-care units, and emergency rooms (as standalone units) to provide mechanical ventilation by moving breathable air into and out of the lungs, to deliver breaths to a patient who is physically unable to breathe or is breathing insufficiently.

*SKANRespiro* and *SKANRespiroPlus* have been CE certified and are equipped with the core technology for ventilating paediatric and adult patients. Our unit is designed with simple user interface and inputs from practitioners that enables ease of use without any specialized training requirements. We have designed and we manufacture the electro-mechanical control system algorithm to deliver breaths. We also provide the option to integrate the ventilator with *Pranaa*, our medical air compressor (with standby feature).

Device Series	Key Features	Certifications
 SKANRespiro and SKANRespiroPlus	<ul style="list-style-type: none"> <li>▪ Paediatric to adult ICU ventilator with advanced compressor design and volume and pressure-controlled breath types</li> <li>▪ Invasive and non-invasive applications as standard</li> <li>▪ In-built nebulizer port with a 4-hour battery back up</li> <li>▪ Easy integration with <i>Pranaa</i> medical air compressor (optional)</li> <li>▪ Modes: A/CMV-VC, A/CMV-PC, SIMV-VC+PS, SIMV-PC+PS, CPAP-VC, CPAP-PC, NIV-PC</li> <li>▪ Additional modes on the Respiro Plus model: APRV, BI-LEVEL, A/CMV-PRVC, SIMV-PRVC+PS</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> </ul>

Device Series	Key Features	Certifications
 Pranaa	<ul style="list-style-type: none"> <li>▪ Medical air compressor with standby for centralised air supply and continuous pressure and hours-run display</li> <li>▪ Peltier driven de-humidification with pump temperature protection</li> <li>▪ Easily attachable with SkanRespiro™ and SkanRespiro Plus™</li> </ul>	<ul style="list-style-type: none"> <li>▪ CE mark from EU</li> </ul>

## OEM Products

Our portfolio of OEM Products comprises PMS devices, mobile X-rays, and dental X-rays that are designed, developed and manufactured by us. We manufacture devices for third-parties, that market and distribute these products under their own brands.

The following table sets forth the revenue from operations contributed by the sub-segments that we earn from sale of OEM Products for Fiscal 2018, 2019, and 2020 and for the nine months ended December 31, 2020:

Products	Fiscal 2018		Fiscal 2019		Fiscal 2020		For the nine months ended December 31, 2020	
	Revenue from Operations	Percentage of Revenue from Operations from sales to OEMs	Revenue from Operations	Percentage of Revenue from Operations from sales to OEMs	Revenue from Operations	Percentage of Revenue from Operations from sales to OEMs	Revenue from Operations	Percentage of Revenue from Operations from sales to OEMs
	(₹ million)	(%)	(₹ million)	(₹ million)	(₹ million)	(%)	(₹ million)	(%)
Critical Care	217.62	81.72%	280.27	84.86%	253.36	81.54%	200.21	56.37%
Radiology	48.68	18.28%	49.99	15.14%	57.36	18.46%	154.97	43.63%
<b>Total</b>	<b>266.30</b>	<b>100.00%</b>	<b>330.26</b>	<b>100.00%</b>	<b>310.72</b>	<b>100.00%</b>	<b>355.19</b>	<b>100.00%</b>

## Lahari Project (Advanced Electronic Testing Facility)

We have collaborated with several other electronics/ technology-based companies for the Government of India's 'Lahari Project', i.e. setting up an advanced electronic testing facility. The facility is being established in Mysore, Karnataka, with the objective to support and promote the electronics industry in India.

It will be focused on certain industries including healthcare, telecom, aerospace, automotive, IT & ITES, and energy, and is proposed to be a single testing facility where companies can test their products for meeting international regulatory requirements, compliance and certification, where design consultancy services will be offered for new product development and innovation, and to encourage investments in the entrepreneurships within these industries.

The facility is expected to have specialized laboratories for, electro-magnetic compatible testing; reliability and environmental testing; safety testing; wireless, SAR and telecom testing; and component testing.

These capabilities will be available for third-parties to use at competitive rates. The facility is currently in the final stages of completion.

## Manufacturing Facilities

As of December 31, 2020, we had three manufacturing facilities, of which two are in India and one in Italy, and through the acquisition of SHGPL we acquired two more facilities, one in Italy and one in the Netherlands. All five manufacturing facilities are supported with a quality control laboratory.

As of December 31, 2020, the aggregate installed manufacturing capacity of all five manufacturing facilities was 54,200 units.

The table below sets forth certain information regarding the products manufactured at the manufacturing facilities as of December 31, 2020:

Entity	Name/ Location	Property	Products Manufactured
Skandray Technologies Limited	Mysore Facility (Radiology) – #15-17 Hebbal Industrial Area, Mysore 570016	Owned	RAD, surgical imaging
Skandray Technologies Limited	Mysore Facility (R&D and Critical Care) – # 360, KIADB Industrial Area, Hebbal, Mysore - 570018	Owned	PMS, ANS, RMS, CRD and others
Skand-X Radiology Devices SPA (CEI X-Ray Tubes)	Bologna Facility – Via Della Tecnica 3 40068 S. Lazzaro Di Savena, Bologna Italy	Leased	X-Ray Tubes
Skandray Europe SRL	Bologna Facility – Via Cicogna, 36, 40068 San Lazzaro di Savena BO, Italy	Leased	All products
Cardia International A/S	Van der Burchstraat 40, 2132 RN Hoofddorp, The Netherlands	Leased	CardiAid AEDs

Mysore Facility (Radiology), Karnataka, India

The manufacturing facility at Mysore in Karnataka commenced operations in 2011. The facility is supported by infrastructure for degassing vacuum ovens, oil filtration ray testing, environment simulation chambers, high-voltage and precision electronics assembly lines.

We manufacture radiology and surgical imaging devices at our Mysore Facility (Radiology).

Mysore Facility (R&D and Critical Care), Karnataka, India

The manufacturing facility at Mysore in Karnataka commenced operations in 2013. We manufacture PMS devices, RMS devices and others, at our Mysore Facility (R&D and Critical Care). Other certifications for the Mysore Facility (R&D and Critical Care) include ISO 13485: 2003, ISO: 14001: 2004, and OHSAS 18001.

Bologna Facility I, Italy

We have a manufacturing facility at Bologna in Italy. We manufacture X-ray tubes at our Bologna Facility I.

Bologna Facility II, Italy

We acquired a manufacturing facility at Bologna in Italy through the acquisition of SHGPL in March 2021. We manufacture products for all our key product segments at our Bologna Facility II.

Netherlands Facility

We acquired the manufacturing facility at Netherlands through the acquisition of SHGPL in March 2021. We manufacture CardiAid AEDs at this facility.

**Capacity and Capacity Utilization**

Each of our manufacturing facilities are multipurpose facilities that have flexible manufacturing capabilities for manufacturing devices across multiple product segments with minor modifications.

The following table sets forth certain information relating to our capacity utilization of all our manufacturing facilities, calculated on the basis of total installed production capacity and actual production as of/ for the periods indicated below:

Period	Particulars	Mysore Facility (Radiology)	Mysore Facility (R&D Critical Care)	Bologna Facility I	Bologna Facility II*	Netherlands Facility*	Total
Year ended March 31, 2018	Installed Capacity <sup>(1)</sup>	4,000	20,000	25,000	200	5,000	<b>54,200</b>
	Actual Production <sup>(2)</sup>	1,176	7,040	23,742	10	3,000	<b>34,968</b>

Period	Particulars	Mysore Facility (Radiology)	Mysore Facility (R&D Critical Care)	Bologna Facility I	Bologna Facility II*	Netherlands Facility*	Total
	% Utilization <sup>(3)</sup>	29.40%	35.20%	94.97%	5.00%	60.00%	<b>64.52%</b>
Year ended March 31, 2019	Installed Capacity <sup>(1)</sup>	4,000	20,000	25,000	200	5,000	<b>54,200</b>
	Actual Production <sup>(2)</sup>	1,337	10,312	21,640	18	3,000	<b>36,307</b>
	% Utilization <sup>(3)</sup>	33.43%	51.56%	86.56%	9.00%	60.00%	<b>66.99%</b>
Year ended March 31, 2020	Installed Capacity <sup>(1)</sup>	4,000	20,000	25,000	200	5,000	<b>54,200</b>
	Actual Production <sup>(2)</sup>	1,251	8,776	19,309	11	3,600	<b>32,947</b>
	% Utilization <sup>(3)</sup>	31.28%	43.88%	77.24%	5.50%	72.00%	<b>60.79%</b>
Nine months ended December 31, 2020	Installed Capacity <sup>(1)</sup>	4,000	20,000	25,000	200	5,000	<b>54,200</b>
	Actual Production <sup>(2)</sup>	1,509	8,604	16,034	127	2,000	<b>28,274</b>
	% Utilization <sup>(3)</sup>	37.73%	43.02%	64.14%	63.50%	40.00%	<b>52.17%</b>

\* Acquired by our Company in March 2021 through the acquisition of SHGPL.

As certified by R.S. Prakash, Chartered Engineer & Registered Valuer, by certificates dated June 18, 2021.

(1) The information relating to the installed production capacity of our manufacturing facilities as of the dates included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard capacity calculation practice of the industry after examining the calculations and explanations provided by our management, including products manufactured, number of possible shifts and number of working shifts as on the dates mentioned in the certificate.

(2) The information relating to the actual production at our manufacturing facilities as of the dates included above and elsewhere in this Draft Red Herring Prospectus are based on various assumptions and estimates that have been taken into account by the chartered engineer in the calculation of our capacity. These assumptions and estimates include the standard production calculation practice of the industry after examining the calculations and explanations provided by our management, the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

(3) Capacity utilization has been calculated on the basis of actual production during the relevant period divided by the aggregate annual installed production capacity of relevant manufacturing facilities as of at the end of the relevant period.

(4) Actual production levels and utilization rates may vary significantly from the capacity information of our manufacturing facilities included in this Draft Red Herring Prospectus and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed manufacturing capacity and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary." on page 44.

## Research, Development and Technological Capabilities

We believe that R&D is critical in maintaining our competitive position in the medical devices industry, including in order to address changing customer trends, be updated with technological advancements, industry developments and business models. Our R&D facilities focus on technology development, costs and operating efficiencies, product design and development, production processes and environmental management by understanding current market demands and evolving customer trends. We believe that the medical devices industry is rapidly evolving due to technological advancements and deeper penetration of information technology.

We have dedicated R&D centres, located at our facilities in Mysore (both) and Italy (both).

*Manpower:* As of December 31, 2020, we have 135 personnel engaged at our R&D centres. Through our R&D and innovation capabilities, we have successfully designed and developed a portfolio of wide ranging medical devices. We have the ability to manufacture most of our products from the concept and design stage until the final delivery thereby covering the entire manufacturing value chain.

## Procurement of Raw Materials

The primary raw materials used in the manufacture of our products include valves, printed wires, LCD monitors and mother boards. In Fiscal 2018, 2019 and 2020 and in the nine months ended December 31, 2020, the cost of materials consumed represented 43.44%, 52.71%, 53.08% and 27.19%, respectively, of our total income.

We have a centralized system across our manufacturing facilities for procurement of raw material. We procure raw material from various domestic and foreign vendors. Majority of our raw materials are sourced from a number of vendors based on our engineering designs. Further, we subject our suppliers to a qualification process to ensure that the supplied raw materials are of appropriate quality.

The purchase price of our raw materials generally follows market prices. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices and delivery delay.

## Distribution Network and Sales

The distribution of our products is done as follows: (i) within India, (a) directly to hospitals, (b) to distributors in India for onward sale to hospitals, and (c) to the state and central government (and other government agencies) typically through a tender process; (ii) outside India, (a) directly to hospitals through our Subsidiaries/ Joint Ventures, and (b) to distributors outside India for onward sale and (c) by OEM partners under their own brand-label.

For Fiscal 2020, we had engaged more than 90 distributors for our operations in India.

The following table sets forth certain information on our revenue from operations by geography, for the periods indicated:

Particulars	Fiscal			Nine months ended December 31, 2020
	2018	2019	2020	
	(₹ million)			
International	522.53	622.55	604.02	550.26
Domestic	787.05	979.41	830.31	2,905.23
Other Operating Revenue	9.62	23.17	21.75	13.84
<b>Total Revenue from Operations</b>	<b>1,319.20</b>	<b>1,625.13</b>	<b>1,456.08</b>	<b>3,469.33</b>

We also have an in-house sales team that comprised 60 personnel as of December 31, 2020. The primary objective of our sales team is to work closely with our customers or prospective customers to design products tailored to meet their specific requirements, and to maintain relationships with our customers. Further, our sales team is also involved in collecting market information, such as, technological advancements and existing competition, in order to assess the viability of our products in the market.

## Customers

We have a diversified customer base and have strong and established relationships with most of our customers. The key customers of our Skanray Products include hospitals such as Bombay Hospital & Medical Research Centre, Manipal Academy of Higher Education, Nitte, Bhagwan Mahavir Jain Hospital, Trimline Medical Systems, Deenanath Mangeshkar Hospital & Research Centre and Karnataka Institute of Medical Sciences. Further, for our OEM Products, we regularly collaborate with FujiFilm, Medtronic, GE, Hatch and ImageWorks.

Revenue generated from sales to our top five and top 10 customers (excluding related party transactions) represented 53.35% and 60.06%, respectively, of our revenue from operations in Fiscal 2020, and 61.28% and 69.72%, respectively, of our revenue from operations in the nine months ended December 31, 2020.

## Repair and Maintenance/ Servicing

We continue to be responsible for the repair and maintenance/ servicing of the products we manufacture. We have entered into franchise arrangements with third-parties for service and maintenance works outside India. Customers place service/ repair requests with our call centres. Our personnel respond to these service requests, and carry out periodic maintenance

and repair of our products on an as-needed basis. We also manage an inventory of spare parts at each of our locations, and dispatch these to the end-user on an as-needed basis.

### **Quality Control, Testing and Certifications**

Our products undergo a qualification process throughout the entire value chain to ensure that quality products are being manufactured and are appropriate for onward distribution in various countries. Our products, manufacturing facilities and processes are subject to periodic inspections by various regulatory authorities including the US FDA, and the CE in Europe.

As of December 31, 2020, we had 22 personnel engaged in quality control processes, who are responsible for running quality checks at our facilities, making timely applications for required permits and renewals.

### **Competition**

The medical devices industry is a highly competitive industry. Our competition varies across various markets, geographical areas and type of product. We face competition from both domestic and international companies. We compete primarily on the basis of product quality, technology, cost, delivery and service, as well as quality and depth of senior level relationships.

We primarily face competition from other manufacturers who supply products to hospitals and multinational companies on an OEM basis.

Due to our diversified product portfolio, we cater to various segments within the medical devices industry based on modality, and as a result, we compete with various companies for each of our business segments. Further, some of our current and potential competitors include large international companies that have longer operating histories, better name recognition, greater ability to influence industry standards, access to larger customer bases and significantly greater financial, sales and marketing, manufacturing, distribution, technical and other resources than we have.

### **Human Resources**

Our employees contribute significantly to our business operations. Our employees include sales, IT, administrative, finance, procurement, logistics, design and factory personnel. As of December 31, 2020, we had 500 full-time employees. Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We consider our employees to be assets of our organization and we are committed to building and nurturing our human capital.

The following table sets forth a breakdown of our employees by function as of December 31, 2020:

<b>Function</b>	<b>Number of Employees</b>
Corporate	45
Operations	184
R&D	135
Sales & Marketing	136
<b>Grand Total</b>	<b>500</b>

### **Intellectual Property**

As of December 31, 2020, we have been granted 27 patents, 49 trademark registrations, and 11 industrial property design registrations.

In addition, we have made applications for the grant of 18 patents, four trademark registrations, and four industrial property design registrations, as of December 31, 2020.

For further information, see “*Government and Other Approvals*” on page 304.

## **Insurance**

We have purchased insurance in order to manage the risk of losses from potentially harmful events, including an insurance policy covering fire, damage to machinery and electronic equipment, transportation and third party liability cover and any other risk. These insurance policies are reviewed periodically to ensure that the coverage is adequate. Our insurance covers all our offices, including our corporate office and manufacturing facilities.

## **Corporate Social Responsibility**

We have set up a corporate and social responsibility (“**CSR**”) committee of our Board of Directors (the “**CSR Committee**”) and have adopted and implemented a CSR policy on March 25, 2021, pursuant to which we carry out our CSR activities. These CSR activities include, healthcare, skill development, education, local communities, and Responding to humanitarian disasters.

## **Property**

Our registered and corporate office is situated at Plot No. 15-17 Hebbal Industrial Area, Mysore, Karnataka, 570 016, and is held by our Company on a freehold basis. As of the date of this Draft Red Herring Prospectus, we own and operate manufacturing facilities within and outside India, some of which are operated on land that is held by us on freehold basis, while certain facilities are on land that is held by us on leasehold basis.



## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.*

*Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962 and the relevant goods and service tax legislation apply to us as they do to any Indian company. For details of government approvals obtained by our Company, see “Government and Other Approvals” beginning on page 304.*

*The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.*

### **Industry-specific legislations applicable to our Company**

#### ***Drugs and Cosmetics Act, 1940 (“DCA”) and The Medical Devices Rules, 2017***

The DCA is the statute governing the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated, spurious or harmful. The Medical Devices Rules, 2017 have been framed under the DCA. In terms of the Medical Devices Rules, 2017 all importers / manufacturers / sellers of notified medical devices must obtain a license from the appropriate licensing authority before undertaking any commerce in notified medical devices.

#### **The Atomic Energy Act, 1962 (“Atomic Energy Act”) and the Atomic Energy (Radiation Protection) Rules, 2004 (“Radiation Protection Rules”)**

The Atomic Energy Act provides for the development, control and use of atomic energy for the welfare of the people of India and for other peaceful purposes and for matters connected therewith. The Radiation Protection Rules are framed under the Atomic Energy Act and they apply to practices adopted and interventions applied with respect to radiation sources. Since our Company stores certain radioactive materials, it is required to ensure certain compliances in relation to their storage. The Atomic Energy Regulatory Board (“AERB”) issues license under the Atomic Energy Act and Rules for possession and operation of the industrial radiography exposure device(s) (“IRED”) containing radiography source/radiation generating equipment for industrial radiography purposes at authorised site(s). The licensee shall obtain permission from AERB prior to the routine operation of each IRED after procurement.

### **Labour law legislations**

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

#### ***The Factories Act, 1948 (“Factories Act”)***

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the “occupier” of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

### ***Employees' Compensation Act, 1923***

The Employees Compensation Act, 1923 (“**EC Act**”) (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/ obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees’ Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death\serious bodily injury.

### ***Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“the EPF Act”) is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames Employees Provident Scheme, 1952

The Employees’ State Insurance Act, 1948 (the “**ESI Act**”) an act to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Shops and establishments legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

### **Environmental laws**

#### ***The Environment (Protection) Act, 1986 (“EPA”)***

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

#### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

### ***Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “*hazardous waste*” has been defined in the Hazardous Waste Rules and any person who has control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “*occupier*”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### ***The Batteries (Management and Handling) Rules, 2001, as amended (“Batteries Rules”)***

The Batteries Rules are framed under the EPA and apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. It prescribes the responsibilities of manufacturer, importer, assembler and dealers of the batteries as well as lays down the responsibilities of the recycler of the batteries.

In addition to the above-mentioned environmental laws, following is an indicative list of the environmental laws which may be applicable to our Company due to the nature of the business activities:

- Plastic waste management Rules, 2016;
- Bio-medical waste management Rules, 2016;
- E-waste (Management) Rules, 2016;
- Ozone Depleting Substances (Regulation and Control) Rules, 2000;
- Noise Pollution (Regulation and Control) Rules, 2000, as amended; and
- Gas Cylinders Rules, 2016.

## **Intellectual Property Laws**

### ***The Trademarks Act, 1999 (“Trademarks Act”)***

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trade Marks Act, an application for trademark registration may be made with the Trade Marks Registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks among others. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trademark in India and other countries has been made available to owners of Indian and foreign trademarks. It also seeks to simplify the law relating to the transfer of ownership of trademarks by assignment or transmission and to bring the law in line with international practices.

### ***The Patents Act, 1970 (“Patents Act”)***

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of

full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

### ***The Designs Act, 2000 (the “Designs Act”)***

The Designs Act protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

### **Foreign Investment Laws**

#### ***The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder (“FTA”)***

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2021) prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number (“**IEC**”) granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

#### ***The Foreign Exchange Management Act, 1999 (“FEMA”) and regulations framed thereunder***

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEM Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEM Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, in

accordance with Press Note No. 4 (2020 Series), dated October 15, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy.

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.

### ***Overseas Direct Investment (“ODI”)***

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI, dated January 1, 2016, an Indian entity is allowed to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth. ODI can be made by investing in either joint ventures or wholly owned subsidiaries outside India. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

### ***Competition Act, 2002 (“Competition Act”)***

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India (“**Commission**”) is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act) he shall be punishable with a fine which may exceed to ₹0.1 million for each day during such failure subject to maximum of ₹10.0 million, as the Commission may determine.

### ***Other applicable laws***

#### **The Electricity Act, 2003 (“Electricity Act”)**

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

#### ***Legal Metrology Act, 2009 (“LM Act”)***

The LM Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. The LM Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the LM Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the LM Act.

### **Labour related legislations**

Depending upon the nature of the activity undertaken by us, the applicable labour enactments other than state-wise shops and establishments acts includes the following:

- The Apprentices Act, 1961;

- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Employee's Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees' State Insurance Act, 1948;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as Skanray Technologies Private Limited, a private limited company, at Bengaluru under the Companies Act, 1956 on February 14, 2007 and was granted the certificate of incorporation by the RoC. Subsequently, the name of the Company was changed to Skanray Technologies Limited pursuant to a special resolution passed by the shareholders of the Company on March 8, 2021, and a fresh certificate of incorporation dated March 19, 2021 was issued by the RoC consequent upon change of name and conversion into a public limited company under the Companies Act, 2013.

### 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 of registered office	Details of change of registered office	Reasons for change in registered office
February 10, 2011	<i>Old Address:</i> #78 A&B, Hootagalli Industrial Area, Mysore, Karnataka India 570018 <i>New Address:</i> Plot No 15-17, Hebbal Industrial Area, Mysore, Karnataka India 570016	Administrative convenience
August 23, 2009	<i>Old Address:</i> #331/B Hebbal Industrial Area, Mysore, Karnataka, India 570018 <i>New Address:</i> #78 A&B, Hootagalli Industrial Area, Mysore, Karnataka India 570018	Administrative convenience
June 15, 2008	<i>Old Address:</i> SJCE – STEP, SJCE Campus, Manasagangothri, Mysore, Karnataka, India 570006 <i>New Address:</i> #331/B Hebbal Industrial Area, Mysore, Karnataka, India 570018	Administrative convenience
January 3, 2008	<i>Old Address:</i> Suprasad Kandavara Balike, Kinnikambla, Mangalore, Karnataka, India 574151 <i>New Address:</i> SJCE – STEP, SJCE Campus, Manasagangothri, Mysore, Karnataka, India 570006	Moving of registered office to manufacturing facility of the Company

### Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. To Carry in India or other countries around the world the business of Designing, Development, Research, modifying, Manufacturing, Marketing, Selling, Servicing, Training, Life cycle support, Trading, exhibiting, Import/ export, Exchanging, Hiring, Subcontracting, consultancy service, and to also act as stockists, distributors, franchisers, agents, brokers, lessors, warehousing, wholesalers, retailers, job workers for all types of Industrial automation, Power Conversion products, X-ray Generators, X-ray Tubes, X Ray Scanners and Imaging products for all applications.
2. To carry on the business of System Integration, software and hardware development and training for in-house and third-party products.
3. To act as consultants, trainers, job workers, dealers, advisors, service providers to other industries and business in the areas of electronics hardware, Software, System engineering, business processes, process engineering, Quality systems, Vendor development, third party inspections, prototyping, Product testing, regulatory & Safety Certifications, reliability tests, product/ process Validations, Test equipment, test routine and automation design.
4. To undertake gold seal operations and Service refurbish, upgrade Electrical, Mechanical and Electromechanical products, Subcomponents Parts, other hardware and software under license or agreement from other manufacturers or direct users.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

### Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

<b>Date of Shareholders' Resolution / Effective Date</b>	<b>Details of the modifications</b>
March 8, 2021	Clause I of the MoA was amended to reflect the change in name of our Company from Skanray Technologies Private Limited to Skanray Technologies Limited pursuant to conversion of our Company from a private limited company to a public company.
December 31, 2020	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹435,729,000 divided into 18,572,900 Equity Shares of ₹10 each, 4,000,000 Preference Shares of ₹30 each and 130,000 Redeemable Preference Shares of ₹1,000 each to ₹ 500,000,000 divided into 25,000,000 Equity Shares of ₹10 each, 4,000,000 Preference Shares of ₹30 each and 130,000 Redeemable Preference Shares of ₹1,000 each.
June 12, 2018	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹305,729,000 divided into 18,572,900 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹30 each to ₹435,729,000 divided into 18,572,900 Equity Shares of ₹10 each, 4,000,000 Preference Shares of ₹30 each and 130,000 Redeemable Preference Shares of ₹1,000 each.
February 17, 2015	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹295,729,000 divided into 17,572,900 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹30 each to ₹305,729,000 divided into 18,572,900 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹30 each
August 22, 2014	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹225,000,000 divided into 10,500,000 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹ 30 each to ₹295,729,000 divided into 17,572,900 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹30 each
August 8, 2013	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹142,500,000 divided into 9,750,000 Equity Shares of ₹10 each and 1,500,000 Preference Shares of ₹ 30 each to ₹225,000,000 divided into 10,500,000 Equity Shares of ₹10 each and 4,000,000 Preference Shares of ₹ 30 each.
August 8, 2013	Clause V of the MoA was amended to reflect the reclassification of our authorised share capital from ₹142,500,000 divided into 9,750,000 Equity Share of ₹10 each and 45,000 Preference Shares of ₹1,000 each to ₹142,500,000 divided into 9,750,000 Equity Shares of ₹10 each and 1,500,000 Preference Shares of ₹30 each.
October 16, 2012	Clause V of the MoA was amended to reflect the reclassification of our authorised share capital from ₹142,500,000 divided into 7,000,000 Equity Shares of ₹10 each and 72,500 Preference Shares of ₹1,000 each to ₹142,500,000 divided into 9,750,000 Equity Shares of ₹10 each and 45,000 Preference Shares of ₹1,000 each.
September 24, 2011	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹122,500,000 divided into 5,000,000 Equity Shares of ₹10 each and 72,500 Preference Shares of ₹1,000 each to ₹142,500,000 divided into 7,000,000 Equity Shares of ₹10 each and 72,500 Preference Shares of ₹1,000 each.
September 8, 2011	Clause V of the MoA was amended to reflect the increase in our authorised share capital from ₹50,000,000 divided into 5,000,000 Equity Shares of ₹10 each to ₹122,500,000 divided into 5,000,000 Equity Shares of ₹10 each and 72,500 Preference Shares of ₹1,000 each.

### Major events and milestones of our Company

<b>Calendar Year</b>	<b>Event</b>
2020	<ul style="list-style-type: none"> <li>▪ Skanray manufactured 30,000 ventilators (model CV-200) along with Bharat Electronics Limited during the initial months of COVID-19 pandemic.</li> </ul>
2018	<ul style="list-style-type: none"> <li>▪ Promotion of "LAHARI", India's first advanced electronics test facility in Mysuru along with certain other companies, supported by the Government of Karnataka and Government of India.</li> </ul>
2016	<ul style="list-style-type: none"> <li>▪ Distribution agreements executed by SHGPL in South East Asia</li> <li>▪ Acquisition of majority stake in Cardia International A/S by SHGPL</li> </ul>
2015	<ul style="list-style-type: none"> <li>▪ Distribution by SHGPL in the Middle East including Egypt as exclusive sales partner of our Company</li> </ul>
2014	<ul style="list-style-type: none"> <li>▪ Acquisition of Compagnia Elettronica Italiana Srl</li> </ul>
2013	<ul style="list-style-type: none"> <li>▪ Acquisition of healthcare business from Pricol Engineering Industries Limited</li> </ul>
2012	<ul style="list-style-type: none"> <li>▪ Acquisition of medical equipment manufacturing business from Larsen &amp; Toubro</li> </ul>
2011	<ul style="list-style-type: none"> <li>▪ First radiology product launched for global market with USFDA and CE certification</li> <li>▪ Obtained ISO 13485:2003 and ISO 9001:2008 certifications for designing, manufacturing, installation and servicing of the diagnostic dental x-ray equipment and digital imaging systems</li> </ul>
2007	<ul style="list-style-type: none"> <li>▪ Company was incorporated as a private limited company.</li> </ul>



### Awards, accreditations and recognitions received by our Company :

Calendar Year	Award
2020	ISO 45001:2018 certification
2019	ISO 13485:2016 certification and CE certification for full quality assurance system
2016	State Export Excellence Award in the category “Engineering Sector – Medium/Large Enterprise” by Department of Industries and Commerce, Bengaluru
2015	ISO 14001:2015 certification Award of appreciation for support and help towards “2015 Global Business Study Tour” by Shanghai University MBA Center.
2014	Winner - Innovation Excellence Awards for MSME – 2014 for “Innovation in Competitiveness” by the Federation of Karnataka Chamber of Commerce and Industry, Bangalore. Best Manufacturer Exporter Award – Medium Category (Silver) by the Federation of Karnataka Chambers of Commerce and Industry to Skanray Healthcare Private Limited (now merged with our Company)
2013	2013 Red Herring Top 100 Asia Winner. Best Electronics Manufacturing Company Award by India Electronics & Semiconductor Association. Recognition for valuable contribution to “Learning Journey 2013” by Foundation for Research, Education and Development.
2012	Runner-up – 2 <sup>nd</sup> National Awards for Technology Innovation in Petrochemicals and Downstream Plastics Processing Industry for “Innovation in Polymeric Products - Engineering Plastics in Diagnostic X Ray Equipment” by Department of Chemicals and Petrochemicals, Ministry of Chemicals & Fertilizers, Government of India.

### Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

### Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

### Significant financial or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

### Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see “*Our Business*” on page 131.

### Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Other than as disclosed below, our Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last 10 years:

#### ***1. Scheme of amalgamation of Skanray Healthcare Private Limited (“SHPL”) with our Company and their respective shareholders under Sections 391 to 394 of the Companies Act, 1956 (the “SHPL Scheme”)***

Pursuant to the scheme of amalgamation confirmed by the High Court of Karnataka through its order dated 11 April 2014 to be effective from August 22, 2014 (“**Effective Date**”), SHPL was amalgamated with our Company. In terms of the SHPL Scheme, the entire undertaking of SHPL which included, without limitation, (i) all assets and properties; (ii) all debts, liabilities, duties and obligations of every kind, nature and description in relation to the business activities and operations; (iii) all reserves and share capital; (iv) movable and immovable properties including investments, allotments, claims and powers; and (v) statutory, industrial and other licenses, permits, authorisations, intellectual property and all other interests belonging to the ownership or control of SHPL, stood transferred and vested in our Company with effect from the appointed date, being April 1, 2013. Upon amalgamation, 9,453 fully paid-up Equity Shares of our Company

were issued and allotted for every 10,000 equity shares of ₹ 10 each held in SHPL by each member of SHPL as of the Effective Date. Accordingly, our Company issued 6,685,956 Equity Shares to the members of SHPL, and upon the SHPL Scheme becoming effective, SHPL was dissolved without being wound up.

## **2. Acquisition of medical equipment manufacturing business from Larsen & Toubro (“L&T”)**

Pursuant to the business transfer agreement dated November 15, 2012 (“**L&T BTA**”) executed by Skanray Healthcare Private Limited (“**SHPL**”) and L&T, SHPL acquired the medical equipments’ business carried out by L&T which includes the business of engineering, design, manufacture, sales, marketing and the provision of after-sales services for the entire product portfolio of single parameter, dual parameter and multi-parameter monitors, electro surgery units, smart feedback systems, vessel seal cautery, anaesthesia workstations, defibrillators, syringe pumps, ICU Ventilators and ultrasound products (“**Business**”) on a going concern by way of a lump sum purchase consideration of ₹530 million on January 15, 2013.

As per the terms of the L&T BTA, SHPL: (i) acquired the transferred assets which includes, *inter alia*, L&T’s property, assumed contracts, current assets, fixed assets, intellectual property rights, each as described in the L&T BTA and the rights, power and authority for conducting and carrying on the Business in continuation of, and as successor to, L&T, that are capable of being transferred; (ii) assumed obligations which includes, *inter alia*, the current liabilities as on the closing date, service obligations, maintenance obligations, warranties, annual maintenance contracts and comprehensive maintenance contracts relating to the Business and all commitments, duties and responsibilities for conducting and carrying on the Business in continuation of, and as successor to, L&T; and (iii) employed the transferred employees as described in the L&T BTA, each by executing the required documents such as sale deeds, letters of transfer, deeds of assignment as per the terms of the L&T BTA.

## **3. Acquisition of healthcare business from Pricol Engineering Industries Limited (“Pricol”)**

Pursuant to the business transfer agreement dated November 14, 2013 (“**Pricol BTA**”) executed by Pricol and our Company, our Company acquired the business relating to manufacture and assembly of medical ventilator products and related accessories including the business transferred and vested in Pricol pursuant to the scheme of arrangement through which Pricol Medical Systems Limited merged with Pricol including the transferred assets and assumed obligations as specified in the Pricol BTA (“**Business**”) as a going concern by way of a lump sum purchase consideration of ₹ 31.46 million on November 9, 2013.

As per the terms of the Pricol BTA, our Company: (i) acquired the Business; (ii) acquired the transferred assets which includes, *inter alia*, non-transferred purchase orders, government authorisations and business know-how as specified in the Pricol BTA; (iii) assumed obligations which includes, *inter alia*, all responsibility and obligations relating to the Business and; (iv) employed the transferred employees as described in the Pricol BTA on November 9, 2013 each by executing the required documents such as letters of transfer, deeds of assignment as per the terms of the Pricol BTA. Further, as per the provisions of the Pricol BTA, Pricol has agreed to indemnify our Company and its directors and officers from and against any and all claims, losses, liabilities etc., arising out of or attributable to claims arising from, *inter alia*, liabilities and statutory contributions, breach of any of warranties, covenants, undertakings, among others. Our Company has agreed to indemnify Pricol and its directors and officers from and against any and all claims, losses, liabilities etc., arising directly out of breach of its obligations pertaining the assumed obligations (as defined in the Pricol BTA).

## **4. Acquisition of Compagnia Elettronica Italiana Srl (“CEI”)**

CEI was undergoing bankruptcy proceedings. Accordingly, the bankruptcy judge, through their order dated April 30, 2014 approved the sale of business unit of CEI to SkanX through the bankruptcy auction process on March 14, 2014. In terms of the order of sale and the notice of sale, each dated February 14, 2014, the company complex consisting of the trademarks, machinery and equipment owned by CEI, furniture, electronic equipment and office, warehouse interior, stock contractors and suppliers was transferred ‘with retention of title’ to SkanX for an amount equivalent to €1,220,000.00.

Further, the labour contracts as provided for by the union agreement dated January 9, 2014 were transferred to SkanX and all contracts which were concluded for carrying on the business of CEI, except those which were personal in nature were taken over by SkanX.

## **5. Acquisition of Skanray Healthcare Global Private Limited (“SHGPL”)**

Pursuant to the share transfer agreement dated March 2, 2021 amongst Karuna Ventures Private Limited, Chayadeep Properties Private Limited, Agnus Capital LLP, Agnus Ventures LLP, Skanray Healthcare Partners LLP, M/s Unit Trust

of India Investment Advisory Services Limited (A/C Ascent India Fund III) (collectively, the “**Sellers**”) and our Company (“**SHGPL STA**”), the Sellers agreed to sell 49,679,843 equity shares of ₹ 10 each of SHGPL (“**SHGPL Shares**”) to our Company for an aggregate purchase consideration of ₹ 577,289,528, payable in cash or such other mode as mutually agreed between the Parties (“**Purchase Consideration**”). Accordingly, our Company discharged the Purchase Consideration by way of issue of 5,944,932 Equity Shares at a premium of ₹ 87.1062 per Equity Share on a private placement basis to the Sellers on March 3, 2021 (“**Effective Date**”).

As per the terms of the SHGPL STA, the Sellers shall transfer the full and unencumbered (legal) ownership of the SHGPL Shares to the Company on and from the Effective Date, including all rights and obligations connected therewith, in particular, but without limitation thereto, any rights to receive dividends or other profit distributions for the current fiscal year and if any, for previous fiscal years not yet distributed.

#### **6. Binding term sheet for acquisition of Irillic Private Limited (“Irillic”)**

Our Company has entered into a binding term sheet dated March 8, 2021 (“**Irillic Term Sheet**”) outlining the terms and conditions of proposed investment and partnership of our Company with Irillic. Our Company has made an advance payment of ₹ 2.50 million as per the terms of the Irillic Term Sheet. Our Company has, through the Irillic Term Sheet made a binding offer to the founder and founding team of Irillic which, *inter alia*, includes:

- i. Investment of ₹ 190.00 million over a period of two years in Irillic to help it reach standalone revenue of 500.00 million by financial year 2025;
- ii. Irillic shall be held as centre of excellence for surgery segment of our Company’s business. Further, our Company shall allow Irillic to handle other products of our Company which go into the operation theatre (OT) / surgery segment, to help in generating additional revenue and growth for our Company;
- iii. 80% of the subscribed equity base shall be held by our Company with an agreement to cede certain percentage of equity upon the promoter group achieving the prescribed milestones, such that the promoters of Irillic shall hold 35% upon achieving the three year business plan. The founders of Irillic shall be bound by restrictions as prescribed in the Irillic Term Sheet, in return for investments made by our Company;
- iv. The working promoter group and key employees shall be allotted employee stock options as prescribed under the Irillic Term Sheet; and
- v. Irillic shall have access to the infrastructure of our Company and will relocate its research and development to the new common facility of our Company to leverage and share the facilities, costs to succeed in its business plan. However, Irillic shall operate as an independent company with our Company having proportionate directors and voting rights.

#### **Acquisition of Skancare Wellness Private Limited (“Skanray Wellness”)**

The Board and Shareholders of our Company have through resolutions dated March 3, 2021 and March 8, 2021 have authorised, subject to any other approvals, consents, sanctions and permissions as may be necessary, the acquisition of Skanray Wellness. Accordingly, pursuant to a share transfer agreement dated March 22, 2021 amongst Vishwaprasad Alva, Suresh K (collectively, “**Sellers**”) and our Company, the Sellers transferred 100,000 equity shares of ₹10 each of Skancare Wellness for an aggregate consideration of ₹1.00 million to our Company and Vishwaprasad Alva (as nominee of our Company), free from all security interests, options, equities etc. with effect from March 10, 2021.

#### **Holding Company**

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

#### **Our Subsidiaries**

As on the date of this Draft Red Herring Prospectus, our Company has three direct Subsidiaries and seven step-down Subsidiaries:

##### **1. Skan-X Radiology Devices S.P.A (“SkanX”)**

#### *Corporate Information*

SkanX was incorporated as a private company on December 16, 2013 and registered with Registro Imprese Di Bologna. The registration number of SkanX is 03335521203 and the REA number (economic and administrative repertory number) is BO-511231. The registered office of SkanX is located at San Lazzaro di Savena Bologna - Via Della Tecnica 3, 40068.

### *Nature of business*

SkanX is engaged in the business of manufacturing and sale of X-ray tubes, X-ray generators, cathode ray-tubes for TVs, integrated groups and components for radiology, electronic tubes in general, and electric and electronic units for medical and industrial use.

### *Capital Structure and shareholding*

As on date of this Draft Red Herring Prospectus, the authorised and paid up share capital of SkanX is €232,580, consisting of 23,258 ordinary shares of €10 each. Our Company directly holds 52.27%, while SHGPL and Vishwaprasad Alva hold 47.34% and 0.39% respectively, of the issued, subscribed, and paid-up equity share capital of SkanX.

## **2. Skanray Healthcare Global Private Limited (“SHGPL”)**

### *Corporate Information*

SHGPL was originally incorporated as Amara Health Services Private Limited, a private limited company at Bengaluru under the Companies Act, 1956 and was granted a certificate of incorporation by the RoC on April 9, 2013 with CIN U85100KA2013PTC068496. The name of SHGPL was changed from Amara Health Services Private Limited to Skanray Health Care Exports Private Limited pursuant to a special resolution passed by shareholders of SHGPL on September 14, 2013 and a fresh certificate of incorporation was granted by the RoC on October 20, 2015. The name of SHGPL was subsequently changed to its current name pursuant to a special resolution passed by the shareholders of SHGPL on December 18, 2015. and accordingly a fresh certificate of incorporation was granted by the RoC on January 8, 2016. The registered office of SHGPL is situated at Plot No 30, Galaxy, 1<sup>st</sup> Main Road, J P Nagar, 3<sup>rd</sup> Phase, Bengaluru - 560078, Karnataka, India.

### *Nature of business*

SHGPL is engaged in activities of research, design, development, production, marketing, imports, exports, sales, service and maintenance for all kinds of medical equipment, hospital solutions, mobile medical units and associated parts and accessories.

### *Capital Structure and shareholding*

The authorised capital of SHGPL is ₹ 500,000,000 consisting of 50,000,000 equity shares of ₹ 10 each and the paid-up share capital SHGPL is ₹ 496,798,430 consisting of 49,679,843 equity shares of ₹ 10 each. Our Company directly and through its nominee holds 100% of the paid-up equity share capital of SHGPL.

## **3. Skancare Wellness Private Limited (“Skanray Wellness”)**

### *Corporate Information*

Skancare Wellness was incorporated as a private limited company under the Companies Act, 2013 and was granted a certificate of incorporation by the RoC on January 21, 2015 and CIN U74900KA2015PTC078434. The registered office of Skancare Wellness is situated at No 9, Hebbal Industrial Housing Area, Mysuru - 570016, Karnataka, India.

### *Nature of business*

Skanray Wellness was incorporated to carry out telemedicine and home healthcare in conjunction with the hospitals. However, Skanray Wellness is currently non-operational.

### *Capital Structure and shareholding*

The authorised and paid-up share capital of the Skanray Wellness is ₹ 1,000,000 divided into 100,000 equity shares of ₹ 10 each. Our Company directly and through its nominee holds 100% of the paid-up equity share capital of Skanray Wellness.

## **Step-down Subsidiaries**

### **1. Skanray Europe SRL (“Skanray Europe”)**

#### *Corporate Information*

Skanray Europe was incorporated as a private company under Italian law on May 14, 2014 and registered with the Registrar of Chambers of Commerce of Bologna. Its corporate identification number is BO-514446. The registered office of Skanray Europe is situated at Via Tecnica 3, San Lazzaro di Savena, Metropolitan City of Bologna, Italy.

#### *Nature of business*

Skanray Europe is engaged in the business of designing, development, manufacturing and sale of medical equipment.

#### *Capital Structure and shareholding*

The authorised and paid-up share capital of Skanray Europe is €10,000. SHGPL holds 100% of the issued, subscribed, and paid-up equity share capital of Skanray Europe.

### **2. Cardia International A/S (“Cardia A/S”)**

#### *Corporate Information*

Cardia A/S was incorporated as a private company on March 26, 2014 and registered with the Danish Business Authority. The registration number of the Cardia A/S is CVR 35812563. The registered office of Cardia A/S is located at Hersegade 20, 4000 Roskilde, Denmark.

#### *Nature of business*

Cardia A/S is engaged in the manufacturing and distribution of automated external defibrillators and related services.

#### *Capital Structure and shareholding*

The paid-up share capital of Cardia A/S is DKK 0.73 million. SHGPL and Skanray Global Pte. Limited hold 48.55% and 2.45%, respectively, of the issued, subscribed, and paid-up equity share capital of Cardia A/S.

### **3. Skanray Latinoamerica SA de CV (“Skanray Mexico”)**

#### *Corporate Information*

Skanray Mexico was incorporated as a company on August 10, 2016 and registered with the Secretariat of Economy with Registration number SKA160825E21. The registered office of Skanray Mexico is located at Av Colonia del Valle 318-401, Col Del Valle, Del. Benito Juarez CP 03100.

#### *Nature of business*

Skanray Mexico is engaged in the business of buying, sale, purchase, distribution, import, export, manufacture, commercializing and negotiating with all type of medical equipment or with any health supply in the Mexican Republic or abroad.

#### *Capital Structure and shareholding*

The authorised and paid-up share capital of Skanray Mexico is 100,000 MXP divided into 200 shares of 500 MXP each. SHGPL holds 80% of the issued, subscribed, and paid-up equity share capital of Skanray Mexico. As on the date of this Draft Red Herring Prospectus, Skanray Mexico intends to increase its authorised share capital in order to issue shares worth 4,878,992 MXP to SHGPL.

#### **4. Skanray Global Pte. Limited (“Skanray Singapore”)**

##### *Corporate Information*

Skanray Singapore was incorporated as a private company limited under the Singapore Companies Act, 1967 and received its certificate of incorporation on September 20, 2016 and is registered with the Accounting and Corporate Regulatory Authority of Singapore. The corporate identification number of Skanray Singapore is 201625621G. The registered office of Skanray Singapore is situated at 36 Robinson Road, #13-01 City House, Singapore 068877.

##### *Nature of business*

Skanray Singapore is engaged in the business of investment holding of other companies as authorized under the constitution.

##### *Capital Structure and shareholding*

The authorised and paid-up share capital of Skanray Singapore is USD 1,957,000 divided into 3,520,587 equity shares. SHGPL holds 100% of the issued, subscribed, and paid-up equity share capital of Skanray Singapore.

#### **5. Skanray Dental Technologies Pvt Ltd (“Skanray Dental”)**

##### *Corporate Information*

Skanray Dental was incorporated as a private limited company under the Companies Act, 2013 and was granted a certificate of incorporation by the RoC on June 17, 2016 and CIN U33309KA2016PTC094238. The registered office of Skanray Dental is situated at No 601/41/11 & 602/41/12, Bellahalli Village Yelahanka Hobli, Bangalore North Taluk, Bangalore – 560 064.

##### *Nature of business*

Skanray Dental is authorised under its constitutional documents to, *inter alia*, carry on the business of mechanical engineering, making of machinery of all kinds including those of material handling equipment or engage, undertake and execute any contract for work involving the supply, repair or use of any machinery or machine tools and to carry out any primary, secondary, ancillary or other work comprised in such contracts or any business of tool makers, iron and brass founders, metal workers, boiler makers, iron & steel converters, wood workers, production and manufacture of computers and computer accessories, agricultural tools and such other which may be usefully or conveniently combined with the engineering and manufacturing business of the company.

However, Skanray Dental is currently non-operational.

##### *Capital Structure and shareholding*

The authorised share capital of the Skanray Dental is ₹111,000,000 divided into 9,100,000 equity shares of ₹10 each and 20,000 redeemable preference shares of ₹ 1,000 each. The paid-up capital of Skanray Dental is ₹ 109,565,000 divided into 9,010,000 equity shares of ₹10 each and 19,465 redeemable preference shares of ₹1,000 each. SHGPL directly 99.99% and Deepak Komaregowda holds 0.01% of the paid-up equity share capital of Skanray Dental.

#### **6. Cardia International BV (“Cardia BV”)**

##### *Corporate Information*

Cardia BV was incorporated as a private limited liability company on June 3, 2016 and registered with the Danish Business Authority. The registration number of the Cardia BV is 856427068. The registered office of Cardia BV is situated at Van der Burchstraat 40, 2132RN Hoofddorp.

##### *Nature of business*

Cardia BV is engaged in the production and wholesale of defibrillators and other medical instruments.

### *Capital Structure and shareholding*

The authorised and paid-up share capital of Cardia BV is €0.01 million. Cardia A/S holds 100% of the issued, subscribed, and paid-up equity share capital of Cardia BV.

#### **7. Skanray Americas Inc (“Skanray America”)**

### *Corporate Information*

Skanray America was incorporated for the purpose of forming a Florida for-profit corporation on May 9, 2017 with the name of Skanray USA Inc and is registered with the Florida Department of State – Division of Corporations, State of Florida, USA. The name of Skanray America was changed to its present name on June 22, 2020 as per the articles of merger filed vide document number P17000041988. The employer identification number of Skanray America is 82-1517489. The principal address of Skanray America is 56692 Mound road, Shelby Charter Township, Miami – 48316, Florida, United States of America.

### *Nature of business*

Skanray America is engaged in the business of distributing medical devices.

### *Capital Structure and shareholding*

The authorised capital of Skanray America is USD 7,500,000 divided into 750,000 equity shares of USD 10 each and paid-up equity share capital is USD 1,714,160 divided into 171,416 equity shares of USD10 each. Skanray Singapore holds 89.66% and David S. Orlando and Randell Jon Quaal hold 5.17% each, of the issued, subscribed, and paid-up equity share capital of Skanray America.

### **Common pursuits with the Subsidiaries (including step-down Subsidiaries)**

Our Subsidiaries are in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company. However, there is no conflict of interest amongst our Subsidiaries and our Company. If required, our Company will adopt necessary procedures and practices as permitted by law to address any conflict situations as and when they arise.

### **Accumulated profits or losses of Subsidiaries (including step-down Subsidiaries)**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company

### **Business interest between our Company and Subsidiaries (including step-down Subsidiaries)**

Except as provided in “*Our Business*” and “*Financial Statements – Restated Consolidated Financial Information – Note 47 (Related Party Disclosures)*”, beginning on pages 131 and 255, respectively, none of our Subsidiaries have any business interest in our Company.

### **Joint Venture**

As of the date of this Draft Red Herring Prospectus, our Company does not have any joint venture.

### **Shareholders’ agreements and other agreements**

#### ***Key terms of shareholders’ agreements***

***Share subscription and shareholders agreement dated August 14, 2013 (“Shareholders Agreement”) executed by and amongst our Company, Vishwaprasad Alva (“VA”), Balasubramanian Kandankumarath (“BK”), Dr Kasi Vishwanathan (“KV”, and together with VA and BK, the “Promoters”), Arun Kumar, the Agnus Group (consisting of Agnus Holdings Private Limited, Agnus Global Holdings Pte Ltd, Singapore, and Agnus Capital LLP), the SHPL Investor Group (consisting of Karuna Ventures Private Limited, Chayadeep Properties Private Limited, Agnus Capital LLP, Chayadeep Ventures LLP and Skanray Healthcare LLP) (Arun Kumar, the Agnus Group and the SHPL Investor Group collectively referred to as the “Investor Promoters”) and Unit Trust of India Investment Advisory Services***

***Limited A/c Ascent India Fund III (“Ascent Capital”), as amended by the amendment agreement to the Shareholders Agreement dated October 15, 2013 (“1<sup>st</sup> SHA Amendment”), and the second amendment agreement to the Shareholders Agreement dated September 26, 2018 (“2<sup>nd</sup> SHA Amendment, and together with the Shareholders Agreement and the 1<sup>st</sup> SHA Amendment, the “SHA”)***

The Shareholders Agreement was executed on August 14, 2013 amongst our Company, the Promoters and the Investors and Ascent Capital to record the terms record the investment of Ascent Capital into the Company, and the issue of the below mentioned Equity Shares and Preference Shares to Ascent Capital. In terms of the SHA, our Company has issued: (i) 66,171 Equity Shares and 1,978,713 Preference Shares for a consideration of ₹380.00 million for the first tranche, and (ii) 58,919 Equity Shares and 1,978,712 Preference Shares for a consideration of ₹320.00 million for the second tranche, to Ascent Capital.

Subsequent to the execution of the 1<sup>st</sup> SHA Amendment, to which Skanray Healthcare Private Limited (“SHPL”) was a signatory, KV transferred his entire shareholding in our Company to Ascent Capital and ceased to be associated with our Company. Subsequently, SHPL was merged with our Company and accordingly, KV and SHPL were not signatories to the 2<sup>nd</sup> SHA Amendment.

The SHA was also executed to record the *inter – se* rights and obligations of our Company, Ascent Capital, the Investor Promoters, and other parties to the SHA, and to set out the terms and conditions that would govern the management of our Company. In accordance with the terms of the SHA, the number of directors on the Board shall not exceed seven, and they shall be appointed in the following manner: (i) the Promoters have the right to nominate three Directors on our Board, (ii) the Agnus Group has the right to nominate one Director on our Board, (iii) Ascent Capital has the right to nominated two directors on our Board, and shall nominate one Director of eminence and repute after consultation with the Promoters and the Agnus Group. In the event that the Agnus Group or Ascent Capital do not nominated a Director to our Board, they have the right to appoint their representatives as observers to be present at all meetings of our Board and its committees.

The SHA also identifies certain matters as reserved, each of which may be ratified at a Board or Shareholders’ meeting only if the consent of both the Investor Promoters and Ascent Capital has been obtained in writing. These matters, *inter alia*, include (i) the appointment or change of the auditors of the Company, (ii) amendment of any terms relating to the restrictions on the Promoters’ shareholding in our Company, (iii) any appointment, engagement, termination or increase in compensation or changes in the terms of employment of the Directors, key management team, chief executive officer, chief operating officer, among others, (iv) decisions in relation to the listing of shares of our Company or any other capital instruments, and (v) any amendments, modification or waiver of any provision of the Memorandum of Association or Articles of Association.

Apart from the above, in accordance with the terms of the SHA, *inter alia*, the Investor Promoters and Ascent Capital have the right to information such as delivery of quarterly, semi – annual and annual financial statements and MIS reports in an agreed format. Further, the Promoters are not permitted to transfer or encumber their shareholding in our Company without the prior written consent of the Investor Promoters and Ascent Capital. Any transfer of shareholding by the Promoters will also be subject to the Investor Promoters’ and Ascent Capital’s right of first refusal and tag along rights, while any transfer of shareholding by the Investor Promoters will be subject to Ascent Capital’s right of first refusal and tag along right. However, any transfer of shareholding by Ascent Capital will be subject to the Promoters’ and Investor Promoters’ right of first offer. The Investor Promoters and Ascent Capital also have a right of first subscription to issue of any securities by our Company.

Pursuant to the waiver cum amendment agreement dated March 9, 2021, amongst our Company, VA, BK the Investor Promoters and Ascent Capital, the Investor Promoters and Ascent Capital have agreed to waive the applicability of various provisions of the SHA, including *inter alia*, right to information, right of first refusal and tag along rights, for the purpose of the Offer. Further, the SHA shall terminate in its entirety upon the listing of the Equity Shares of our Company, with the exception of the rights of the Agnus Group and Ascent Capital to each nominate Directors to our Board, which shall be placed before our Shareholders for their approval through a special resolution after completion of listing of the Equity Shares of our Company and be enforceable only upon receipt of such approval in accordance with our Articles of Association.

#### ***Agreements with Key Managerial Personnel, Director, Promoters or any other employee***

There are no agreements entered into by our Key Managerial Personnel or Director or Promoters 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.



**Guarantees given by Promoters offering its shares in the Offer for Sale**

As of the date of this Draft Red Herring Prospectus, the Promoters have not given any guarantees to third parties.

**Other agreements**

Our Company has not entered into any other subsisting material agreement, including with strategic partners or financial partners, other than in the ordinary course of business.

## OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of seven Directors. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors:

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (Years)	Other directorships
1.	<p><b>Vishwaprasad Alva</b></p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Date of birth:</i> November 5, 1966</p> <p><i>Address:</i> #2406, Suprasad 8th Main 4th Cross Vijayanagar II Stage Mysuru – 570 017 Karnataka, India</p> <p><i>Occupation:</i> Business</p> <p><i>Current term:</i> For a term of five years with effect from March 25, 2021</p> <p><i>Period of directorship:</i> Since February 9, 2007</p> <p><i>DIN:</i> 01240253</p>	54	<p><b>Indian companies:</b></p> <ol style="list-style-type: none"> <li>1. Mysore ESDM Cluster</li> <li>2. Skancare Wellness Private Limited</li> <li>3. Skanray Healthcare Global Private Limited</li> </ol> <p><b>Foreign companies:</b></p> <ol style="list-style-type: none"> <li>1. Skan-X Radiology Devices S.p.a.</li> <li>2. Skan Europe S.R.L</li> </ol>
2.	<p><b>Balasubramanian Kandankumarath</b></p> <p><i>Designation:</i> Executive Director</p> <p><i>Date of birth:</i> May 15, 1964</p> <p><i>Address:</i> #303, 6<sup>th</sup> Main Srinivasa Residency VV Mohalla Mysuru – 570002 Karnataka, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Liable to retire by rotation.</p> <p><i>Period of directorship:</i> Since October 31, 2008</p> <p><i>DIN:</i> 02058807</p>	56	<p><b>Indian companies:</b></p> <p><i>Nil</i></p> <p><b>Foreign Companies:</b></p> <p>Skanray Americas Inc</p>
3.	<p><b>Deepak Komaregowda</b></p> <p><i>Designation:</i> Nominee Director</p> <p><i>Date of birth:</i> January 15, 1975</p> <p><i>Address:</i> Adarsh Palm Retreat Villa #262 Devarabeesanahalli Outer Ring Road Bengaluru – 560 037 Karnataka, India</p> <p><i>Occupation:</i> Service</p> <p><i>Current term:</i> Liable to retire by rotation</p>	46	<p><b>Indian Companies</b></p> <ol style="list-style-type: none"> <li>1. i-Nurture Education Solutions Private Limited</li> <li>2. Global Delight Technologies Private Limited</li> <li>3. Robosoft Technologies Private Limited</li> <li>4. 99games Online Private Limited</li> <li>5. Naari Pharma Private Limited</li> <li>6. Inurture 360 Careers Private Limited</li> <li>7. Inurture Galileo India Private Limited</li> </ol> <p><b>Foreign Companies</b></p> <p><i>Nil</i></p>

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (Years)	Other directorships
	<p><b>Period of directorship:</b> Since August 29, 2013</p> <p><b>DIN:</b> 03298261</p>		
4.	<p><b>Doddaballapur Achutarao Prasanna</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> October 3, 1948</p> <p><b>Address:</b> Casa Laguna, 6/3 Gangadhar Road, Ulsoor Bengaluru – 560042 Karnataka, India</p> <p><b>Occupation:</b> Mentoring</p> <p><b>Current term:</b> For a period of five years with effect from March 27, 2021</p> <p><b>Period of directorship:</b> Since March 3, 2021</p> <p><b>DIN:</b> 00253371</p>	72	<p><b>Indian companies:</b></p> <ol style="list-style-type: none"> <li>1. Mangalore Chemicals and Fertilisers Limited;</li> <li>2. Skanray Healthcare Global Private Limited;</li> <li>3. Simplify Wellness India Private Limited; and</li> <li>4. Nikisa Healthcare Private Limited.</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Ray IoT Inc.;</li> <li>2. Govind Capital PTE;</li> <li>3. Skanray Europe SRL; and</li> <li>4. Vicardia Therapeutics Inc.</li> </ol>
5.	<p><b>Reena Pandey</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> June 24, 1949</p> <p><b>Address:</b> A-303, IFS Apartments, Plot GH 24 Sector 56, Gurgaon – 122011 Haryana, India.</p> <p><b>Occupation:</b> Retd. Ambassador, Government of India</p> <p><b>Current term:</b> For a period of five years with effect from March 27, 2021</p> <p><b>Period of directorship:</b> Since March 25, 2021</p> <p><b>DIN:</b> 09114515</p>	71	<p><b>Indian Companies</b></p> <p><i>Nil</i></p> <p><b>Foreign Companies</b></p> <p><i>Nil</i></p>
6.	<p><b>Harish Hassan Visweswara</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Date of birth:</b> January 3, 1963</p> <p><b>Address:</b> 641, 22<sup>nd</sup> Main, Jayanagar, 4T Block, Near Jayanagar General Hospital, Bengaluru – 560041, Karnataka, India</p> <p><b>Occupation:</b> Professional – management consulting and corporate finance</p> <p><b>Current term:</b> For a period of five years with effect from April 23, 2021</p> <p><b>Period of directorship:</b> Since April 23, 2021</p> <p><b>DIN:</b> 08742808</p>	58	<p><b>Indian companies:</b></p> <p>Suprajit Engineering Limited</p> <p><b>Foreign Companies:</b></p> <p><i>Nil</i></p>

Sr. No.	Name, designation, address, occupation, nationality, term, and DIN	Age (Years)	Other directorships
7.	<p><b>Jayashree Satagopan</b></p> <p><i>Designation:</i> Additional Director (Independent)</p> <p><i>Date of birth:</i> March 16, 1968</p> <p><i>Address:</i> B 902, Fortune Towers, Hi Tech City Main Road, Madhapur, Hyderabad – 500 081, Telangana, India</p> <p><i>Occupation:</i> Employed – CFO Coromandel International Limited</p> <p><i>Current term:</i> Until the date of the next Annual General Meeting of the Company</p> <p><i>Period of directorship:</i> Since May 12, 2021</p> <p><i>DIN:</i> 06922300</p>	53	<p><b>Indian companies:</b></p> <ol style="list-style-type: none"> <li>1. Dare Ventures Limited; and</li> <li>2. Parry Chemicals Limited</li> </ol> <p><b>Foreign Companies:</b></p> <p><i>Nil</i></p>

#### ***Relationship between our Directors***

None of our Directors are related to each other or any other Key Managerial Person in our Company.

#### **Brief biographies of Directors**

**Vishwaprasad Alva** is one of the principal founders and currently the Chairman and Managing Director of our Company. He holds a bachelor's degree in engineering from the Madurai Kamaraj University, and a master's degree in technology in industrial electronics from Mangalore University. He has been associated with our Company since its incorporation and has 23 years of experience in the technology industry. Prior to founding our Company, he was associated with General Electric – USA and India and Kirloskar Electric Company Limited. He has been conferred the award of Healthcare Entrepreneur of the year by Frost & Sullivan in the year 2014.

**Balasubramanian Kandankumarath** is the Executive Director of our Company. He holds a bachelor's degree in engineering – electrical and electronic from University of Mysore and a master's degree in technology – industrial electronics from Mangalore University. He has been associated with our Company since October 3, 2007 and has over 25 years of experience in the medical research and development sector. Prior to joining our Company, he was associated with GE Medical Systems (India) Private Limited as manager – generator engineering, BPL Limited, Kirloskar Electric Company Limited as Deputy Manager and with NGEF Limited as senior engineer. He was awarded the top most student in the electrical engineering branch during 1981-1985, the 2005 Engineering Award for excellence in platform leverage/commonality by GE Healthcare Global Technology – India and GE Healthcare Inventor Award for various patents.

**Deepak Komaregowda** is a Nominee Director of our Company. He holds a bachelor's degree in engineering – electronic and communication from University of Mysore and a masters' degree in science computer and information sciences from the University of South Alabama. He has been associated with our Company since August 29, 2013 and has over 11 years of experience in the private equity and information technology sector. Prior to joining our Company, he was associated with Microlink Software INC as software developer.

**Doddaballapur Achutarao Prasanna** is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from National Institute of Engineering, Mysore and a diploma in business administration from Indian Institute of Management, Ahmedabad. He has been associated with our Company since March 3, 2021 and has over 30 years of experience in the pharma and healthcare sector. Prior to joining our Company, he was associated with GE Medical Systems Asia, Wipro Limited as the vice chairman and lead the Wipro Healthcare and Life Science segment along with being on the board of Wipro GE Medical Systems Limited and as the executive chairman of MEMG Private Limited.

**Reena Pandey** is an Independent Director of our Company. She holds a master's degree in arts (economics) from University of Madras, Faculty of Arts. She has been associated with our Company since March 27, 2021 She was an officer with the Indian Foreign Services, Ministry of External Affairs and during her tenure of over 30 years she served as an Ambassador of India to Armenia, Georgia and Istanbul and as a counsellor to the mission in London and retired as the

Ambassador in June, 2009. Subsequently, she was appointed as an 'Advisor – International' to the Federation of Indian Chambers of Commerce and Industry from April 1, 2010 to September 15, 2010, and was engaged by the Ministry of External Affairs, Government of India, as a consultant for the Eurasia Division of the Ministry from November 2010 to March 2014.

**Harish Hassan Visweswara** is an Independent Director of our Company. He holds a bachelor's degree in mechanical engineering from Bangalore University and a post graduate diploma in management from Indian Institute of Management, Calcutta. He has also completed the advanced management program from Harvard Business School. He has been associated with our Company since April 23, 2021 and has over 25 years of experience in corporate finance, consultancy and management and leadership roles. Prior to joining our Company, he was associated with A F Ferguson & Co as director, the Hongkong and Shanghai Banking Corporation Limited, India as senior account manager, Grant Thornton as partner-India leadership and is currently the managing partner at ECube Investment Advisors Private Limited.

**Jayashree Satagopan** is an Additional Director (Independent) of our Company. She holds a bachelor's degree in commerce from the University of Madras. She is an associate of the Institute of Chartered Accountants of India, and has passed the final examinations held by the Institute of Company Secretaries of India and the Institute of Cost and Work Accountants of India, respectively. She has been associated with our Company since May 12, 2021, and has over 23 years of experience in finance, strategy, business development, and risk management. Prior to joining our Company, she was associated with P I Industries Limited, Andhra Pradesh Paper Mills Limited, Wipro GE Healthcare Limited, and Ford India Limited, and is currently the chief financial officer of Coromandel International Limited.

### ***Confirmations***

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise of any of the Directors of our Company.

No consideration in cash or shares or otherwise has been paid, or agreed to be paid to any of our Directors, or to the firms or companies in which they are interested as a member by any person either to induce such director to become, or to help such director to qualify as a Director, or otherwise for services rendered by him / her or by the firm or company in which he / she is interested, in connection with the promotion or formation of our Company.

### ***Terms of appointment of Executive Directors***

#### ***Vishwaprasad Alva***

Vishwaprasad Alva was first appointed as the Managing Director of our Company pursuant to a resolution passed by our Board of Directors at their meeting held on February 19, 2007 and was re-appointed as the Chairman and Managing Director pursuant to a resolution passed by our Board of Directors at their meeting held on March 25, 2021 and a resolution passed by our Shareholders' at their extraordinary general meeting held on 27 March 2021, with effect from March 25, 2021 for a term of five years and such remuneration as prescribed under the relevant provisions of the Companies Act. The Nomination and Remuneration Committee through its resolution dated dated June 12, 2021 and the Board of Directors through their resolution dated June 12, 2021 have approved a salary of ₹40.00 million (on cost to company basis) for Vishwaprasad Alva for the current financial year, subject to the approval of the Shareholders, which shall be obtained at the ensuing Annual General Meeting of our Company.

#### ***Balasubramanian Kandankumarath***

Balasubramanian Kandankumarath was appointed as the non-executive director pursuant to resolution passed by our Board of Directors on October 31, 2008 and resolution of shareholders at their extraordinary general meeting held on October 31, 2008. The category of Balasubramanian Kandankumarath was changed from non-executive director to Executive Director of our Company with effect from June 15, 2009 pursuant to a resolution passed by our Board of Directors at their meeting held on March 25, 2021. The Nomination and Remuneration Committee through its resolution dated dated June 12, 2021 and the Board of Directors through their resolution dated June 12, 2021 have approved a salary of ₹11.00 million (on cost to company basis) for Balasubramanian Kandankumarath for the current financial year, subject to the approval of the

Shareholders, which shall be obtained at the ensuing Annual General Meeting of our Company.

### **Compensation of Managing Director and Executive Director**

The remuneration paid to the Managing Director and Executive Director of our Company for the two years preceding the date of this Draft Red Herring Prospectus is as follows:

(₹ in million)		
Name of Director	Fiscal 2021	Fiscal 2020
Vishwaprasad Alva	102.08*	16.26
Balasubramanian Kandankumarath	8.07	8.25
<b>TOTAL</b>	<b>110.15</b>	<b>24.51</b>

\*The Nomination and Remuneration Committee on June 12, 2021 approved a one-time special payment of 5% incentive after tax equivalent on the revenue of ₹1,650 million from the licence agreement dated April 4, 2020 between our Company and Bharat Electronics Limited, in Fiscal 2021, which is equivalent to a sum of ₹ 82.50 million. The amount is payable after the audited accounts for Fiscal 2021 are approved by our Board of Directors. The amount including gross compensation is to be within the statutory limits prescribed for managerial remuneration payable under the applicable government regulations. The Company shall deduct applicable income tax under the IT Act.

### **Payment or benefit to Non-Executive Directors of our Company**

Except as stated below, no sitting fees / other remuneration was paid to the Non-Executive Directors in Fiscal 2021:

(₹ in million)	
Name of Director	Fiscal 2021
Doddaballapur Achutarao Prasanna	0.10
Reena Pandey	0.05

### **Remuneration paid to our Directors from our Subsidiaries**

No remuneration has been paid to our Directors by our Subsidiaries in Fiscal 2021.

### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

Except for Deepak Komaregowda who is a nominee of Unit Trust of India Investment Advisory Services Limited (A/C Ascent India Fund III) and the ability of the Agnus Entities to appoint a director subject to the terms of our Articles of Association, there are no arrangements or understandings with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

### **Shareholding of Directors in our Company**

The Articles of Association do not require our Directors to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Vishwaprasad Alva	1,974,871	8.13	[●]
2.	Balasubramanian Kandankumarath	553,567	2.28	[●]

### **Borrowing Powers**

At present, our Company's borrowings are within the limits prescribed by the Companies Act and our Articles of Association. Pursuant to our Articles of Association and in accordance with the Companies Act, our Board is authorised to borrow such monies which together with monies already borrowed do not exceed aggregate of our paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from our bankers in the ordinary course of business.

In the event our Company proposes to borrow sums in excess of such limits prescribed by the Companies Act, we will be required to obtain the consent of our shareholders through a special resolution.

### **Interests of Directors**

All our Directors may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them.

Our Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, pursuant to the Issue and to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity.

None of our Directors have any interest in any venture that is involved in activities similar to those conducted by our Company.

Except for Vishwaprasad Alva, none of our Directors have any interest in promotion or formation of our Company as on the date of this DRHP.

*(i) Interest in property*

Our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company.

*(ii) Business interest*

Except as stated in “*Financial Statements – Restated Consolidated Financial Information – Note 47 (Related Party Disclosures)*” on page 255, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

*(iii) Payment of benefits (non-salary related)*

Except as disclosed above, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

*(iv) Loans to Directors*

No loans have been availed by the Directors from our Company.

*(v) Bonus or profit sharing plan for the Directors*

None of the Directors are a party to any bonus or profit-sharing plan of our Company.

*(vi) Service contracts with Directors*

There are no service contracts executed by our Company with the Directors pursuant to which they are entitled to any benefits upon termination of employment.

***Changes in the Board in the last three years***

<b>Name</b>	<b>Date of appointment / change / cessation</b>	<b>Reason</b>
Jayashree Satagopan	May 12, 2021	Appointment as Additioanl Director (Independent)
Harish Hassan Visweswara	April 23, 2021	Appointment as Independent Director
Raja Venkataraman	April 21, 2021	Resignation as Independent Director
Reema Pandey	March 27, 2021	Appointment as Independent Director
Doddaballapur Achutarao Prasanna	March 27, 2021	Appointment as Independent Director
Raja Venkataraman	March 27, 2021	Appointment as Independent Director

Name	Date of appointment / change / cessation	Reason
Pudhucode Radhakrishnan Kannan	February 3, 2021	Resignation as a nominee director
Sunil Kolangara Kumar	February 3, 2021	Resignation as a nominee director
Pudhucode Radhakrishnan Kannan	June 1, 2020	Appointment as a nominee director
Radhakrishnan Nambiar	February 18, 2019	Resignation as a nominee director

## CORPORATE GOVERNANCE

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to us immediately upon listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the SEBI Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors function either as a full board, or through various committees constituted to oversee specific operational areas. The executive management of our Company provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has six Directors comprising of two Executive Directors, and four Non-Executive Directors, out of which three are Non-Executive, Independent Directors (including one woman Independent Director). Further, of the three non-Independent Directors, two are liable to retire by rotation and one is not liable to retire by rotation.

### *Committees of the Board*

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions.

#### *(i) Audit Committee*

The members of the Audit Committee are:

1. Jayashree Satagopan, Additional Director (Independent), *Chairperson*;
2. Doddaballapur Achutarao Prasanna, Independent Director;
3. Harish Hassan Visweswara, Independent Director and
4. Vishwaprasad Alva, Chairman and Managing Director.

The Audit Committee was originally constituted by a resolution of our Board of Directors passed at their meeting held on March 25, 2021 and was re-constituted by the Board of Directors in its meeting held on June 12, 2021. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as following:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice;
  - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
  - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the



- auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
  - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
  - (d) 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 the management of the Company;
    - (iv) Significant adjustments made in the financial statements arising out of audit findings;
    - (v) Compliance with listing and other legal requirements relating to financial statements;
    - (vi) Disclosure of any related party transactions; and
    - (vii) Qualifications / modified opinion(s) in the draft audit report.
  - (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - (f) 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;
  - (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
  - (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
  - (k) Scrutiny of inter-corporate loans and investments;
  - (l) Valuation of undertakings or assets of the company, wherever it is necessary;
  - (m) Evaluation of internal financial controls and risk management systems;
  - (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - (o) 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;
  - (p) Discussion with internal auditors of any significant findings and follow up there on;
  - (q) 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;
  - (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - (s) 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;
  - (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
  - (u) Reviewing the functioning of the whistle blower mechanism;
  - (v) Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
  - (w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;

- (x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (y) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; and
- (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- (aa) Reviewing the utilization 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.
- (bb) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (cc) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

(iii) The Audit Committee shall mandatorily review the following information:

- (a) Management discussion and analysis of financial condition and results of operations;
- (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- (d) Internal audit reports relating to internal control weaknesses;
- (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- (f) 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.
- (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

**(ii) *Nomination and Remuneration Committee***

The members of the Nomination and Remuneration Committee are:

1. Doddaballapur Achutarao Prasanna, Independent Director, *Chairman*
2. Harish Hassan Visweswara, Independent Director;
3. Deepak Komaregowda, Nominee Director; and
4. Vishwaprasad Alva, Chairman and Managing Director.

The Nomination and Remuneration Committee was originally constituted by a meeting of the Board of Directors held on March 25, 2021 and re-constituted by the Board of Directors in its meeting held on April 21, 2021. The scope and functions of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (ii) The Nomination and Remuneration Committee, while formulating the above policy, should ensure that
  - (a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (iii) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (iv) Devising a policy on Board diversity;

- (v) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (vi) Analysing, monitoring and reviewing various human resource and compensation matters;
- (vii) 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;
- (viii) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (ix) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (x) 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;
- (xi) Perform 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;
- (xii) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**") including the following:
  - (a) Determining the eligibility of employees to participate under the ESOP Scheme;
  - (b) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - (c) Date of grant;
  - (d) Determining the exercise price of the option under the ESOP Scheme;
  - (e) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - (f) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - (g) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - (h) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - (i) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - (j) The grant, vest and exercise of option in case of employees who are on long leave;
  - (k) Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - (l) The procedure for cashless exercise of options;
  - (m) Forfeiture/ cancellation of options granted;
  - (n) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - (i) the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - (ii) for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
    - (iii) the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (xiii) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

- (xiv) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended, by the Company and its employees, as applicable.
- (xv) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.
- (xvi) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

**(iii) Stakeholders' Relationship Committee**

The members of the Stakeholders' Relationship Committee are:

1. Deepak Komaregowda, Nominee Director, *Chairman*;
2. Doddaballapur Achutarao Prasanna, Independent Director;
3. Reena Pandey, Independent Director.

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on March 25, 2021. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The terms of reference are as follows:

- (i) Redressal of all security holders' and investors' grievances such as complaints related to transfer / transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- (ii) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- (iii) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (iv) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (v) Reviewing the 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;
- (vi) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- (vii) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing.

**(iv) Corporate Social Responsibility Committee**

The members of the Corporate Social Responsibility Committee are:

1. Reena Pandey, Independent Director, *Chairman*;
2. Vishwaprasad Alva, Chairman and Managing Director; and
3. Balasubramanian Kandankumarath, Executive Director.

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on March 25, 2021. The terms of reference of the Corporate Social Responsibility Committee of our Company are as follows:

- (i) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (ii) To Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (iii) To monitor the corporate social responsibility policy of the Company from time to time;
- (iv) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (v) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (vi) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (vii) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

(v) ***Fund Raising Committee***

The members of the Fund Raising Committee are:

1. Harish Hassan Visweswara, Independent Director, *Chairman*
2. Vishwaprasad Alva, Chairman and Managing Director; and
3. Deepak Komaregowda, Nominee Director.

The Fund Raising Committee was originally constituted by our Board of Directors at their meeting held on November 17, 2020, and reconstituted by a resolution of our Board of Directors at their meeting held on April 21, 2021. The terms of reference of the Fund Raising Committee of our Company are as follows:

- (i) To make applications to seek clarifications and obtain approvals from, where necessary, the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”) and any other governmental or statutory/regulatory authorities as may be required in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required;
- (ii) To invite the existing shareholders of the Company to participate in the Offer by offering for sale the Equity Shares held by them at the same price as in the Offer;
- (iii) all actions as may be necessary in connection with the Offer, including extending the bid/ Offer period, revision of the price band, allowing revision of the offer for sale portion in case any selling shareholder decides to revise it, in accordance with the applicable laws;
- (iv) To take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;
- (v) To appoint and enter into arrangements with the book running lead managers to the Offer (“BRLMs”), underwriters to the Offer, syndicate members to the Offer, brokers to the Offer, advisors to the Offer, escrow collection bank(s) to the Offer, registrars to the Offer, sponsor bank, refund bank(s) to the Offer, public offer account bank(s) to the Offer, advertising agencies, legal counsel and any other agencies or persons or intermediaries to the Offer and to negotiate and finalise and amend the terms of their appointment, including but not limited to execution of the BRLMs’ mandate letter, negotiation, finalisation, execution and, if required, amendment of the Offer agreement with the BRLMs and the underwriting agreement with the underwriters;

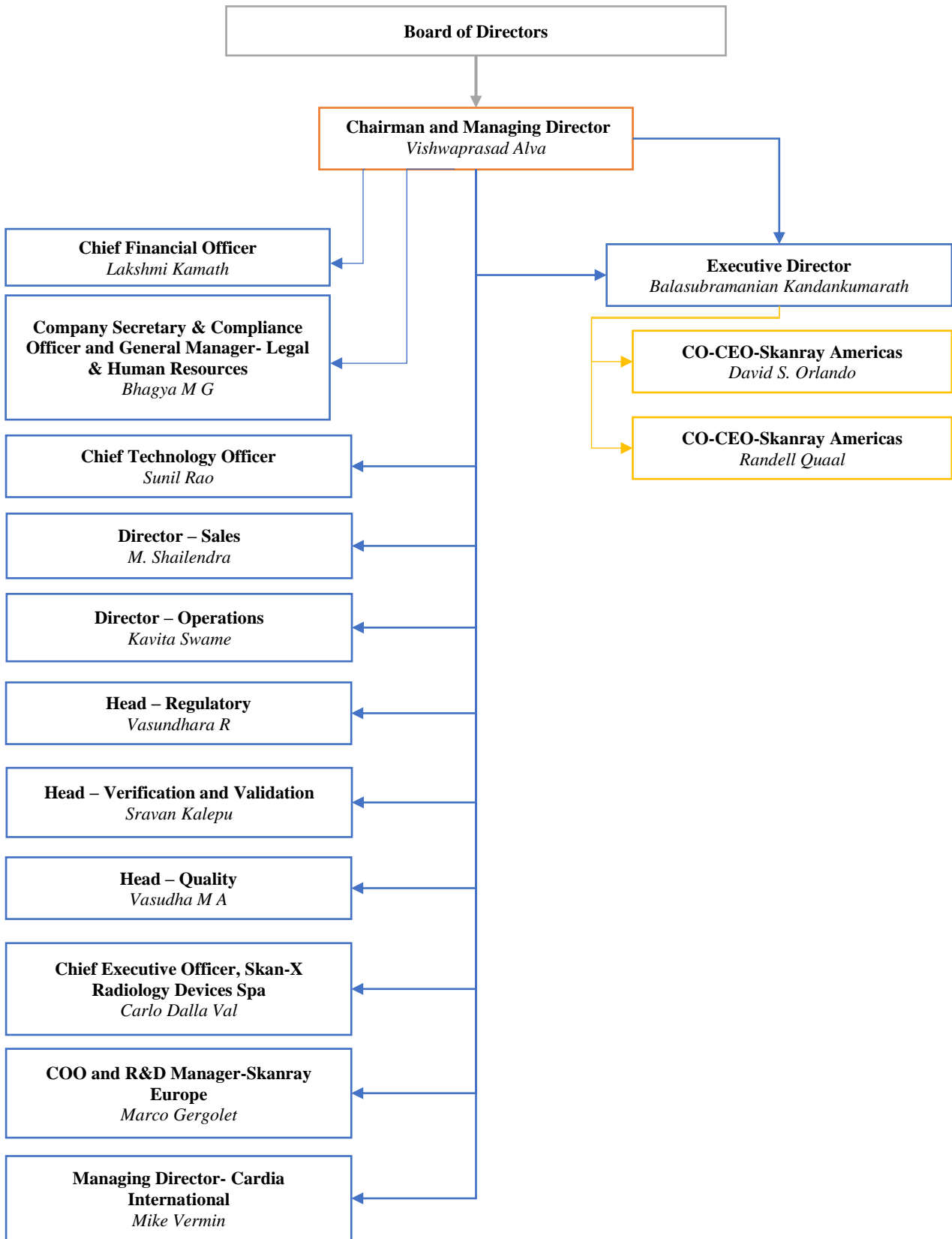
- (vi) To negotiate, finalise, settle, execute and deliver or arrange the delivery of Offer agreement, registrar agreement, syndicate agreement, underwriting agreement, cash escrow and sponsor bank agreement, share escrow agreement, monitoring agency agreement and all other documents, deeds, agreements, memorandum of understanding, and any notices, supplements and corrigenda thereto, as may be required or desirable and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, stock exchanges, BRLMs and any other agencies/intermediaries in connection with the Offer with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;
- (vii) To decide the pricing, the terms of the issue of the Equity Shares, all other related matters regarding the Pre-IPO Placement if any, including the execution of the relevant documents with the investors, in consultation with the BRLMs, and rounding off, if any, in the event of oversubscription and in accordance with applicable laws;
- (viii) To settle any question, doubt or difficulty that may arise with regard to or in relation to raising of funds in the fresh issue of Equity Shares by the Company in the IPO (“**Fresh Issue**”);
- (ix) To accept and appropriate the proceeds of the Fresh Issue in accordance with applicable laws;
- (x) To decide with the selling shareholders and in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band, bid period, Offer price, and to accept any amendments, modifications, variations or alterations thereto;
- (xi) to finalise, approve, adopt, deliver and arrange for, in consultation with the BRLMs, submission of the draft red herring prospectus (“**DRHP**”), the red herring prospectus (“**RHP**”) and the prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient), the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto for the offer of Equity Shares including incorporating such alterations/corrections/modifications as may be required by SEBI, the jurisdictional registrar of companies (“**RoC**”), or any other relevant governmental and statutory authorities or in accordance with all applicable law;
- (xii) To approve the relevant restated financial statements to be issued in connection with the Offer;
- (xiii) To seek, if required, the consent of the lenders of the Company, industry data providers, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Offer or any actions connected therewith;
- (xiv) To make applications to seek clarifications and obtain approvals from, if necessary, the SEBI, the stock exchanges, RBI, the RoC or any other statutory or governmental authorities in connection with the Offer and, wherever necessary, incorporate such modifications/amendments/alterations/corrections as may be required in the DRHP, the RHP and the prospectus;
- (xv) To open and operate bank account(s) of the Company in terms of the cash escrow agreement, sponsor bank agreement, as applicable and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (xvi) To authorise and approve incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Offer;
- (xvii) To approve code of conduct as may be considered necessary or as required under applicable laws for the Board, officers of the Company and other employees of the Company;
- (xviii) To authorise any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Offer;
- (xix) To approve suitable policies in relation to the Offer as may be required under applicable laws;
- (xx) To approve any corporate governance requirement that may be considered necessary by the Board or the Fund Raising Committee or as may be required under applicable laws in connection with the Offer;

- (xxi) To authorise and approve notices, advertisements in relation to the Offer in consultation with the relevant intermediaries appointed for the Offer;
- (xxii) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act or as may be required by the regulations issued by SEBI and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;
- (xxiii) To determine and finalise the bid opening and bid closing dates (including bid opening and closing dates for anchor investors), floor price/price band for the Offer, the Offer price for anchor investors, approve the basis for allocation/allotment and confirm allocation/allotment of the Equity Shares to various categories of persons as disclosed in the DRHP, the RHP and the prospectus, in consultation with the BRLMs;
- (xxiv) To issue receipts/allotment letters/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on the stock exchanges, with power to authorise one or more officers of the Company to sign all or any of the aforesaid documents;
- (xxv) To withdraw the DRHP or the RHP or not to proceed with the Offer at any stage, if considered necessary and expedient, in accordance with applicable laws;
- (xxvi) To make applications for listing of Equity Shares on the stock exchanges and to execute and to deliver or arrange the delivery of necessary documentation to the stock exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;
- (xxvii) To do all such deeds and acts as may be required to dematerialise the Equity Shares and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforesaid documents;
- (xxviii) To do all such acts, deeds, matters and things and execute all such other documents, etc., as it may, in its absolute discretion, deem necessary or desirable for the Offer, in consultation with the selling shareholders and BRLMs, including without limitation, determining the anchor investor portion and allocation to anchor investors, finalising the basis of allocation and allotment of Equity Shares to the successful allottees and credit of Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws;
- (xxix) To settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under applicable laws to the officials of the Company;
- (xxx) To take such action, give such directions, as may be necessary or desirable as regards the Offer and to do all such acts, matters, deeds and things, including but not limited to the allotment of Equity Shares against the valid applications received in the Offer, as are in the best interests of the Company;
- (xxxi) To approve the expenditure in relation to the Offer;
- (xxxii) To approve suitable policies on insider trading, whistle blowing, risk management, and any other policies as may be required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (xxxiii) To negotiate, finalise, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the Fund Raising Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Fund Raising Committee shall be conclusive evidence of the authority of the Fund Raising Committee in so doing;
- (xxxiv) To submit undertaking/certificates or provide clarifications to SEBI and the stock exchanges where the Equity Shares of the Company are proposed to be listed;

(xxxv) doing any other act and/or deed, negotiating and executing any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or giving such direction, including any direction to settle all questions, removing any difficulties or doubts that may arise from time to time in relation to the Offer or allotment of the Equity Shares in the Offer and utilizing the Offer proceeds, in such manner as the Board may deem fit, and giving such directions and/or instructions as it may from time to time decide and accepting and giving effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, and taking such actions or giving such directions as may be necessary or desirable and as it deems fit or as may be necessary or desirable with regard to the Offer.



**MANAGEMENT ORGANISATION CHART**



## KEY MANAGEMENT PERSONNEL

The details of the Key Management Personnel of our Company as follows:

**Vishwaprasad Alva** is the Chairman and Managing Director of our Company. For details see, “– *Brief Biographies of Directors*” on page 172.

**Balasubramanian Kandankumarath** is the Executive Director of our Company. For details see, “– *Brief Biographies of Directors*” on page 172.

**Lakshmi Kamath** is the Chief Financial Officer of our Company. She joined our Company on September 1, 2020. She holds a bachelor’s degree in commerce from Karnataka University and is an associate of the Institute of Chartered Accountants of India. She has over 12 years of experience in the financial sector. Prior to joining the Company, she was associated with JKM Ferrotech Limited (subsidiary of Dynamatic Technologies Limited) as finance controller and with Deloitte Haskins & Sells. She is involved in the financial functions and financial risk management for our Company. Her gross remuneration for Fiscal 2021 was ₹ 1.79 million.

**Bhagya M G** is the Company Secretary and Compliance Officer of our Company. She is also the general manager – legal and human resources of our Company. She joined our Company on February 18, 2016. She holds a bachelor’s degree in commerce from University of Mysore and is an associate of the Institute of Company Secretaries of India. She has over 20 years of experience, including in the secretarial, finance and human resources sector. Prior to joining our Company, she was associated with Automative Axles Limited, Sagas Auto Tec Private Limited and Scania Commercial Vehicles India Private Limited. She is responsible for advising our Board in relation to compliance requirements and also handles the human resource management functions of our Company. Her gross remuneration for Fiscal 2021 was ₹ 0.97 million.

**Kavita Swame** is the director - operations of our Company. She joined our Company on January 18, 2013. She holds a bachelor’s degree in commerce from Ch. Charan Singh University, Meerut and is an associate of the Institute of Chartered Accountants of India. She has over 11 years of experience in finance and operations. Prior to joining our Company, she was associated with L&T Medical Equipment & Systems at Larsen & Toubro Limited and with the MW group. Pursuant to the acquisition of the medical equipment and systems business of Larsen & Toubro by our Company, she was transferred to our Company. She has been appointed as an additional director on the board of Skanray Healthcare Global Private Limited, pursuant to a resolution of its board of directors dated April 12, 2021, and is a director on the board of Skancare Wellness Private Limited. Further, pursuant to a resolution dated June 22, 2021, passed by the shareholders of Skanray Europe SRL, she has been appointed as a director on the board of Skanray Europe SRL, subject to completion of necessary regulatory compliances under applicable laws in Italy. She is responsible for supply chain, planning, production and all related functions to ensure timely delivery of customer orders ‘of our Company. Her gross remuneration for Fiscal 2021 was ₹ 4.23 million.

**M Shailendra** is the director – sales of our Company. He joined our Company on January 18, 2013. He holds a bachelor’s degree in engineering from Osmania University. He has over 30 years of experience and has worked in the medical devices sector. Prior to joining our Company, he was associated with Larsen & Toubro Limited, including L&T Medical Equipment & Systems for over 23 years. Pursuant to the acquisition of the medical equipment and systems business of Larsen & Toubro by our Company, he was transferred to our Company. He is heading the sales function of our Company and responsible for achieving sales budget of our Company. His gross remuneration for Fiscal 2021 was ₹ 4.34 million.

**Sunil R. Rao** is the chief technical officer of our Company. He joined our Company on June 10, 2010. He holds a Bachelor's degree in engineering - electronics and communication from University of Mysore. He has over 34 years of experience in the field of engineering. Prior to joining our company, he was associated with Erkadi Systems and Erkadi Exports as a senior engineer, Moolaa Tools Private Limited as service engineer and with Fouress Engineering (India) Limited as instrumentation engineer. He is responsible for, among others, building competencies in manufacturing excellence, overseeing integration of technologies that are developed / acquired by our Company. His gross remuneration for Fiscal 2021 was ₹ 3.24 million.

**R. Vasundhara** is the head-regulatory of our Company. She joined our Company on January 17, 2008. She holds a diploma in electronics and communication prescribed by the Board of Technical Examination, Department of Technical Education and certification in business management program from Shri Dharmasthala Manjunatheshwara Institute for Management Development. She has over 28 years of experience in field of engineering. Prior to joining our Company, she was associated with Kirloskar Electric Company Limited. She is involved in the regulatory and certification functions of our Company. Her gross remuneration for Fiscal 2021 was ₹ 1.48 million.

**Sravan Kalepu** is the head - verification and validation of our Company. He joined our Company on March 14, 2016. He holds a bachelor's degree in computer science from Andhra University, a master's degree in computer application from Madurai Kamaraj University and an advanced diploma in software technology from Centre for Electronics Design & Technology of India. He has over 15 years of experience and has worked in the field of engineering including network and testing. Prior to joining our Company, he was associated with Philips India Limited and Imaje Software Development Centre Private Limited. He is responsible for ensuring verification and validation of the new product and any engineering changes before its released for manufacturing and sales by our Company. His gross remuneration for Fiscal 2021 was ₹ 2.42 million.

**Vasudha M.A.** is the head – quality of our Company. She joined our Company on May 2, 2019. She holds a bachelor's degree in engineering - instrumentation technology from Visveswaraiah Technological University, Belgaum. She is also a certified six sigma green belt from KPMG. She has over 16 years of experience in implementing and managing quality functions comprising supplier quality management and quality engineering management. Prior to joining our Company, she was associated with AT&S Private Limited as head – customer quality engineer and with Rakon India Private Limited as assistant manager - quality. She is responsible for quality, occupational health, safety and environment of our Company. Her gross remuneration for Fiscal 2021 was ₹ 1.29 million.

**Carlo Dalla Val** is the chief executive officer of our Subsidiary, Skan-X Radiology Devices Spa (“**Skan-X**”) and is also a director on the board of Skan-X. He joined the Skan-X on July 24, 2014. He has completed his scientific high school from Liceo Guglielmo Marconi of Conegliano (TV) and holds a master's degree in engineering with one research year at the University of Padova, Italy. He has over 16 years of experience and has worked in the field of consultation, sales and business development including in the medical equipment sector. Prior to joining Skan-X, he was associated with Kailong Hangzhou Medical devices as the vice president - dental division, CEI Compagnia Elettronica Italiana as the business development director and chief executive officer, Simonato and Partners International Consultancy as a consultant, Anodica Trevigiana as sales director and with Kerakoll group as area sales manager. He is responsible for planning, production, quality, research and development, sales and other services and to ensure departments work effectively to achieve the objectives of Skan-X. His gross remuneration for Fiscal 2021 was ₹ 8.35 million.

**Marco Gergolet** is the chief operating officer and research and development manager of our step-down Subsidiary Skanray Europe SRL (“**Skanray Europe**”). Additionally, pursuant to a resolution dated June 22, 2021 passed by the shareholders of Skanray Europe, he has been appointed as a director on the board of Skanray Europe, subject to completion of necessary regulatory compliances under applicable laws in Italy. He joined the Skanray Europe on June 28, 2017. He holds a diploma in industrial engineering from the Ministero Della Pubblica Istruzione in Italy. He has over 20 years of experience in sales, research and development and medical equipment installation sectors. Prior to joining Skanray Europe, he was associated with Societa Italiana Apparecchi Scientifici S.r.l. and over a course of 15 years he worked as the manager of information technology, research and development, after sales and was responsible for applications specialist training and installation worldwide and with Intermedical S.r.l.v as aftersales manager. He is responsible for managing the day-to-day operations of Skanray Europe and manage various ongoing research and development projects of Skanray Europe. His gross remuneration for Fiscal 2021 was ₹ 4.99 million.

**Mike Vermin** is the managing director of our step – down Subsidiary Cardia International A/S (“**Cardia A/S**”). He joined the Cardia A/S on September 29, 2016 pursuant to an agreement between Cardia A/S and Templar Management BV. Mike Vermin has been deputed by Templar Management BV to act as the managing director of Cardia A/S, and is thus not a permanent employee of Cardia A/S. He holds a certificate of qualification in retail management from Frans Hals College and diploma in marketing from Netherlands Instituut Voor Marketing. He has over 20 of experience in sales. Prior to joining Cardia A/S, he was associated with Incoparts BV as the general manager. He is responsible for, *inter alia*, overseeing the production of automatic external defibrillators, capital allocation decisions and external shareholder management at Cardia A/S. His gross remuneration for Fiscal 2021 was Nil\*<sup>\$</sup>.

**David S. Orlando** is the co-chief executive officer of our step-down Subsidiary Skanray Americas Inc. (“**Skanray America**”) and is also a director on the board of Skanray America. He joined Skanray America on April 1, 2020. He has completed his high school diploma. He has over 20 years of experience in medical equipment sector. Prior to joining Skanray America, he was associated with Complete Medical Services as the vice president of the C-Arm division. He is responsible for building the brand of Skanray America in the US market, managing the day-to-day operations of Skanray America, including employees, finance, service engineers and dealers. David S. Orlando has not received any remuneration from our Company or Skanray America in Fiscal 2021.

**Randell Jon Quaal** is the co-chief executive officer of Skanray America and is also a director on the board of Skanray America. He joined the Skanray America on July 1, 2019. He has completed his high school diploma. He has over 15 years of experience in medical equipment sector. Prior to joining Skanray America, he was associated with Televere Systems

LLC as the chief executive officer. He is involved in the managerial functions of Skanray America which includes setting strategic directions, managing sales channels and marketing. Randell Jon Quaal has not received any remuneration from our Company or Skanray America in Fiscal 2021.

<sup>§</sup> A sum of ₹10.25 million was paid to Templar Management BV by Cardia A/S pursuant to the management agreement dated January 1, 2016.

None of our Key Managerial Personnel are related to each other.

Except as disclosed below, all the Key Managerial Personnel are permanent employees of our Company:

Pursuant to an agreement between Cardia International A/S (“**Cardia A/S**”), one of our step-down Subsidiaries and Templar Management BV, Mike Vermin has been deputed by Templar Management BV to act as the Managing Director of Cardia A/S, and is thus not a permanent employee of Cardia A/S.

**(a) Shareholding of Key Managerial Personnel**

The shareholding of our Key Managerial Personnel except Vishwaprasad Alva and Balasubramanian Kandankumarath as of the date of filing this Draft Red Herring Prospectus, on a fully diluted basis, is set forth below. For details of shareholding of Vishwaprasad Alva and Balasubramanian Kandankumarath, see “– *Shareholding of Directors in our Company*”:

Sr. No.	Name	No. of Equity Shares	Percentage of the pre- Offer capital (%)	Percentage of the post-Offer capital (%)
1.	Sunil R Rao <sup>#</sup>	10,615	0.04	[•]
2.	R. Vasundhara	27,200	0.11	[•]

**(b) Arrangements and understanding with major Shareholders**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

**(c) Bonus or profit-sharing plans**

Except as disclosed below, none of the Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to Key Managerial Personnel.

A stock incentive agreement dated December 28, 2020 and an amendment to this stock incentive agreement, made effective from March 21, 2021 (“**Incentive Agreement**”) was executed amongst Skanray Americas, David S. Orlando and Randell Quaal. In terms of the Incentive Agreement, as amended, Skanray Americas shall, issue 32,936 shares each, of the common stock of Skanray Americas to David S. Orlando and Jon Randell Quaal such that both David S. Orlando and Randell Quaal individually hold 15% each of the issued and outstanding stock in Skanray Americas, subject to them achieving the prescribed milestones within the specified period under the Incentive Agreement. Additionally, the Incentive Agreement also provides certain additional rights to David S. Orlando and Randell Quaal, including, pre-emptive rights over the capital stock and other securities of Skanray Americas and exercise of sell option as prescribed under the Incentive Agreement.

**(d) Interests of Key Managerial Personnel**

The Key Managerial Personnel do not have any interest in our Company other than (i) as stated in “*Financial Statements – Restated Consolidated Financial Information – Note 47 (Related Party Disclosures)*” on page 255; (ii) to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business; or (iii) to the extent of any employee stock options, if any, that they are entitled to. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them in our Company, if any.

Except as disclosed under “– *Bonus or profit-sharing plans*” above, none of the Key Managerial Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Our Company has not entered into any service contracts with our Key Managerial Personnel pursuant to which they are entitled to any benefits upon termination of their employment.

There is no contingent or deferred compensation accrued for the year payable to our Directors or Key Managerial Personnel, even if the compensation is payable at a later date.

**(e) Changes in the Key Managerial Personnel**

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years:

<b>Name</b>	<b>Date of appointment / change / cessation</b>	<b>Reason</b>
Lakshmi Kamath	September 30, 2020	Appointment as Chief Financial Officer
David S. Orlando	April 1, 2020	Appointment as co-chief executive officer of Skanray America
Vasudha M.A.	May 2, 2019	Appointment as manager – quality
Jayashree T.R.	October 24, 2020	Resignation as the manager – quality
Randell Quaal	July 1, 2019	Appointment as chief executive officer of Skanray America

**(f) Payment or Benefit to officers of our Company**

Except as disclosed under “- Bonus or profit-sharing plans” above, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the Key Managerial Personnel and our Directors within the two preceding years.

**EMPLOYEE STOCK OPTION**

For details of our Company’s employee stock option, see “Capital Structure – Employee Stock Option Scheme” on page 82.


## OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Vishwaprasad Alva, Agnus Capital LLP, Chayadeep Properties Limited, and Skanray Healthcare Partners LLP. As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 13,554,162 Equity Shares, representing 38.92% of the pre-Offer issued, subscribed, and paid-up capital of our Company, on a fully diluted basis.

For details, please see the section titled “*Capital Structure – Equity Shareholding of our Promoters and Promoter Group*” on page 77.

### INDIVIDUAL PROMOTER

#### *Vishwaprasad Alva*

	<p>Vishwaprasad Alva, aged 54 years, is the Chairman and Managing Director of our Company.</p> <p>Date of birth: November 5, 1966</p> <p>Address: #2406, Suprasad, 8th Main 4th Cross, Vijayanagar II Stage, Mysuru – 570 017, Karnataka, India</p> <p>Permanent Account Number: ABYPA5998C</p> <p>Aadhar Card Number: 9224 7500 1178</p> <p>Driving License Number: KA1919870001192</p> <p>For further details, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Board of Directors</i>” on page 170.</p>
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Our Company confirms that the permanent account number, bank account number, and passport number of our Individual Promoter shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

### CORPORATE PROMOTERS

#### *Agnus Capital LLP (“Agnus Capital”)*

Agnus Capital was incorporated on June 25, 2010 under the provisions of the Limited Liability Partnership Act, 2008, with its registered office located at #30, Galaxy, 1<sup>st</sup> Main Road, J P Nagar, 3<sup>rd</sup> Phase, Bengaluru – 560 078. It is engaged in the business of capital consultancy services, advisory services and financial consultancy services.

The partners of Agnus Capital are:

1. Arun Kumar Pillai (*Designated Partner*);
2. K R Ravishankar (*Designated Partner*)
3. Ramaprasad J R (nominee of Chayadeep Properties Private Limited); and
4. Chandrappa Seetharamaiah (nominee of Karuna Ventures Private Limited)

There has been no change in the control of Agnus Capital in the preceding three years.

#### *Chayadeep Properties Private Limited (“Chayadeep”)*

Chayadeep was incorporated on June 16, 2003 under the provisions of the Companies Act, 1956, with its registered office located at #30, Galaxy, 1<sup>st</sup> Main Road, J P Nagar, 3<sup>rd</sup> Phase, Bengaluru – 560 078. It is engaged in the business of builders, contracting and sub – contracting for the construction of buildings, roads, bridges, and other structures, and real estate in India.

The promoters of Chayadeep are:

1. Arun Kumar Pillai; and
2. K R Ravishankar

There has been no change in the control of Chayadeep in the last three preceding years.

#### ***Skaray Healthcare Partners LLP (“Skaray Healthcare”)***

Skaray Healthcare was incorporated on January 1, 2013 under the provisions of the Limited Liability Partnership Act, 2008, with its registered office located at #30, Galaxy, 1<sup>st</sup> Main Road, J P Nagar, 3<sup>rd</sup> Phase, Bengaluru – 560 078. It is engaged in the business of designing, development, manufacturing, marketing, and import and export selling, servicing, and dealing otherwise in all kinds of healthcare and medical equipment.

The partners of Skaray Healthcare are:

1. Ramaprasad J S (nominee of Agnus Capital LLP);
2. Chandrappa Seetharamaiah (nominee of Chayadeep Ventures LLP); and
3. Vishwaprasad Alva.

Except the inclusion of Vishwaprasad Alva as a designated partner with effect from March 19, 2021, there has been no change in the control of Skaray Healthcare in the preceding financial years.

Our Company confirms that the permanent account number, bank account number and company / LLP registration numbers of our Corporate Promoters, and address of the registrar of companies where our Corporate Promoters are registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus with the Stock Exchanges.

#### **INTERESTS OF PROMOTER**

Our Promoters are interested in our Company to the extent that they have promoted our Company, to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of the Equity Shares held by them. For details of Equity Shares held by our Promoters, see *Capital Structure – Equity Shareholding of our Promoters and Promoter Group*” on page 77. Further, our Individual Promoter is also interested in our Company as the Managing Director. For further details, see “*Our Management*” on page 170.

Except as mentioned in this section and sections titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Financial Statements – Restated Consolidated Financial Information – Note 47 (Related Party Disclosures)*” on pages 131, 159, 170 and 255, respectively, our Promoters do not have any other interest in our Company.

Except as disclosed in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements in which our Promoters or members of our Promoter Group are directly or indirectly interested, and no amount or benefit has been paid or given to our Promoters or members of our Promoter Group in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Our Promoters are not interested in any property acquired, or proposed to be acquired by our Company within three years of the date of filing this Draft Red Herring Prospectus with SEBI, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid, or agreed to be paid to them or to such firm or company, in cash or shares or otherwise by any person for services rendered by them or by such firm or company, in connection with the promotion or formation of our Company.

#### **PAYMENT OR BENEFITS TO PROMOTER OR PROMOTER GROUP**

Except as stated above, and otherwise as disclosed in the sections “*Financial Statements – Restated Consolidated Financial Information – Note 47 (Related Party Disclosures)*” on page 255 and “*Our Management*” on page 170, there has been no payment or benefit to our Promoters or Promoter Group during the two years prior to the filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

## COMMON PURSUITS

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

Our Company will adopt necessary procedures and practices as permitted by law to address any conflict of interest as and when they arise.

## COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE LAST THREE YEARS

Our Promoter Skanray Healthcare has not disassociated itself from any companies during the last three years.

Our Promoters, Vishwaprasad Alva and Chayadeep have disassociated from the following companies during the last three years:

Sl No	Name of the Promoter	Name of the company	Date of disassociation	Reason for disassociation
1.	Vishwaprasad Alva	CEI Skanray Radiology Devices Private Limited	August 17, 2018	The company was voluntarily wound up
2.	Chayadeep	Blueshift India Private Limited	March 31, 2019	Divestment

Further, except for sale of shares held as investments in companies in the ordinary course of business, Agnus Capital has not disassociated itself from any company during the last three years.

## CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

There has been no change in the management or control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

## OTHER CONFIRMATIONS

Our Promoters are not wilful defaulter as defined under the SEBI ICDR Regulations.

Our Promoters and members of the Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not, and have not been in the past, a promoter or a director of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Our Promoters are not fugitive economic offenders.

Our Promoters have not given any material guarantees to any third parties with respect to the Equity Shares of our Company.

## PROMOTER GROUP

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group:

### (a) Natural persons who are part of the Promoter Group

Sr. No	Name of the Promoter	Name of member of Promoter Group	Relationship with the Promoter
1.	Vishwaprasad Alva	Chethana V Alva	Spouse
		T K Alva	Father
		Jahnvi Alva	Mother
		Venugopal Alva	Brother
		Vidhyalakshmi Alva	Sister
		Karthik Alva	Son
		Keerthan Alva	Son
		Avinash Rai	Brother – in – law
		Mamatha Alva	Sister – in – law
2.	Agnus Capital	Arun Kumar Pillai	Designated partner



Sr. No	Name of the Promoter	Name of member of Promoter Group	Relationship with the Promoter
		K R Ravishankar	Designated partner
		K R Ravishankar	Majority shareholder

**(b) Bodies corporates forming part of the Promoter Group**

Sr. No	Name of the Promoter	Name of the entity
1.	Agnus Capital <sup>#</sup>	Tenshi Ventures LLP
		Antfarm Business Incubator Private Limited
		Konut LLP
		Devicam Capital LLP
2.	Chayadeep	Agnus Global Holdings Pte Limited <sup>*</sup>
		Trinity Mobility Private Limited
3.	Skaray Healthcare	Chayadeep Ventures LLP

<sup>\*</sup> Currently undergoing liquidation in accordance with the laws of Singapore

<sup>#</sup> An exemption application dated June 27, 2021 under Regulation 300 of the SEBI ICDR Regulations has been submitted to SEBI seeking an exemption from considering and disclosing Sort India Enviro Solution Limited as a member of the Promoter Group of the Company

## OUR GROUP COMPANY

As per the SEBI ICDR Regulations and the applicable accounting standards, for the purposes of identification of group companies, our Company has considered companies (other than our Subsidiary) with which there are related party transactions as disclosed in the Restated Consolidated Financial Information and such other companies considered material for the purposes of disclosure as a group company in connection with the Offer, as identified in accordance with the Materiality Policy adopted by our Board on June 12, 2021.

Our Company has had related party transactions with Riverview Healthcare Private Limited (“**Riverview**”) which have been disclosed in the Restated Consolidated Financial Information. However, our Company, by way of an exemption application to SEBI dated June 27, 2021, has requested permission to not identify Riverview as a Group Company.

Additionally, our Company had written a letter dated March 20, 2021 to Riverview seeking information for disclosure as a group company as well as consent for disclosure as a group company. In response to this letter, Riverview has, through its letter dated April 8, 2021, declined its consent to be named as a group company since pursuant to the divestment by our Company, our Company and Riverview have concluded all association in Fiscal 2018.

In terms of the Materiality Policy, our Board has identified Mysore ESDM Cluster as our Group Company. Details of the Group Company are set out below:

### 1. Mysore ESDM Cluster (“**Mysore ESDM**”)

#### *Corporate Information*

Mysore ESDM is a not for profit company limited by shares incorporated under the provisions of Section 8 of the Companies Act. Our Company, along with Kaynes Technology India Private Limited, Rangsons Electronics Private Limited, and Vinyas Innovative Technologies Private Limited are the signatories to the memorandum of association of Mysore ESDM.

#### *Nature of Activities*

Mysore ESDM was formed to develop, operate and maintain infrastructure, amenities and common facilities for Electronics System Design and Manufacturing Units.

#### *Interest of our Promoters*

Other than our Individual Promoter, Vishwaprasad Alva, who is a director on the board of Mysore ESDM, none of our Promoters are interested in Mysore ESDM.

#### *Financial Performance*

The financial information derived from the audited financial results (audited in accordance with Indian Generally Accepted Accounting Principles) of the company for the financial years 2020, 2019 and 2018 are set forth below:

Particulars	As on / For the period ended March 31,		
	2020	2019	2018
Equity Share Capital (₹ million)	14.18	14.18	0.18
Reserves and Surplus (excluding revaluation reserves) (₹ million)	249.53	103.19	54.31
Sales / Turnover (₹ million)	3.66	3.90	-
Profit / (loss) after tax (₹ million)	(1.66)	(0.52)	(0.28)
Earnings/(loss) per share of face value ₹ 10 each (Basic and Diluted) (₹)	(0.12)	(0.04)	(1.62)
Net asset value (per share) (₹)	0.77	0.89	(5.21)

### **Significant notes of auditors**

There are no significant notes of the auditors in relation to the aforementioned financial statements.

### **Details of negative net worth and details of losses incurred**

Mysore ESDM has had negative networth as on March 31, 2018 and has incurred no loss (determined on a standalone basis) as per their latest financial statements except as stated below.

Particulars	As on / For the period ended March 31,		
	2020	2019	2018
Net Profit /(Loss) (₹ million)	(1.66)	(0.52)	(0.28)

### **Sick, Winding up/Insolvency proceedings**

As on the date of this Draft Red Herring Prospectus, our Group Company has not been declared sick or defunct within the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, has not been referred to the Board of Industrial and Financial Reconstruction or the National Company Law Tribunal, and is not under the corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016.

### **Defunct Group Company**

During the five years immediately preceding the date of this Draft Red Herring Prospectus, our Group Company has not remained defunct and no application has been made to the relevant registrar of companies for striking off their names.

### **Nature and extent of interests of the Group Company**

As on the date of this Draft Red Herring Prospectus:

- (i) Our Group Company does not have any interest in the promotion or formation of our Company.
- (ii) Our Group Company does not have any interest in any property acquired by our Company in the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by it as on date of this Draft red Herring Prospectus.
- (iii) Our Group Company does not have an interest in any transaction by our Company pertaining to acquisition of land, construction of building and supply of machinery.
- (iv) Our Group Company does not have any business interest in our Company.

### **Related Party Transactions**

Except as set forth in “*Financial Statements – Restated Consolidated Financial Information – Note 47*” on page 256, no related party transactions have been entered into between our Group Company and our Company, as on the date of the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

### **Common pursuits**

Our Group Company is not in common pursuits with our Company.

### **Litigation**

As on date of this Draft Red Herring Prospectus, our Group Company is not a party to any pending litigation which will have a material impact on our Company.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013. The quantum of dividend to be distributed, if any, will depend on a number of factors, including profit earned during the current financial year, overall financial conditions, cost of raising funds from alternative sources, money market conditions, expansion plans and macro-economic conditions.

Our Company has not declared dividends on the Equity Shares during the current Fiscal and the last three Fiscals.

**SECTION V: FINANCIAL INFORMATION**  
**FINANCIAL STATEMENTS**

<b>Sr. No.</b>	<b>Financial Statements</b>	<b>Page No.</b>
1.	Examination report on the Restated Consolidated Financial Information	198
2.	Restated Consolidated Financial Information	202
3.	Assurance Report on the Proforma Financial Information	262
4.	Proforma Financial Information	265

## **INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION**

### **The Board of Directors Skanray Technologies Limited (Formerly Skanray Technologies Private Limited)**

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of Skanray Technologies Limited (Formerly Skanray Technologies Private Limited) (the "Company"), and its subsidiary (the Company and its subsidiary collectively referred to as the "Group") which comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 December, 2020, 31 March 2020, 2019 and 2018, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of changes in equity and the Restated Consolidated Statement of Cash Flows for the nine month period ended 31 December, 2020 and for the years ended 31 March 2020, 2019 and 2018, and the Summary of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company ("the Board") at their meeting held on 12 June, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
  - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
  - c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka at Bengaluru in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information. The responsibility of the respective board of directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined these Restated Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 11 February, 2021 and addendum to engagement letter dated 29 March, 2021 in connection with the proposed IPO;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; 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 IPO.
4. These Restated Consolidated Financial Information have been compiled by the management from:
  - (i) the audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Company as at and for the nine month period ended 31 December, 2020 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", issued by Institute of Chartered Accountants of India and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements") which have been approved by the Board of Directors at their meeting held on 12 June, 2021 The comparative information as at and for the year ended 31 March, 2020 included in such Special Purpose Interim

Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended 31 March, 2020, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 31 December, 2020.

- (ii) The Restated Consolidated Financial Information also contains the proforma Consolidated Ind AS financial information as at and for the years ended 31 March, 2019 and 2018. The proforma Consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended 31 March, 2019 and 2018 which have been approved by the Board of Directors at their meeting held on 29 November, 2019 and 31 October, 2018 respectively as described in Note 2.1 to the Restated Consolidated Financial Information.

5. For the purpose of our examination, we have relied on:

- (i) Report issued by us dated 12 June, 2021 on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Company as at and for the nine month period ended 31 December, 2020 as referred in paragraph 4 (i) above, which includes the following explanatory paragraph (also refer Note 2.1 of the Restated Consolidated Financial Information):

- i. Emphasis of Matter Paragraphs

- a) We draw attention to Note 7 of the Special Purpose Interim Consolidated Ind AS Financial Statements, wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity, are subject to regulatory approvals in India.
- b) We draw attention to Note 43 of the Special Purpose Interim Consolidated Ind AS Financial Statements, which describes the matter pertaining to search carried out by the Income tax authorities. The Company is of the view that it is in compliance with the Income Tax Laws and Rules, as applicable to it, and that the said matter would not have any impact on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as of and for the nine month period ended 31 December, 2020.

Our opinion is not modified in respect of these matters.

- ii. Other Matters Paragraph

- a. The Company was unable to conduct the physical verification of its inventory as at 31 December, 2020. Consequently, we have performed alternative procedures which includes testing of supporting documentation on sample basis relating to purchases and sales, roll back and roll forward procedures, results of subsequent physical count performed by the Management, to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Special Purpose Interim Consolidated Ind AS Financial Statements

Our opinion is not modified in respect of the above matter.

- (ii) Reports issued by us dated 31 December, 2020, 29 November, 2019 and 31 October, 2018 on the Consolidated Indian GAAP financial statements as at and for the years ended 31 March, 2020, 2019 and 2018, respectively, as referred in Paragraph 4 above which includes the following explanatory paragraphs (also refer Note 2.1 of the Restated Consolidated Financial Information):

I. As at and for the year ended 31 March, 2020

- i. Emphasis of Matter Paragraphs

- a. We draw attention to Note no. 38 of the consolidated financial statements wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity, are subject to regulatory approvals in India.

- b. We draw attention to Note no. 40 of the consolidated financial statements, which explains the fact that trade receivables of Rs.37,131,165 and interest on loans recoverable of Rs.12,068,436 as at 31 March, 2020 from a customer are considered good and recoverable at this stage, for the reasons stated therein. The recoverability of the dues is subject to the successful outcome of the plan of settlement detailed in the note.
- c. We draw attention to Note no. 42 of the consolidated financial statements, which describes the matter pertaining to search carried out by the Income tax authorities. The Company is of the view that it is in compliance with the Income Tax Laws and Rules, as applicable to it, and that the said matter would not have any impact on the consolidated financial statements of the Group as at and for the year ended 31 March, 2020.

Our opinion is not modified in respect of these matters.

ii. Other Matter Paragraph

Due to the lock-down imposed by the Central and State Governments to contain the spread of COVID-19, we were unable to observe the physical verification of inventory that was carried out by the management of the Company subsequent to the year-end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence.

Our opinion is not modified in respect of the above matter.

II. As at and for the year ended 31 March, 2019

i. Emphasis of Matter Paragraphs

- a. We draw attention to Note no. 38 of the consolidated financial statements wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity are subject to regulatory approvals in India.
- b. We draw attention to Note no. 43 of the consolidated financial statements, which describes the matter pertaining to search carried out by the Income tax authorities. The Company is of the view that it is in compliance with the Income Tax Laws and Rules, as applicable to it, and that the matter would not have any impact on the financial statements of the Group as at and for the year ended 31 March, 2019.
- c. We draw attention to Note no. 44 of the consolidated financial statements, which explains the fact that trade receivables of Rs. 398,115,307 and loans recoverable of Rs. 53,147,751 (including interest accrued thereon of Rs.6,485,085 ) as at 31 March, 2019 from a customer is considered good and recoverable at this stage, for the reasons stated therein. The recoverability of the dues is subject to the successful outcome of the plan of settlement detailed in the note.

Our opinion is not modified in respect of these matters.

III. As at and for the year ended 31 March, 2018

i. Emphasis of Matter Paragraph

- a. We draw attention to Note 39 to the Consolidated financial statements wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to subsidiary, to equity are subject to regulatory approvals in India.

Our opinion is not modified in respect of this matter.

- 6. As indicated in our audit reports referred above, we did not audit the financial statements of a subsidiary for the nine month period ended 31 December, 2020 and years ended 31 March, 2020, 2019 and 2018, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant years is tabulated below, which have been audited by other auditors and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the



amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs. in Million)				
<b>Particulars</b>	<b>As at/ for the nine month period ended 31 December, 2020</b>	<b>As at/ for the year ended 31 March, 2020</b>	<b>As at/ for the year ended 31 March, 2019</b>	<b>As at/ for the year ended 31 March, 2018</b>
Total assets	250.97	233.75	225.77	244.47
Total revenue	249.73	272.73	275.55	276.76
Net cash inflow/ outflows)	(4.83)	5.08	5.68	(1.27)

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:
- have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended 31 December, 2020;
  - have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31 March, 2019 and 2018 as described in Note 50 to the Restated Consolidated Financial Information;
  - do not require any adjustment for modification as there is no modification in the underlying audit reports. There are items relating to emphasis of matter (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and
  - have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited special purpose interim consolidated Ind AS financial statements / audited Consolidated financial statements mentioned in paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for the purpose for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka at Bengaluru in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Shreedhar Ghanekar**  
Partner  
(Membership No. 210840)  
UDIN: 21210840AAAABH5454

Place: Bengaluru  
Date: 12 June, 2021  
SMG/SSJ/MS/2021

**Skanray Technologies Limited**  
(Formerly Skanray Technologies Private Limited)  
Restated consolidated financial information  
(Amount in ₹ Millions, except for share data or as otherwise stated)

**Restated consolidated statement of assets and liabilities**

Particulars	Note No.	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	633.29	632.46	645.00	658.50
Capital work-in-progress	3	1.76	-	-	-
Right-of-use assets	4	45.56	50.02	56.03	59.34
Goodwill		8.73	8.73	8.73	8.73
Intangible assets	5	271.16	346.71	281.89	189.60
Intangible assets under development	6	163.05	133.57	220.43	263.27
<b>Financial assets</b>					
Investments	7	-	-	-	-
Trade receivables	8	-	-	39.82	-
Loans	9	10.06	10.32	50.54	11.62
Other financial assets	10	11.39	17.39	11.82	5.11
Deferred tax assets (net)	40	8.12	325.70	-	-
Non-current tax assets (net)	11	44.61	19.84	14.42	10.56
Other non-current assets	12	9.09	7.33	8.86	0.19
<b>Total non-current assets</b>		<b>1,206.82</b>	<b>1,552.07</b>	<b>1,337.54</b>	<b>1,206.92</b>
<b>Current assets</b>					
Inventories	13	775.37	560.11	514.43	536.64
<b>Financial assets</b>					
Trade receivables	14	253.08	260.30	314.58	324.21
Cash and cash equivalents	15	661.70	124.23	28.01	20.92
Bank balances other than cash and cash equivalents	16	305.82	73.95	513.64	419.67
Loans	17	123.07	10.56	19.24	53.89
Other financial assets	18	16.12	16.74	8.56	2.51
Other current assets	19	143.52	157.45	130.01	110.79
<b>Total current assets</b>		<b>2,278.68</b>	<b>1,203.34</b>	<b>1,528.47</b>	<b>1,468.63</b>
<b>Total assets</b>		<b>3,485.50</b>	<b>2,755.41</b>	<b>2,866.01</b>	<b>2,675.55</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity shares	20	182.92	182.92	182.92	182.92
Compulsorily convertible preference shares	20	118.72	118.72	118.72	118.72
Other equity	21	1,599.32	273.30	218.74	495.42
<b>Equity attributable to equity holders of the Company</b>		<b>1,900.96</b>	<b>574.94</b>	<b>520.38</b>	<b>797.06</b>
<b>Non-controlling interest</b>	22	(0.55)	4.01	2.05	4.72
<b>Total equity</b>		<b>1,900.41</b>	<b>578.95</b>	<b>522.43</b>	<b>801.78</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	23	85.82	729.04	497.08	10.34
Lease liabilities	4	55.91	60.48	60.39	62.02
Other financial liabilities	24	7.94	8.23	7.21	7.91
Provisions	25	141.34	105.05	100.33	85.76
<b>Total non-current liabilities</b>		<b>291.01</b>	<b>902.80</b>	<b>665.01</b>	<b>166.03</b>
<b>Current liabilities</b>					
<b>Financial liabilities</b>					
Borrowings	26	535.32	251.84	957.33	1,151.31
Lease liabilities	4	5.07	4.91	11.97	13.41
Trade payables	27				
Total outstanding dues of micro enterprises and small enterprises		10.17	13.93	9.68	6.06
Total outstanding dues of creditors other than micro and small enterprises		506.86	428.94	464.51	376.36
Other financial liabilities	28	88.98	371.22	102.63	50.85
Other current liabilities	29	109.54	174.99	104.25	90.10
Provisions	25	38.14	27.83	28.20	19.65
<b>Total current liabilities</b>		<b>1,294.08</b>	<b>1,273.66</b>	<b>1,678.57</b>	<b>1,707.74</b>
<b>Total liabilities</b>		<b>1,585.09</b>	<b>2,176.46</b>	<b>2,343.58</b>	<b>1,873.77</b>
<b>Total equity and liabilities</b>		<b>3,485.50</b>	<b>2,755.41</b>	<b>2,866.01</b>	<b>2,675.55</b>

See accompanying notes to the restated consolidated financial information (Note 1-55)

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors of Skanray Technologies Limited**  
(Formerly Skanray Technologies Private Limited)

**Shreedhar Ghanekar**  
Partner

**Vishwaprasad Alva**  
Managing Director  
DIN: 01240253

**Balasubramanian K**  
Executive Director  
DIN: 02058807

**Lakshmi Kamath**  
Chief Financial Officer

**Bhagya M G**  
Company Secretary

**Bengaluru, 12 June 2021**

**Mysuru, 12 June 2021**

**Restated consolidated statement of profit and loss**

Particulars	Note No.	For the year ended			
		For the nine months period ended			
		31-Dec-2020 Ind AS	31-Mar-2020 Ind AS	31-Mar-2019 Proforma Ind AS	31-Mar-2018 Proforma Ind AS
<b>INCOME</b>					
Revenue from operations	30	3,469.33	1,456.08	1,625.13	1,319.20
Other income	31	35.86	74.94	44.09	100.70
<b>Total income</b>		<b>3,505.19</b>	<b>1,531.02</b>	<b>1,669.22</b>	<b>1,419.90</b>
<b>EXPENSES</b>					
Cost of materials consumed	32	953.18	812.64	879.88	616.77
Purchase of stock-in-trade	33	12.36	20.64	19.11	17.98
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(70.02)	(51.14)	15.79	31.15
Excise duty		-	-	-	6.20
Employee benefits expense	35	395.88	405.96	408.79	372.65
Finance costs	36	95.10	186.28	133.78	89.86
Depreciation and amortization expense	37	109.53	126.63	122.56	94.73
Other expenses	38	258.96	318.51	383.50	351.61
<b>Total expenses</b>		<b>1,754.99</b>	<b>1,819.52</b>	<b>1,963.41</b>	<b>1,580.95</b>
<b>Restated Profit / (loss) before exceptional items and tax</b>		<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(161.05)</b>
Exceptional items	39	-	-	-	72.18
<b>Restated Profit / (loss) before tax</b>		<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(233.23)</b>
Tax expense / (credit)	40				
Current tax		103.35	-	-	-
Deferred tax		319.55	(326.11)	-	-
<b>Total tax expense / (credit)</b>		<b>422.90</b>	<b>(326.11)</b>	<b>-</b>	<b>-</b>
<b>Restated Profit / (loss) for the period / year</b>		<b>1,327.30</b>	<b>37.61</b>	<b>(294.19)</b>	<b>(233.23)</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
Remeasurement of post employment benefit obligations - gain / (loss)		(8.93)	6.16	(6.02)	2.29
Income tax on above		2.25	(1.58)	-	-
Items that will be reclassified to profit or loss					
Exchange gain/(loss) on translation of financial statements of foreign subsidiary		1.12	(4.58)	2.21	8.89
Income tax on above		(0.28)	1.17	-	-
<b>Total Other comprehensive income</b>		<b>(5.84)</b>	<b>1.17</b>	<b>(3.81)</b>	<b>11.18</b>
<b>Total Restated comprehensive income / (loss) for the period / year</b>		<b>1,321.46</b>	<b>38.78</b>	<b>(298.00)</b>	<b>(222.05)</b>
<b>Restated Profit / (loss) for the period / year attributable to:</b>					
Equity shareholders of the Company		1,326.61	48.27	(284.50)	(231.47)
Non-controlling interests		0.69	(10.66)	(9.69)	(1.76)
		<b>1,327.30</b>	<b>37.61</b>	<b>(294.19)</b>	<b>(233.23)</b>
<b>Other Restated comprehensive income for the period / year:</b>					
Equity shareholders of the Company		(2.59)	0.21	(3.19)	11.18
Non-controlling interests		(3.25)	0.96	(0.62)	-
		<b>(5.84)</b>	<b>1.17</b>	<b>(3.81)</b>	<b>11.18</b>
<b>Total Restated Comprehensive income for the period / year:</b>					
Equity shareholders of the Company		1,324.02	48.48	(287.69)	(220.29)
Non-controlling interests		(2.56)	(9.70)	(10.31)	(1.76)
		<b>1,321.46</b>	<b>38.78</b>	<b>(298.00)</b>	<b>(222.05)</b>
<b>Earnings per equity share (of Rs. 10/- each)</b>	41				
Basic (Rs.)		45.75	1.34	(10.32)	(8.98)
Diluted (Rs.)		45.75	1.34	(10.32)	(8.98)

See accompanying notes to the restated consolidated financial information (Note 1-55)

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors of Skannray Technologies Limited**  
(Formerly Skannray Technologies Private Limited)

**Shreedhar Ghanekar**  
Partner

**Vishwaprasad Alva**  
Managing Director  
DIN: 01240253

**Balasubramanian K**  
Executive Director  
DIN: 02058807

**Lakshmi Kamath**  
Chief Financial Officer

**Bhagya M G**  
Company Secretary

**Bengaluru, 12 June 2021**

**Mysuru, 12 June 2021**

**Restated consolidated statement of changes in equity**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Equity shares</b>				
Opening balance	182.92	182.92	182.92	182.92
Add: Issued during the period / year	-	-	-	-
<b>Closing balance</b>	<b>182.92</b>	<b>182.92</b>	<b>182.92</b>	<b>182.92</b>
<b>Compulsorily convertible preference shares</b>				
Opening balance	118.72	118.72	118.72	118.72
Add: Issued during the period / year	-	-	-	-
<b>Closing balance</b>	<b>118.72</b>	<b>118.72</b>	<b>118.72</b>	<b>118.72</b>

**Other equity**

	Note No.	Securities premium	Capital reserve	General reserve	Revaluation reserve	Retained earnings	Foreign currency translation reserve	Deemed capital contribution	Total
<b>Balance as at 01-Apr-2017</b>		<b>1,019.36</b>	<b>3.87</b>	<b>7.52</b>	<b>189.77</b>	<b>(562.90)</b>	<b>(5.57)</b>	-	<b>652.05</b>
Loss for the year		-	-	-	-	(240.36)	-	-	(240.36)
Other comprehensive income / (loss)		-	-	-	-	11.18	8.89	-	20.07
Adjustment arising from change in non-controlling interests (net)		-	-	-	-	(1.34)	-	-	(1.34)
Deemed capital		-	-	-	-	-	-	65.00	65.00
Transfer from revaluation reserve to general reserve	21	-	-	2.50	(2.50)	-	-	-	-
<b>Balance as at 31-Mar-2018 [Proforma]</b>		<b>1,019.36</b>	<b>3.87</b>	<b>10.02</b>	<b>187.27</b>	<b>(793.42)</b>	<b>3.32</b>	<b>65.00</b>	<b>495.42</b>
Loss for the year		-	-	-	-	(286.71)	-	-	(286.71)
Other comprehensive income / (loss)		-	-	-	-	(3.81)	2.83	-	(0.98)
Adjustment arising from change in non-controlling interests (net)		-	-	-	-	11.01	-	-	11.01
Transfer from revaluation reserve to general reserve	21	-	-	2.50	(2.50)	-	-	-	-
<b>Balance as at 31-Mar-2019 [Proforma]</b>		<b>1,019.36</b>	<b>3.87</b>	<b>12.52</b>	<b>184.77</b>	<b>(1,072.93)</b>	<b>6.15</b>	<b>65.00</b>	<b>218.74</b>
<b>Balance as at 1-Apr-2019</b>		<b>1,019.36</b>	<b>3.87</b>	<b>12.52</b>	<b>184.77</b>	<b>(1,078.02)</b>	<b>6.15</b>	<b>65.00</b>	<b>213.65</b>
Profit for the year		-	-	-	-	52.85	-	-	52.85
Other comprehensive income / (loss)		-	-	-	-	1.17	(5.54)	-	(4.37)
Adjustment arising from change in non-controlling interests (net)		-	-	-	-	11.17	-	-	11.17
Transfer from revaluation reserve to general reserve	21	-	-	2.50	(2.50)	-	-	-	-
<b>Balance as at 31-Mar-2020</b>		<b>1,019.36</b>	<b>3.87</b>	<b>15.02</b>	<b>182.27</b>	<b>(1,012.83)</b>	<b>0.61</b>	<b>65.00</b>	<b>273.30</b>
Profit for the period		-	-	-	-	1,325.49	-	-	1,325.49
Other comprehensive income / (loss)		-	-	-	-	(5.84)	4.37	-	(1.47)
Adjustment arising from change in non-controlling interests (net)		-	-	-	-	2.00	-	-	2.00
Transfer from revaluation reserve to general reserve	21	-	-	1.87	(1.87)	-	-	-	-
<b>Balance as at 31-Dec-2020</b>		<b>1,019.36</b>	<b>3.87</b>	<b>16.89</b>	<b>180.40</b>	<b>308.82</b>	<b>4.98</b>	<b>65.00</b>	<b>1,599.32</b>

See accompanying notes to the restated consolidated financial information (Note 1-55)

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors of Skansray Technologies Limited**  
(Formerly Skansray Technologies Private Limited)

**Shreedhar Ghanekar**  
Partner

**Vishwaprasad Alva**  
Managing Director  
DIN: 01240253

**Balasubramanian K**  
Executive Director  
DIN: 02058807

**Lakshmi Kamath**  
Chief Financial Officer

**Bhagya M G**  
Company Secretary

**Bengaluru, 12 June 2021**

**Mysuru, 12 June 2021**

**Skansray Technologies Limited**  
(Formerly Skansray Technologies Private Limited)  
Restated consolidated financial information  
(Amount in ₹ Millions, except for share data or as otherwise stated)

**Restated consolidated statement of cash flows**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Cash Flow from operating activities</b>				
<b>Profit / (loss) before tax</b>	<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(233.23)</b>
<b>Adjustments for</b>				
Depreciation and amortization expenses	109.53	126.63	122.56	94.73
Allowance for expected credit losses	-	0.80	34.83	-
Provision for diminution in the value of investment	-	-	6.85	-
Liabilities no longer required written back	(13.78)	(19.14)	(4.44)	(83.49)
Bad debts written off	2.16	1.20	16.08	5.01
(Profit) / loss on sale of property, plant and equipment	-	-	0.93	0.03
Intangible asset written-off	-	-	6.73	-
Loss on sale of investments	-	-	-	7.20
Finance cost	95.10	186.28	133.78	81.83
Interest income	(13.71)	(33.44)	(37.02)	(14.01)
Unwinding of interest on financial assets	(0.10)	(0.20)	(0.25)	(0.20)
Write-off of doubtful investments	-	-	-	64.98
Net unrealized exchange loss	4.00	(1.09)	2.26	1.66
<b>Operating profit before changes in working capital</b>	<b>1,933.40</b>	<b>(27.46)</b>	<b>(11.88)</b>	<b>(75.49)</b>
<b>Changes in working capital</b>				
(Increase)/decrease in inventories	(215.26)	(45.68)	22.21	(22.49)
(Increase)/decrease in trade receivables	9.98	101.59	(74.56)	(3.62)
(Increase)/decrease in other non-current and current assets	(115.29)	11.27	(34.70)	(75.85)
Increase/(decrease) in trade payables	85.27	(14.86)	93.14	46.86
Increase/(decrease) in provisions	37.47	10.51	17.10	24.71
Increase/(decrease) in other non-current and current liabilities	(58.69)	80.32	22.48	10.85
<b>Cash generated from operations</b>	<b>1,676.88</b>	<b>115.69</b>	<b>33.79</b>	<b>(95.03)</b>
Income taxes (paid) / refund (net)	(128.12)	(5.42)	(3.86)	0.52
<b>Net cash flow from operating activities (A)</b>	<b>1,548.76</b>	<b>110.27</b>	<b>29.93</b>	<b>(94.51)</b>
<b>Cash Flows from investing activities</b>				
Capital expenditure on property plant equipment and intangible assets	(58.16)	(84.44)	(153.41)	(126.07)
Proceeds from sale of property, plant & equipment	-	-	-	0.01
Payments to acquire investments	-	-	(6.85)	(15.93)
Interest received	25.83	19.66	24.53	12.75
Bank balance not considered as cash and cash equivalents	(225.87)	439.72	(94.24)	(136.59)
<b>Net cash flow from/(used in) investing activities</b>	<b>(258.20)</b>	<b>374.94</b>	<b>(229.97)</b>	<b>(265.83)</b>
<b>Cash flows from financing activities</b>				
Proceeds from long term borrowings	1.36	651.87	501.67	9.30
Repayment of long term borrowings	(924.42)	(181.87)	(11.83)	(16.98)
Proceeds / (repayment) from / (of) short term borrowings (net)	283.48	(705.49)	(193.98)	451.00
Proceeds from issue of shares in subsidiary	-	22.83	18.65	-
Payments of lease liabilities	(11.89)	(16.34)	(18.45)	(15.97)
Proceeds from issue of preference shares	-	-	80.00	-
Interest paid	(101.62)	(159.99)	(168.93)	(54.69)
<b>(b) Net cash flow from/(used in) financing activities</b>	<b>(753.09)</b>	<b>(388.99)</b>	<b>207.13</b>	<b>372.66</b>
<b>Net increase in cash &amp; cash equivalents</b>	<b>537.47</b>	<b>96.22</b>	<b>7.09</b>	<b>12.32</b>

**Restated consolidated statement of cash flows**

Particulars	For the nine months period ended		For the year ended	
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Cash and cash equivalents at beginning of the year	124.23	28.01	20.92	8.60
<b>(a) Cash and cash equivalents at the end of the period / year</b>	<b>661.70</b>	<b>124.23</b>	<b>28.01</b>	<b>20.92</b>
<b>(a) Comprises:</b>				
Cash-on-hand	0.04	0.04	0.02	0.02
Balances with banks in:				
Current accounts	74.51	64.63	10.18	8.08
EEFC accounts	8.05	5.91	16.36	-
Deposits account (maturing within a period of 3 months)	579.10	53.65	1.45	12.82
<b>Total</b>	<b>661.70</b>	<b>124.23</b>	<b>28.01</b>	<b>20.92</b>
<b>(b) Reconciliation of changes in cashflows arising from financing activities</b>				
<b>Opening balance</b>				
Non-current borrowings	729.04	497.08	10.34	4.84
Current borrowings	251.84	957.33	1,151.31	700.31
Current maturities of long-term borrowings	323.56	85.52	2.42	80.60
Interest accrued but not due on borrowings	22.08	0.16	40.35	18.48
Non-current lease liabilities	60.48	60.39	62.02	56.41
Current lease liabilities	4.91	11.97	13.41	10.70
<b>Total</b>	<b>1,391.91</b>	<b>1,612.45</b>	<b>1,279.85</b>	<b>871.34</b>
<b>Movement</b>				
Proceeds from long term borrowings	1.36	651.87	501.67	9.30
Repayment of long term borrowings	(924.42)	(181.87)	(11.83)	(81.98)
Proceeds / (repayment) from / (of) short term borrowings (net)	283.48	(705.49)	(193.98)	451.00
Proceeds from issue of shares in subsidiary	-	22.83	18.65	-
Payments of lease liabilities	(11.89)	(16.34)	(18.45)	(15.97)
Proceeds from issue of preference shares	-	-	80.00	-
Interest paid	(101.62)	(159.99)	(168.93)	(54.69)
<b>Total</b>	<b>(753.09)</b>	<b>(388.99)</b>	<b>207.13</b>	<b>307.66</b>
<b>Closing balance</b>				
Non-current borrowings	85.82	729.04	497.08	10.34
Current borrowings	535.32	251.84	957.33	1,151.31
Current maturities of long-term borrowings	43.74	323.56	85.52	2.42
Interest accrued but not due on borrowings	12.63	22.08	0.16	40.35
Non-current lease liabilities	55.91	60.48	60.39	62.02
Current lease liabilities	5.07	4.91	11.97	13.41
<b>Total</b>	<b>738.49</b>	<b>1,391.91</b>	<b>1,612.45</b>	<b>1,279.85</b>

See accompanying notes to the restated consolidated financial information (Note 1-55)

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors of Skandray Technologies Limited**  
(Formerly Skandray Technologies Private Limited)

**Shreedhar Ghanekar**  
Partner

**Vishwaprasad Alva**  
Managing Director  
DIN: 01240253

**Balasubramanian K**  
Executive Director  
DIN: 02058807

**Lakshmi Kamath**  
Chief Financial Officer

**Bhagya M G**  
Company Secretary

Bengaluru, 12 June 2021

Mysuru, 12 June 2021

**Skandray Technologies Limited**  
(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information for the period/ year ended 31 December 2020, 31 March 2020, 31 March 2019, 31 March 2018

**1. Company background**

Founded in 2007 by a group of Engineers with decades of experience in the medical equipment industry, Skandray Technologies Limited (formerly Skandray Technologies Private Limited) ("the Company") is engaged in the design, development, manufacturing, marketing and servicing of medical equipment such as Radiology, Imaging Systems, Patient Monitoring Systems, Central Nursing Station, Electro Surgical Units, Ventilators, Anesthesia Systems, ECG Machines, etc. It has a USFDA approved manufacturing plants in Mysore. The Company's products combine the latest in technology with simplicity of design, innovation and high-performance catering to efficient patient care at health care facilities in India and across the world. The Registered office is at Plot No. 15-17, Hebbal Industrial Area, Mysuru – 570 016.

The Company changed its name from Skandray Technologies Private Limited to Skandray Technologies Limited effective 19 March, 2021 post requisite regulatory approvals.

**2. Basis of preparation of financial Information and significant accounting policies**

**2.1 Basis of preparation**

The Restated Consolidated Financial Information of the Company and its subsidiary (collectively, the "Group") and the Group's share of profit / loss in its associate. comprises the Restated Consolidated Statement of Assets and Liabilities as at 31 December, 2020 and as at 31 March, 2020, 2019 and 2018, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flow Statement for the nine months period ended 31 December, 2020 and for the years ended 31 March, 2020, 2019 and 2018, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 12 June, 2021 for the purpose of inclusion in the Draft Red Herring Prospectus (DRHP) prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The Restated Consolidated Financial Information have been compiled by the management from:

- a) audited special purpose interim consolidated Ind AS financial statements of the Company as at and for the nine months period ended 31 December, 2020 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", issued by Institute of Chartered Accountants of India and other accounting principles generally

**Skaray Technologies Limited**  
(Formerly Skaray Technologies Private Limited)

Notes to the restated consolidated financial information for the period/ year ended 31 December 2020, 31 March 2020, 31 March 2019, 31 March 2018

accepted in India (the “Special Purpose Interim Consolidated Ind AS Financial Statements”) which have been approved by the Board of Directors at their meeting held on 12 June, 2021. The comparative information as at and for the year ended 31 March, 2020 included in such Special Purpose Interim Consolidated Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended 31 March, 2020, prepared in accordance with the accounting standards notified under the section 133 of the Act (“Indian GAAP”) which was approved by the Board of directors at their meeting held on 31 December, 2020.

- b) These Restated Consolidated Financial Information also contains the proforma Consolidated Ind AS financial information as at and for the years ended 31 March, 2019 and 2018. The proforma Consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended 31 March, 2019 and 2018 which have been approved by the Board of Directors at their meeting held on 29 November, 2019 and 31 October, 2018. respectively.

For the purpose of Proforma Ind AS consolidated financial information as at and for the years ended 31 March, 2019 and 2018, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. 1 April, 2019. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the Proforma Ind AS consolidated financial information as at and for the years ended 31 March, 2019 and 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April, 2019). The basis of preparation for specific items where exemptions have been applied are as follows:

- Property Plant & Equipment and Intangible assets - As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP as ‘deemed cost’ at April 1, 2019 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the years ended 31 March, 2019 and 2018, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets.
- Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2019. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the year ended 31 March, 2019 and 2018, the Group has continued with the existing exemption on the date of transition (i.e. April 1, 2019) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.
- Investment in associate – The Company has chosen to use the previous GAAP carrying amount to measure its investment in its associate as at the transition date i.e. 1 April, 2019. This has been consistently applied in the Proforma Consolidated Ind AS Financial Information for the years ended 31 March, 2019 and 2018.



**Skansray Technologies Limited**  
(Formerly Skansray Technologies Private Limited)

Notes to the restated consolidated financial information for the period/ year ended 31 December 2020, 31 March 2020, 31 March 2019, 31 March 2018

- The Group has used the exemption under Ind AS 116 to determine whether an arrangement existing at the date of transition to Ind AS (i.e. 1 April, 2019) contains a lease on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. This has been consistently applied in the Proforma Ind AS Consolidated Financial Information.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Statements and are consistent with those adopted in the preparation of financial statements for the nine months period ended 31 December, 2020. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Special Purpose Interim Consolidated Financial Statements / audited consolidated financial statements mentioned above.

The Restated Consolidated Financial Information:

- a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March, 2020, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the nine months period ended 31 December, 2020.
- b) have been prepared after incorporating proforma Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31 March, 2019 and 2018 as described above.
- c) do not require any adjustment for modification as there is no modification in the underlying audit reports.
  - i. The auditor's report dated 12 June, 2021 on the Special Purpose Interim Consolidated Ind AS Financial Statements as at and for the nine months period ended 31 December, 2020 includes the following Emphasis of Matter paragraphs:
    - a) We draw attention to Note 7 of the Special Purpose Interim Consolidated Ind AS Financial Statements, wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity, are subject to regulatory approvals in India.
    - b) We draw attention to Note 43 of the Special Purpose Interim Consolidated Ind AS Financial Statements, which describes the matter pertaining to search carried out by the Income tax authorities. The Company is of the view that it is in compliance with the Income Tax Laws and Rules, as applicable to it, and that the said matter would not have any impact on the Interim Consolidated Ind AS Financial Statements of the Group as at and for the nine months period ended 31 December, 2020.

Our opinion is not modified in respect of these matters.

ii. Other Matters Paragraph

The Company was unable to conduct the physical verification of its inventory as at 31 December, 2020. Consequently, we have performed alternative procedures which includes testing of supporting documentation on sample basis relating to purchases and sales, roll back and roll forward procedures, results of subsequent physical count performed by the

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Management, to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence — Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on the Special Purpose Consolidated Interim Financial Statements

Our opinion is not modified in respect of the above matter.

- ii. The auditor's report dated 31 December, 2020 on the Consolidated Financial Statements as at and for the year ended 31 March, 2020 includes the following Emphasis of Matter paragraphs:
  - a. We draw attention to Note no. 38 of the consolidated financial statements wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity, are subject to regulatory approvals in India.
  - b. We draw attention to Note no. 40 of the consolidated financial statements, which explains the fact that trade receivables of Rs.37.13 mio and interest on loans recoverable of Rs.12.07 mio as at 31 March, 2020 from a customer are considered good and recoverable at this stage, for the reasons stated therein. The recoverability of the dues is subject to the successful outcome of the plan of settlement detailed in the note.
  - c. We draw attention to Note no. 42 of the consolidated financial statements, which describes the matter pertaining to search carried out by the Income tax authorities. The Company is of the view that it is in compliance with the Income Tax Laws and Rules, as applicable to it, and that the said matter would not have any impact on the consolidated financial statements of the Group for the year ended 31 March, 2020.

Our opinion is not modified in respect of these matters.

- i. Other Matter Paragraph

Due to the lock-down imposed by the Central and State Governments to contain the spread of COVID-19, we were unable to observe the physical verification of inventory that was carried out by the management of the Holding Company subsequent to the year-end. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and have obtained sufficient appropriate audit evidence.

Our opinion is not modified in respect of the above matter.

- i. The auditor's report dated 29 November, 2019 on the Consolidated Financial Statements as at and for the year ended 31 March, 2019 includes the following Emphasis of Matter paragraphs:
  - a. We draw attention to Note no. 38 of the consolidated financial statements wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity are subject to regulatory approvals in India.

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- b. We draw attention to Note no. 43 of the consolidated financial statements, which describes the matter pertaining to search carried out by the Income tax authorities. The Company is of the view that it is in compliance with the Income Tax Laws and Rules, as applicable to it, and that the matter would not have any impact on the financial statements of the Group for the year ended 31 March, 2019.
- c. We draw attention to Note no. 44 of the consolidated financial statements, which explains the fact that trade receivables of Rs.39.81 mio and loans recoverable of Rs. 53.15 mio (including interest accrued thereon of Rs.6.48 mio) as at 31 March, 2019 from a customer is considered good and recoverable at this stage, for the reasons stated therein. The recoverability of the dues is subject to the successful outcome of the plan of settlement detailed in the note.

Our opinion is not modified in respect of these matters.

- ii. The auditor's report dated 31 October, 2018 on the Consolidated Financial Statements as at and for the year ended 31 March, 2018 includes the following Emphasis of Matter paragraph:

- a. We draw attention to Note 39 to the Consolidated financial statements wherein it is stated that certain matters pertaining to conversion of loan and interest thereon given to subsidiary, to equity are subject to regulatory approvals in India.

Our opinion is not modified in respect of this matter.

The above emphasis of matters do not require any adjustment to the Restated Consolidated Financial Information.

The Group follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

The restated consolidated financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest millions, except where otherwise indicated.

***2.2 Summary of significant accounting policies:***

The Restated Consolidated Financial Information have been prepared in accordance with the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial Information is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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In addition, for financial reporting purposes, fair value instruments are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

**2.3 Principles of Consolidation**

The consolidated financial Information relate to the Company, its subsidiary company (the Company and its subsidiary together referred to as “the Group”) and the Group's share of profit / loss in its associate. The restated consolidated financial Information have been prepared on the following basis:

(i) The financial information of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31 December, 2020, 31 March, 2020, 31 March, 2019 and 31 March, 2018.

(ii) The financial information of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

(iii) The restated consolidated financial Information include the share of profit/loss of the associate which has been accounted for using equity method as per Ind AS 28 Investments in Associates and Joint Ventures in Consolidated Financial Information. Accordingly, the share of profit/loss of the associate company (the loss being restricted to the cost of investment) has been deducted from the cost of investments, where applicable.

(iv) Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquire, and the fair value of the acquirers previously held equity interests in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

(v) Non - controlling interest in the net assets of the consolidated subsidiary consist of the amount of equity attributable to the Non – controlling interest at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiary attributable to Non-controlling interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to owners of the Company.

(vi)The following subsidiary company and associate have been considered in the preparation of the consolidated financial Information:

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Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding & voting power as at	% of Holding & voting power as at	% of Holding & voting power as at	% of Holding & voting power as at
				31-Dec-20	31-Mar-20	31-Mar-19	31-Mar-18**
Skarray-X Radiology Devices S.p.A (Formerly Skarray-X Radiology Devices s.r.l)	Subsidiary	Italy	Skarray Technologies Private Limited	52%	52%	61%	61%
Mysore ESDM Cluster*	Associate	India	Skarray Technologies Private Limited	48%	48%	48%	14%

\* The Company holds 48% equity in Mysore ESDM Cluster (ESDM), a company limited by shares not for profit under section 8 of the Companies Act, 2013 (Act). ESDM is yet to commence its operations. Since the Company exercises significant influence by way of participation in the financial and operating decisions of ESDM, ESDM is identified as an Associate of the Company. As per the Memorandum of Association (MoA) of ESDM, the profits or any other income of ESDM whenever derived shall be applied solely towards the promotion of its objects as per the MoA and accordingly, no portion of the income shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to persons who, at any time are or have been members of ESDM. Also, upon winding up or dissolution of ESDM, if there is any surplus that remains after satisfaction of all debt and liabilities, the same shall not be distributed amongst the members of the Company but shall be given/transferred to such other company having objects similar to the objects of ESDM or credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Act.

Based on the above, the Company has assessed that it does not have any interest in the associate's performance and as a result, the return on its investment. Accordingly, equity method of accounting has not been followed for this associate.

\*\*For FY 2017-18, was considered as an Associate for the period April 1, 2017 to July 31, 2017 only.

**2.4 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the restated consolidated financial information in conformity with Ind-AS requires the Group to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The

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estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The management believes that the estimates used in preparation of the financial Information are prudent and reasonable. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

Key sources of estimation uncertainty are with respect to:

- i) **Taxation provisions** - The Group's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with income tax authority. Uncertain tax items for which a provision is made, relate principally to the interpretation of tax legislation regarding arrangements entered into by the Group. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly.
- ii) **Impairment testing** - The Group estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.
- iii) **Useful life of Property, plant and equipment's and intangible assets** - The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.
- iv) **Expected credit loss** - When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss against default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The final amount of provisioning as per ECL will increase/decrease upon change in ECL rates.
- v) **Lease term** – The Group uses hindsight in determining the lease terms for those leases where the Group has only contractual right to cancel the lease agreement. In these cases the lease term is determined as per the expectation of the management till the time it intends to continue those leases.

## 2.5 Significant accounting policies

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**2.5.1 Revenue recognition**

The Group assesses the goods and services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

**A. Revenue from sale of goods is recognised as follows:**

Revenue from sale of goods is recognised when the control is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled for the exchanged goods. In case of domestic sales the control of goods is transferred either when the goods are dispatched or when it is delivered to the customer, based on the terms of the agreement. In case of export sales the control of goods is transferred either when the goods are dispatched from factory or when the goods are shipped, based on the terms of the agreement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

**B. Revenue from service:**

The Group provides annual maintenance service for the products sold. Annual maintenance service revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period.

License fee is recognized in the period the Group completes all its performance obligations.

'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'

**C. Other income:**

Interest income from a financial assets is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

**2.5.2 Government grants**

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Government grants are not recognised until there is no reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

**Export incentives**

Export incentives are recognized as income when the right to receive credit as per the terms of the schemes is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

***2.5.3 Property, plant and equipment***

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. The Group depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Depreciation methods and useful lives are reviewed periodically at each financial year end.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the Statement of Profit and Loss.

***2.5.4 Intangible assets***

Design, drawings and software costs are included in the Balance Sheet as intangible assets when it is probable that associated future economic benefits would flow to the Group. All other costs on design, drawings and software are expensed in the Statement of Profit and Losses as and when incurred. Intangible assets are stated at cost less accumulated amortization and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. 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). Amortization methods and useful lives are reviewed periodically including at each financial year end.

**Internally-generated intangible assets – research and development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.



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An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, all of the following conditions have been demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b) the intention to complete the intangible asset and use or sell it;
- c) the ability to use or sell the intangible asset;
- d) how the intangible asset will generate probable future economic benefits;
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and impairment losses, on the same basis as intangible assets that are acquired separately.

**2.5.5 Goodwill**

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating 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 directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

**2.5.6 Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets is provided on the straight-line method as per the useful life assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc., as given below:

The Useful life of assets as assessed by the Management is as below:

<b>Particulars</b>	<b>Useful life</b>
Building	25 - 29 years

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Plant and equipment	2 - 21 years
Furniture and fixtures	5 - 15 years
Vehicles	6 - 10 years
Office equipment	2 - 15 years
Computers	2 - 14 years

The estimated useful life of the property plants and equipment's are reviewed at the end of each financial year and the depreciation period is revised to reflect the changed pattern, if any.

The Useful life of intangible assets are as below:

Internally generated designs, drawings, prototypes are amortized over a period of 5-7 years.  
Software is amortized over a period of 3 years.

Freehold land is not depreciated.

The estimated useful lives, residual values and depreciation method of the property plants and equipment and intangible assets are reviewed at the end of each financial year and the depreciation period is revised to reflect the changed pattern, if any, with the effect of any changes in estimate accounted for on a prospective basis.

#### **2.5.7 Foreign exchange transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

Foreign currency rate fluctuations relating to monetary assets and liabilities are restated at the year-end rates. The net gain or loss arising on restatement/ settlement is recorded in Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

#### **2.5.8 Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

##### *Defined contribution plans:*

The Group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

##### *Defined benefit plans:*

For defined benefit retirement benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and the same is funded with LIC of India. Remeasurement, comprising actuarial gains

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or losses, the effect of the changes to the asset ceiling (if applicable) and return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Actuarial gains and losses and return on plan assets are recognised in the Statement of Other comprehensive income in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailments gains and losses are accounted as past service costs.

***Short-term employee benefits:***

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

***Long-term employee benefits:***

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date, using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

**End of service benefits (related to a subsidiary)**

Employee termination indemnities: The severance indemnity is accrued annually, in accordance with Article 2120 of the Italian Civil Code.

**2.5.9 Inventory**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale,

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including octroi and other levies, transit insurance, and receiving charges. Net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution. The cost of various categories of inventory is determined as follows:

- i. Raw materials and traded goods are valued on weighted average cost.
- ii. Work-in-progress and finished goods are valued on full absorption cost method based on the average cost of production.
- iii. Loose tools and stores & spares are valued at cost of purchases less obsolescence provision.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their product lines and market conditions.

#### **2.5.10 Statement of Cash flows**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

#### **Cash and cash equivalents (for purposes of Statement of Cash flows)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### **2.5.11 Earnings per share**

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, except where the results would be anti-dilutive.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any splits and bonus shares issues including for change effected prior to the approval of the financial Information by the Board of Directors.

#### **2.5.11 Taxation**

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

#### **Current tax**

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable for the relevant year, and any adjustment to tax payable in respect of previous years after considering tax allowance and exemptions under the Income Tax Act.

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**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

**2.5.12 Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and an impairment loss is recognised immediately in profit or loss.

### **2.5.13 Financial Instruments**

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

#### **Initial recognition and measurement:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

#### **Financial Assets:**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade dates basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All Recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

##### Financial assets at amortised cost-

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial Assets at fair value through other comprehensive Income-

Financial assets are measured at fair value through other comprehensive income ('FVTOCI') if these financial assets are held within business model whose objective is achieved by both collecting contractual

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cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss-

Financial assets are measured at fair value through profit or loss ('FVTPL') unless it is measured at amortised cost or fair value through other comprehensive income on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in the statement of profit and loss.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in statement of profit and loss on disposal of that financial asset.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets that are measured at amortised cost and FVTPL, the exchange difference are recognised in profit or loss.

Financial liabilities and Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity Instrument**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognized by the Group are recognized at the proceeds received net off direct issue cost.

### **Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

**Derecognition of financial liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in statement of profit and loss.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for instrument other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

**Share issue expense**

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction.

**Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**2.5.14 Impairment of financial assets**

Impairment of financial assets Loss allowance for expected credit losses is recognized for financial assets measured at amortized cost and fair value through other comprehensive income.



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The Group applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of receivables.

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

**2.5.15 Provisions & contingent liabilities**

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an out flow of resources and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Group. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are neither recognized nor disclosed in the financial Information.

**Provision for warranty**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically one year.

As per the terms of the contracts, the Group provides post-contract services / warranty support to some of its customers. The Group accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

**2.5.16 Leases**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating

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expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Ind AS 116, Leases has been applied using the modified retrospective approach, with the right-of-use asset recognized at an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases.

**The Group as lessee**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- The amount expected to be payable by the lessee under residual value guarantees;
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the

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event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has availed this practical expedient.

**2.5.17 Operating cycle**

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle. Normal operating cycle is based on the time between the acquisition of assets for processing and their realization into cash and cash equivalents. The Group has determined its operating cycle as twelve months for the purpose of classification of its assets and liabilities as current and non-current.

**2.5.18 First-time adoption - mandatory exceptions and optional exemptions**

*Overall principle*

The Group has prepared the opening Balance Sheet as per Ind AS as at date of transition 1 April, 2019 by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Group as detailed below:

The effect on reported financial position and financial performance of the Group on transition to Ind AS has been provided in note no. 50, which also includes reconciliations of total equity and total comprehensive income for comparative years under Indian GAAP to those reported for respective years under Ind AS.

*Mandatory exceptions to retrospective application*

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 “First Time Adoption of Indian Accounting Standards”.

*Estimates*

On assessment of estimates made under the previous GAAP financial Information, the Group has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

*Classification and measurement of financial assets*

The Group has followed classification and measurement of financial assets in accordance with Ind AS 109 - Financial Instruments on the basis of facts and circumstances that existed at the date of transition to Ind AS.

*Impairment of financial assets*

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk as at the date that financial instruments were initially recognized in order to compare it with the credit risk as at the transition date.

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However, as permitted by Ind AS 101, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

*Derecognition of financial assets and financial liabilities*

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transaction occurring on or after date of transition 1 April, 2019.

*Classification of debt instruments*

The Group has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the fair value through other comprehensive income (FVTOCI) criteria based on the fact and circumstances that existed as of the transition date.

*Optional exemptions from retrospective application*

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Group has accordingly on transition to Ind AS availed the following key exemptions:

*Deemed cost for property, plant and equipment and intangible assets*

The Group has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognized as at date of transition 1 April, 2019 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

*Deemed cost for investments in subsidiaries, associates and joint ventures*

On transition, Ind AS 101 allows an entity to consider carrying values as deemed cost for investments held in subsidiaries, associates and joint ventures. Accordingly, the Group has elected to measure carrying values as per previous GAAP as deemed cost for its investments held in a subsidiary and associates.

*Transition to Ind AS - Reconciliations*

The reconciliations given in note 50 provide the explanation for the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

- Reconciliation of total equity as at 31 March, 2018, 31 March, 2019, and 31 March, 2020.
- Reconciliation of total comprehensive income for the year ended 31 March, 2018, 31 March, 2019, and 31 March, 2020
- Reconciliation of statement of cash flows for the year ended 31 March, 2018, 31 March, 2019, and 31 March, 2020. (There are no material adjustments to information to cashflow as reported in previous GAAP)

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with the financial Information prepared under Ind AS.

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Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

**Note**
**No.**
**3 Property, plant and equipment**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
(a) Freehold land	290.50	290.50	290.50	290.50
(a) Buildings	241.32	239.99	251.76	263.49
Plant and equipments	66.13	68.72	67.50	66.38
Furniture and fixtures	9.44	10.46	11.88	13.08
Vehicles	14.55	11.39	11.45	12.03
Office equipment	3.57	3.67	3.25	3.56
Computers	7.78	7.73	8.66	9.46
<b>Total</b>	<b>633.29</b>	<b>632.46</b>	<b>645.00</b>	<b>658.50</b>
<b>Capital work-in-progress</b>	1.76	-	-	-

All property, plant and equipments are owned by the Group unless otherwise stated.

Particulars	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
<b>Cost or deemed cost</b>								
<b>Balance as at 1 April 2017</b>	<b>290.50</b>	<b>330.82</b>	<b>105.21</b>	<b>20.34</b>	<b>12.86</b>	<b>5.12</b>	<b>26.03</b>	<b>790.87</b>
Addition	-	0.05	9.27	0.23	4.64	0.42	2.19	16.80
FCTR adjustment	-	0.06	6.88	-	0.04	0.06	-	7.04
Disposal / adjustment	-	-	(0.01)	-	-	(0.06)	(0.24)	(0.31)
<b>Balance as at 31-Mar-2018</b>	<b>290.50</b>	<b>330.93</b>	<b>121.35</b>	<b>20.57</b>	<b>17.54</b>	<b>5.54</b>	<b>27.98</b>	<b>814.40</b>
Addition	-	0.04	12.28	0.25	2.61	0.15	2.61	17.94
FCTR adjustment	-	(0.02)	(1.76)	-	(0.01)	(0.06)	-	(1.85)
Disposal / adjustment	-	-	-	-	(0.93)	-	-	(0.93)
<b>Balance as at 31-Mar-2019</b>	<b>290.50</b>	<b>330.95</b>	<b>131.87</b>	<b>20.82</b>	<b>19.21</b>	<b>5.63</b>	<b>30.59</b>	<b>829.56</b>
<b>Balance as at 01-Apr-2019</b>	<b>290.50</b>	<b>251.75</b>	<b>67.50</b>	<b>11.88</b>	<b>11.45</b>	<b>3.26</b>	<b>8.66</b>	<b>645.00</b>
Addition	-	-	10.41	0.10	2.39	0.61	1.65	15.16
FCTR adjustment	-	0.03	4.02	-	0.02	0.13	-	4.20
Disposal / adjustment	-	-	(0.04)	-	-	-	-	(0.04)
<b>Balance as at 31-Mar-2020</b>	<b>290.50</b>	<b>251.78</b>	<b>81.89</b>	<b>11.98</b>	<b>13.86</b>	<b>4.00</b>	<b>10.31</b>	<b>664.32</b>
Addition	-	10.15	4.39	-	5.36	0.02	2.11	22.03
FCTR adjustment	-	0.03	2.10	-	0.02	0.13	-	2.28
Disposal / adjustment	-	-	-	-	-	-	-	-
<b>Balance as at 31-Dec-2020</b>	<b>290.50</b>	<b>261.96</b>	<b>88.38</b>	<b>11.98</b>	<b>19.24</b>	<b>4.15</b>	<b>12.42</b>	<b>688.63</b>
<b>Accumulated depreciation</b>								
<b>Balance as at 1 April 2017</b>	-	55.65	40.71	6.09	3.61	1.65	15.14	122.84
Depreciation expense for the year	-	11.76	10.78	1.40	1.89	0.35	3.60	29.78
FCTR adjustment	-	0.03	3.48	-	0.01	0.03	-	3.55
Elimination on disposal of assets	-	-	(0.01)	-	-	(0.05)	(0.22)	(0.28)
<b>Balance as at 31-Mar-2018</b>	-	<b>67.44</b>	<b>54.97</b>	<b>7.49</b>	<b>5.51</b>	<b>1.98</b>	<b>18.52</b>	<b>155.89</b>
Depreciation expense for the year	-	11.76	10.68	1.45	2.26	0.41	3.41	29.97
FCTR adjustment	-	(0.01)	(1.28)	-	(0.01)	(0.01)	-	(1.31)
Elimination on disposal of assets	-	-	-	-	-	-	-	-
<b>Balance as at 31-Mar-2019</b>	-	<b>79.19</b>	<b>64.37</b>	<b>8.94</b>	<b>7.76</b>	<b>2.38</b>	<b>21.93</b>	<b>184.55</b>
<b>Balance as at 01-Apr-2019</b>	-	-	-	-	-	-	-	-
Depreciation expense for the year	-	11.76	10.48	1.52	2.46	0.30	2.58	29.10
FCTR adjustment	-	0.03	2.69	-	0.01	0.03	-	2.76
Elimination on disposal of assets	-	-	-	-	-	-	-	-
<b>Balance as at 31-Mar-2020</b>	-	<b>11.79</b>	<b>13.17</b>	<b>1.52</b>	<b>2.47</b>	<b>0.33</b>	<b>2.58</b>	<b>31.86</b>
Depreciation expense for the year	-	8.82	9.44	1.02	2.21	0.22	2.06	23.77
FCTR adjustment	-	0.03	(0.36)	-	0.01	0.03	-	(0.29)
Elimination on disposal of assets	-	-	-	-	-	-	-	-
<b>Balance as at 31-Dec-2020</b>	-	<b>20.64</b>	<b>22.25</b>	<b>2.54</b>	<b>4.69</b>	<b>0.58</b>	<b>4.64</b>	<b>55.34</b>
<b>Net carrying amount as at</b>								
31-03-2018 [Proforma Ind AS]	290.50	263.49	66.38	13.08	12.03	3.56	9.46	658.50
31-03-2019 [Proforma Ind AS]	290.50	251.76	67.50	11.88	11.45	3.25	8.66	645.00
31-Mar-2020	290.50	239.99	68.72	10.46	11.39	3.67	7.73	632.46
31-Dec-2020	290.50	241.32	66.13	9.44	14.55	3.57	7.78	633.29

23 For property, plant and equipment pledged as security.

(a) The Group had revalued its land and building on 31 March 2012, based on an appraisal taken by an external registered valuer. Such revaluation resulted in an enhancement in the value of land and building by ₹ 127.32 and ₹ 74.96 respectively which was credited to revaluation reserve as on 31 March 2012.

**Note No.**

**4 Leases**

The Group has adopted Ind AS 116 'Leases' with the date of initial application being 01-Apr-2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has used modified retrospective approach under Ind AS 116, under which the difference between right-to-use asset and lease liabilities is adjusted against retained earnings as on the date of transition. For the purpose of restated financial information the proforma transition date has been considered as 01 April 2017.

The Group has discounted lease payments using the applicable incremental borrowing rate as on the proforma transition date, which is 12.65% and 4.64% for the company and its subsidiary respectively, for measuring the lease liability.

Some leases of office buildings contain extension options exercisable by the Group upto one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors.

**(a) Right-of-use assets**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Building				
Opening balance	50.02	56.03	59.34	53.08
Additions	-	6.58	8.84	12.00
Amortisation for the year	(7.91)	(11.31)	(13.30)	(11.53)
Eliminated on disposal of assets	-	(0.86)	-	-
Foreign currency translation reserve	3.45	(0.42)	1.15	5.79
<b>Closing balance</b>	<b>45.56</b>	<b>50.02</b>	<b>56.03</b>	<b>59.34</b>

**(b) Lease liabilities**

The following is the movement in lease liabilities

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Opening balance	65.39	72.36	75.43	67.11
Additions	-	6.46	8.81	11.50
Deletions	-	(0.91)	-	-
Interest	2.93	4.37	5.04	5.27
Lease payments	(11.89)	(16.34)	(18.45)	(15.97)
Foreign currency translation reserve	4.55	(0.55)	1.53	7.52
<b>Closing balance</b>	<b>60.98</b>	<b>65.39</b>	<b>72.36</b>	<b>75.43</b>
Non-current lease liabilities	55.91	60.48	60.39	62.02
Current lease liabilities	5.07	4.91	11.97	13.41

**(c) Lease related expenses debited to Statement of profit and loss**

Particulars	For the nine months period ended	For the year ended		
		31-Dec-2020	31-Mar-2020	31-Mar-2019
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Interest on lease liabilities	2.93	4.37	5.04	5.27
Amortisation of right-of-use assets	7.91	11.31	13.30	11.53
Expense relating to short-term leases	7.61	9.69	9.04	5.66

**(d) Amounts recognised in statement of cashflow**

Particulars	For the nine months period ended	For the year ended		
		31-Dec-2020	31-Mar-2020	31-Mar-2019
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Payments of lease liabilities (including interest thereon)	11.89	16.34	18.45	15.97

**(e) Contractual maturities of lease liabilities excluding interest thereon**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
<b>Balance as at</b>				-
Proforma				
31-Mar-2018	15.35	37.64	36.37	89.35
31-Mar-2019	14.63	36.59	28.62	79.83
31-Mar-2020	12.45	32.86	23.31	68.62
31-Dec-2020	10.97	32.60	10.42	53.99

**Note**

**No.**

**5 Intangible assets**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Internally generated designs, drawings, prototypes etc.	256.26	330.19	259.42	163.87
Software	1.91	1.10	0.77	0.86
(a) Goodwill on purchase of business	-	-	5.09	5.09
Start-up and expansion costs	-	0.30	0.47	0.92
Concessions, licenses and trademarks	12.99	15.12	16.14	18.86
<b>Total</b>	<b>271.16</b>	<b>346.71</b>	<b>281.89</b>	<b>189.60</b>

Particulars	Internally generated designs, drawings, prototypes etc.	Software Purchased	Goodwill on purchase of business	Start-up and expansion costs	Concessions, licenses and trademarks	Total
<b>Cost or deemed cost</b>						
<b>Balance as at 01-Apr-2017</b>	<b>287.39</b>	<b>26.68</b>	<b>5.09</b>	<b>3.19</b>	<b>21.07</b>	<b>343.42</b>
Additions	60.64	0.17	-	0.18	0.97	61.96
FCTR adjustments	-	-	-	0.54	4.33	4.87
Disposals	-	-	-	-	-	-
<b>Balance as at 31-Mar-2018</b>	<b>348.03</b>	<b>26.85</b>	<b>5.09</b>	<b>3.91</b>	<b>26.37</b>	<b>410.25</b>
Additions	170.20	0.84	-	0.22	-	171.26
FCTR adjustments	-	-	-	(0.13)	(0.95)	(1.08)
Disposals	-	-	-	-	-	-
<b>Balance as at 31-Mar-2019</b>	<b>518.23</b>	<b>27.69</b>	<b>5.09</b>	<b>4.00</b>	<b>25.42</b>	<b>580.43</b>
<b>As at 01-Apr-2019</b>	<b>259.42</b>	<b>0.77</b>	<b>-</b>	<b>0.47</b>	<b>16.14</b>	<b>276.80</b>
Additions	153.78	0.90	-	-	0.39	155.07
FCTR adjustments	-	-	-	0.26	1.71	1.97
Disposals	-	-	-	-	-	-
<b>Balance as at 31-Mar-2020</b>	<b>413.20</b>	<b>1.67</b>	<b>-</b>	<b>0.73</b>	<b>18.24</b>	<b>433.84</b>
Additions	1.18	1.59	-	-	0.04	2.81
FCTR adjustments	-	-	-	0.04	0.50	0.54
Disposals	-	-	-	-	-	-
<b>Balance as at 31-Dec-2020</b>	<b>414.38</b>	<b>3.26</b>	<b>-</b>	<b>0.77</b>	<b>18.78</b>	<b>437.19</b>
<b>Accumulated amortisation</b>						
<b>Balance as at 01-Apr-2017</b>	<b>135.43</b>	<b>24.77</b>	<b>-</b>	<b>1.89</b>	<b>4.73</b>	<b>166.82</b>
Amortisation for the year	48.73	1.22	-	0.73	2.75	53.43
FCTR adjustments	-	-	-	0.37	0.03	0.40
Eliminated on disposal of assets	-	-	-	-	-	-
<b>Balance as at 31-Mar-2018</b>	<b>184.16</b>	<b>25.99</b>	<b>-</b>	<b>2.99</b>	<b>7.51</b>	<b>220.65</b>
Amortisation for the year	74.65	0.93	-	0.67	3.04	79.29
FCTR adjustments	-	-	-	(0.13)	(1.27)	(1.40)
Eliminated on disposal of assets	-	-	-	-	-	-
<b>Balance as at 31-Mar-2019</b>	<b>258.81</b>	<b>26.92</b>	<b>-</b>	<b>3.53</b>	<b>9.28</b>	<b>298.54</b>
<b>As at 01-Apr-2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation for the year	83.01	0.57	-	0.18	2.46	86.22
FCTR adjustments	-	-	-	0.25	0.66	0.91
Eliminated on disposal of assets	-	-	-	-	-	-
<b>Balance as at 31-Mar-2020</b>	<b>83.01</b>	<b>0.57</b>	<b>-</b>	<b>0.43</b>	<b>3.12</b>	<b>87.13</b>
Amortisation for the year	75.11	0.78	-	0.13	1.84	77.86
FCTR adjustments	-	-	-	0.21	0.83	1.04
Eliminated on disposal of assets	-	-	-	-	-	-
<b>Balance as at 31-Dec-2020</b>	<b>158.12</b>	<b>1.35</b>	<b>-</b>	<b>0.77</b>	<b>5.79</b>	<b>166.03</b>
<b>Net carrying amount as at</b>						
31-03-2018 [Proforma Ind AS]	163.87	0.86	5.09	0.92	18.86	<b>189.60</b>
31-03-2019 [Proforma Ind AS]	259.42	0.77	5.09	0.47	16.14	<b>281.89</b>
31-Mar-2020	330.19	1.10	-	0.30	15.12	<b>346.71</b>
31-Dec-2020	256.26	1.91	-	-	12.99	<b>271.16</b>

(a) Goodwill on purchase of Business

Under previous GAAP, Goodwill on acquisition of business was amortised over a period of 5 years, whereas under Ind AS, the same is not amortised but tested for impairment. Accordingly, the amortization of Goodwill was reversed in the proforma Ind AS financial information i.e. March 31, 2019 and March 31, 2018. As of the date of transition i.e. April 1, 2019, the Company has adopted the deemed cost model and accordingly, the amortization of goodwill which was reversed in the proforma Ind AS financial information has been adjusted against opening equity as at the date of transition.

**Skanray Technologies Limited**

(Formerly Skanray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

**Note****No.****6 Intangible assets under development**

The Group is engaged in the research and development activities for developing scanning machines (medical equipment) for commercial production and sale. With respect to the development of these products, below costs incurred being directly attributable to such development, are considered as intangible assets under development:

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Opening balance</b>	133.57	220.43	263.27	220.43
<b>Amounts incurred during the period / year</b>				
Cost of materials consumed	4.93	17.78	49.55	29.76
Employee benefits expense	23.75	49.41	82.35	73.05
Other expenses	0.80	-	2.22	2.00
<b>Total expenses during the period / year</b>	<b>29.48</b>	<b>67.19</b>	<b>134.12</b>	<b>104.81</b>
Intangible assets capitalized during the period / year	-	(153.78)	(170.20)	(61.97)
Intangible assets under development written-off	-	(0.27)	(6.76)	-
<b>Closing balance</b>	<b>163.05</b>	<b>133.57</b>	<b>220.43</b>	<b>263.27</b>



**Skandray Technologies Limited**

(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>7 Investments</b>					
	[Non-current]				
<b>A Investments in equity instruments [un-quoted]</b>					
	<b>Equity investments in joint venture entity</b>				
	CEI Skandray Radiology Devices Private Limited (32,923 equity shares fully paid equity shares of ₹ 10/- each)	-	-	-	0.33
	<b>Investments in associate</b>				
	Mysore ESDM Cluster 6,872,155 equity shares of ₹ 1/- each (31-Mar-2020: 6,872,155 equity shares @ ₹ 1/- each; 1-Apr-2019: 6,872,155 equity shares of ₹ 1/- each;)	6.87	6.87	6.87	0.03
		<b>6.87</b>	<b>6.87</b>	<b>6.87</b>	<b>0.36</b>
	Less: Impairment loss allowance	(6.87)	(6.87)	(6.87)	(0.36)
	<b>Total</b>	-	-	-	-
(a)	Investments in un-quoted investments				
	Aggregate carrying value	6.87	6.87	6.87	0.36
	Less: Impairment loss allowance	(6.87)	(6.87)	(6.87)	(0.36)
(b)	During the year 2015-16, the Company converted loan of € 0.71 given to Skan-X Radiology Devices S.p.A Italy, ['Skan-X'] a subsidiary, to equity, out of which, for € 0.29, the Company has not received shares as the same was towards funding of the losses of the subsidiary, as required under the laws of Italy. In respect of the balance amount of € 0.42, the equity shares are yet to be issued by the subsidiary to the Company. Further, during 2017-18, the Company has converted "interest accrued on loan" of € 0.01 to equity shares (1,208 shares of € 10 each at premium of € 65 per share). These transaction with Skan-X are subject to regulatory approvals in India.				
<b>8 Trade receivables</b>					
(a)	[Non-current] Unsecured, considered good				
	Trade receivables	-	-	39.82	-
	<b>Total</b>	-	-	<b>39.82</b>	-
(a)	For trade receivables of ₹ 39.82 as at 31-Mar-2019, from a customer viz. Skandray Dental Technologies Private Limited ['Skanray Dental'], subsequent to the year ended 31-Mar-2019, owing to the customer's temporary inability to settle the trade receivables, the parent company of the customer viz. Skandray Healthcare Global Private Limited ['Skanray Healthcare'] had committed vide its letter dated 26-Nov-2019 to repay the dues by 30-Aug-2020, failing which, such dues would be settled by way of transfer of equity shares held by Skandray Healthcare in its subsidiary viz. Skandray Europe SRL and in the Company's subsidiary viz. Skan-X. Based on the above, the said trade receivables, were considered good and recoverable and classified as non-current trade receivables as at 31-Mar-2019.				
(b)	There are no outstanding receivables due from directors or other officers of the Company.				
<b>9 Loans</b>					
	[Non-current]				
(a)	Security deposit [unsecured]				
	Considered good	8.60	8.38	3.21	6.03
	Considered doubtful	5.21	4.81	4.81	1.26
	Less: Allowance for doubtful deposits	(5.21)	(4.81)	(4.81)	(1.26)
		8.60	8.38	3.21	6.03
(c)	Loans to related parties [unsecured considered good]	1.46	1.94	0.67	5.59
(b)	Intercompany deposits/Loans	-	-	46.66	-
	<b>Total</b>	<b>10.06</b>	<b>10.32</b>	<b>50.54</b>	<b>11.62</b>
(a)	Security deposits are primarily in relation to earnest money deposit for contract, deposit to Government authorities, leases deposit, statutory deposit like electricity and other deposits.				
(b)	For loans recoverable of ₹ 53.14 (including interest accrued thereon of ₹ 6.48) as at 31-Mar-2019, from a customer viz. Skandray Dental Technologies Private Limited ['Skanray Dental'], subsequent to the year ended 31-Mar-2019, owing to the customer's temporary inability to settle the outstanding loans including the interest, the parent company of the customer viz. Skandray Healthcare has committed vide its letter dated 26-Nov-2019 to repay the dues by 30-Aug-2020, failing which, such dues would be settled by way of transfer of equity shares held by Skandray Healthcare in its subsidiary viz. Skandray Europe SRI ['Skanray Europe'] and in the Company's subsidiary viz. Skan-X. Based on the above, the said loan recoverable along with interest, are considered good and recoverable and has been classified as non-current loans as at 31-Mar-2019.				
(c)	Loans to related parties is given to Mysore ESDM Cluster at rate of interest of 8% per annum.				
<b>10 Other financial assets</b>					
	[Non-current]				
(a)	Bank deposits against guarantees with original maturity of more than 12 months from the balance sheet date	10.80	5.30	5.33	5.06
	Interest accrued on fixed deposits, loans and advances	0.59	12.09	6.49	0.05
	<b>Total</b>	<b>11.39</b>	<b>17.39</b>	<b>11.82</b>	<b>5.11</b>
(a)	Balance in earmarked account represent margin money deposits for non-fund based limits with banks, which are available for use to settle a liability for more than 12 months from the balance sheet date.				

**Skandray Technologies Limited**

(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>11</b>	<b>Non-current tax assets (net)</b>				
	Advance Income tax and tax deducted at source	147.96	19.84	14.42	10.56
	Less: Provision for income tax	(103.35)	-	-	-
	<b>Total</b>	<b>44.61</b>	<b>19.84</b>	<b>14.42</b>	<b>10.56</b>
<b>12</b>	<b>Other non-current assets</b>				
	[Non-current] Unsecured				
	Capital advances				
	Considered good	2.16	0.40	1.91	0.11
	Considered doubtful	0.89	0.89	0.89	0.89
	Less: Allowance for doubtful advance	(0.89)	(0.89)	(0.89)	(0.89)
		2.16	0.40	1.91	0.11
(a)	Balances with government authorities	6.88	6.88	6.88	-
	Prepaid expenses	0.05	0.05	0.07	0.08
	<b>Total</b>	<b>9.09</b>	<b>7.33</b>	<b>8.86</b>	<b>0.19</b>
(a)	Balances with Government authorities primarily relate to taxes paid under protest. Also refer note 43 (i).				
<b>13</b>	<b>Inventories</b>				
	[Lower of cost or net realisable value]				
	Raw materials	414.88	268.18	270.72	268.04
	Work-in-progress	75.04	59.63	38.55	61.01
	Finished goods	264.09	209.70	178.80	170.44
	Stock-in-trade [in respect of goods acquired for trading]	4.27	4.05	4.89	6.58
	Loose tools	17.09	18.55	17.50	18.13
	Stores and spares	-	-	3.97	12.44
	<b>Total</b>	<b>775.37</b>	<b>560.11</b>	<b>514.43</b>	<b>536.64</b>
	Included above, goods-in-transit				
	Raw materials	2.26	3.75	2.25	-
<b>23</b>	For inventories pledged as security				
<b>14</b>	<b>Trade receivables</b>				
	[Current] Unsecured				
	Trade receivables				
	Considered good	253.08	260.30	314.58	324.21
	Credit impaired	125.54	135.06	153.71	127.58
		378.62	395.36	468.29	451.79
	Less: Loss allowance for expected credit losses	(125.54)	(135.06)	(153.71)	(127.58)
	<b>Total</b>	<b>253.08</b>	<b>260.30</b>	<b>314.58</b>	<b>324.21</b>
(a)	There are no outstanding receivables due from directors or other officers of the Company				
(b)	Trade receivables of ₹ 1.38 (31-Mar-2020: ₹ 1.06 ) towards sale of goods and services was outstanding beyond permissible time period stipulated under the Master Circular on Export of Goods and Services issued by the Reserve Bank of India (RBI), which states that receipts against exports of goods and services are required to be made within time limits as per RBI guidelines. Considering that the balances are outstanding for more than the stipulated time, the Company shall obtain the necessary approvals from RBI in respect of receiving the foreign currency for which sufficient-appropriate supporting documents are available with the Company. The Company believes that the contravention of provisions of the master circular regarding delay in receivables shall be condoned by the regulatory authorities. Hence, no adjustments have been recorded in these restated financial statements.				
<b>46</b>	For disclosures related to credit risk, impairment of trade receivables under expected credit loss model and related disclosures.				
<b>15</b>	<b>Cash and cash equivalents</b>				
	Cash-on-hand	0.04	0.04	0.02	0.02
	Balances with banks in:				
	Current accounts	74.51	64.63	10.18	8.08
	EEFC accounts	8.05	5.91	16.36	-
	Deposits account (maturing within a period of 3 months)	579.10	53.65	1.45	12.82
	<b>Total</b>	<b>661.70</b>	<b>124.23</b>	<b>28.01</b>	<b>20.92</b>
<b>16</b>	<b>Bank balances other than cash and cash equivalents</b>				
(a)	Deposits held as margin money/ guarantees/security	305.82	73.95	513.64	419.67
	<b>Total</b>	<b>305.82</b>	<b>73.95</b>	<b>513.64</b>	<b>419.67</b>
(a)	The deposits are pledged as securities with banks for the borrowings.				

**Skandray Technologies Limited**

(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>17</b>	<b>Loans</b>				
	[Current]				
(a)	Security deposit [unsecured]				
	Considered good	3.17	3.50	11.52	14.29
(b)	Intercompany deposits/Loans	110.25	-	-	34.07
	Loans and advance to employees	9.65	7.06	7.72	5.53
	<b>Total</b>	<b>123.07</b>	<b>10.56</b>	<b>19.24</b>	<b>53.89</b>
(a)	Security deposits are primarily in relation to EMD deposits against contracts, deposit with Government authorities, lease deposit, statutory deposit like electricity and other deposits.				
(b)	Intercompany deposits and loans is given to Skandray Healthcare and rate of interest is 5% per annum.				
<b>18</b>	<b>Other financial assets</b>				
	[Current (unsecured) considered good]				
	Interest accrued on				
	Deposit with banks	7.82	2.11	8.56	2.17
	Intercompany deposits and others	8.30	14.63	-	0.34
	<b>Total</b>	<b>16.12</b>	<b>16.74</b>	<b>8.56</b>	<b>2.51</b>
<b>19</b>	<b>Other current assets</b>				
	[Unsecured]				
(a)	Balances with Government authorities				
	Considered good	64.62	75.28	77.01	88.88
	Credit impaired	4.54	4.54	3.49	-
	Less: Allowance for doubtful balances	(4.54)	(4.54)	(3.49)	-
		64.62	75.28	77.01	88.88
	Advances to suppliers				
	Considered good	66.42	81.46	49.66	19.79
	Credit impaired	3.69	5.03	3.85	2.19
	Less: Allowance for doubtful balances	(3.69)	(5.03)	(3.85)	(2.19)
		66.42	81.46	49.66	19.79
(b)	Prepaid expenses	12.48	0.71	3.32	2.10
	Contractually reimbursable expenditure	-	-	0.02	0.02
	<b>Total</b>	<b>143.52</b>	<b>157.45</b>	<b>130.01</b>	<b>110.79</b>
(a)	Balances with Government authorities relates to input credit entitlements and GST balances and other balances with regulatory authorities.				
(b)	Prepaid expenses includes share issue expenses accrued of ₹ 11.72 as at 31 December 2020 in connection with proposed public offer of equity shares. These expenses shall be adjusted against securities premium to the extent permissible under section 52 of the Companies Act, 2013 on the successful completion of Initial Public Offer (IPO). The entire amount has been carried forward and disclosed under the head 'Other current assets' as 'Prepaid expenses'. Share issue expenses of ₹ 11.72 as at 31 December 2020 includes a sum of ₹ 6.75 accrued towards audit fees.				

**Note**

**No.**

**20 Equity**

Particulars	As at							
	31-Dec-2020		31-Mar-2020		31-Mar-2019		31-Mar-2018	
	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹
	Ind AS		Ind AS		Proforma Ind AS		Proforma Ind AS	
<b>Authorised capital</b>								
(a) Equity shares of ₹ 10/- each	1,85,72,900	185.73	1,85,72,900	185.73	1,85,72,900	185.73	1,85,72,900	185.73
(b) Compulsorily convertible preference shares of ₹ 30/- each	40,00,000	120.00	40,00,000	120.00	40,00,000	120.00	40,00,000	120.00
(c) 11.5% Redeemable preference shares of ₹ 1,000/- each	1,30,000	130.00	1,30,000	130.00	1,30,000	130.00	1,30,000	130.00
<b>Total</b>		<b>435.73</b>		<b>435.73</b>		<b>435.73</b>		<b>435.73</b>
<b>Issued, subscribed and fully paid up capital</b>								
Equity shares of ₹. 10/- each	1,82,92,409	182.92	1,82,92,409	182.92	1,82,92,409	182.92	1,82,92,409	182.92
Compulsorily convertible preference shares of ₹ 30/- each	39,57,425	118.72	39,57,425	118.72	39,57,425	118.72	39,57,425	118.72
11.5% Redeemable preference shares of ₹ 1,000/- each	80,000	-	80,000	-	80,000	-	-	-
<b>Total</b>		<b>301.64</b>		<b>301.64</b>		<b>301.64</b>		<b>301.64</b>

**A Terms and rights attached to shares**

- (a) The Company has only one class of equity shares, having a par value of ₹ 10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The Dividend proposed by Board of Directors is subject to approval by the shareholders at the Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares are entitled to receive only residual assets of the Company. The distribution will be in proportion to number of equity shares held by the shareholders.

The authorised equity share capital of the company has been increased to 50,000,000 equity shares of ₹ 10/- Each with effect from 15-Jan-2021.

- (b) The shareholder of Compulsory convertible preference shareholders ('CCPS') shall be entitled to voting rights on 'as if converted basis'. CCPS of the Company shall rank pari passu with the existing issued equity shares with respect to all stock activities including voting rights, dividends and rights issuance.

The CCPS shall attract a dividend of 0.001% per annum of the subscription price paid by the CCPS holders. The dividends would be cumulative, if not paid on specific annual dates and would be paid prior to any dividend with respect to the equity shares. Any accrued but unpaid dividend on the CCPS till the date of conversion shall be paid. In case of liquidation, the holders of CCPS will have preference over holders of equity shares on dividend and repayment of capital.

The investor shall have the right to convert the CCPS into equity shares at any time post the First Closing Date (the date when the infusion of the First Tranche Investment Amount by the Investor into the Company and the simultaneous issue of the First Tranche Investor Shares by the Company to the Investor). The number of equity share to be converted depends on the dates of conversion of CCPS. Any CCPS which is outstanding on the completion of a period of 10 years from the date of its issue (August 2013) shall immediately and automatically be converted into equity shares of the Company at the Floor valuation (which is the price at the lower end of the price band).

Based on the letter dated 25-Aug-2017, the holders of CCPS has agreed to convert the CCPS into a fixed number of equity shares i.e. 10,589,041 equity shares. The Company is obliged under the agreement to only issue the exact amount of shares in the event of conversion.

- (c) The Redeemable preference shares ('RPS') shareholders shall be entitled to rank, as regards to repayment of redemption amount and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any future participation in profits or assets or surplus funds. The RPS attract a dividend of 11.5% per annum. The Dividends would be cumulative, if not paid on specific annual dates and would be paid prior to any dividend with respect to the equity shares. In accordance with accounting policy followed by the Company, RPS have been classified as non-current borrowings.

Note

No.

**B Reconciliation of the number of preference shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	As at							
	31-Dec-2020		31-Mar-2020		31-Mar-2019		31-Mar-2018	
	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹
	Ind AS		Ind AS		Proforma Ind AS		Proforma Ind AS	
<b>Equity shares of ₹ 10/- each</b>								
Opening balance	1,82,92,409	182.92	1,82,92,409	182.92	1,82,92,409	182.92	1,82,92,409	182.92
Add: Issued during the period / year	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>1,82,92,409</b>	<b>182.92</b>	<b>1,82,92,409</b>	<b>182.92</b>	<b>1,82,92,409</b>	<b>182.92</b>	<b>1,82,92,409</b>	<b>182.92</b>
<b>Compulsorily convertible preference shares of ₹ 30/- each</b>								
Opening balance	39,57,425	118.72	39,57,425	118.72	39,57,425	118.72	39,57,425	118.72
Add: Issued during the period / year	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>39,57,425</b>	<b>118.72</b>	<b>39,57,425</b>	<b>118.72</b>	<b>39,57,425</b>	<b>118.72</b>	<b>39,57,425</b>	<b>118.72</b>
<b>11.5% Redeemable preference shares of ₹ 1,000/- each</b>								
Opening balance	80,000	80.00	80,000	80.00	-	-	-	-
Add: Issued during the period / year	-	-	-	-	80,000	80.00	-	-
<b>Closing balance</b>	<b>80,000</b>	<b>80.00</b>	<b>80,000</b>	<b>80.00</b>	<b>80,000</b>	<b>80.00</b>	<b>-</b>	<b>-</b>

**C Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at							
	31-Dec-2020		31-Mar-2020		31-Mar-2019		31-Mar-2018	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
	Ind AS		Ind AS		Proforma Ind AS		Proforma Ind AS	
<b>Equity shares of ₹ 10/- each</b>								
Vishwaprasad Alva	19,69,871	10.77%	19,69,871	10.77%	19,69,871	10.77%	19,69,871	10.77%
Agnus Holdings Private Limited	12,64,865	6.91%	12,64,865	6.91%	12,64,865	6.91%	12,64,865	6.91%
Agnus Capital LLP	53,68,794	29.35%	53,68,794	29.35%	53,68,794	29.35%	53,68,794	29.35%
Chayadeep Properties Private Limited	23,63,250	12.92%	23,63,250	12.92%	23,63,250	12.92%	23,63,250	12.92%
Chayadeep Ventures LLP	18,90,600	10.34%	18,90,600	10.34%	18,90,600	10.34%	18,90,600	10.34%
UTI Investment Advisory Services Limited	11,38,932	6.23%	11,38,932	6.23%	11,38,932	6.23%	11,38,932	6.23%
<b>Compulsorily convertible preference shares of ₹ 30/- each</b>								
UTI Investment Advisory Services Limited	39,57,425	100%	39,57,425	100%	39,57,425	100%	39,57,425	100%
<b>11.5% Redeemable preference shares of ₹ 1,000/- each</b>								
Agnus Capital LLP	80,000	100%	80,000	100%	80,000	100%	-	-

**D Aggregate number of shares issued for consideration other than cash**

Particulars	As at							
	31-Dec-2020		31-Mar-2020		31-Mar-2019		31-Mar-2018	
	No. of shares	₹	No. of shares	₹	No. of shares	₹	No. of shares	₹
	Ind AS		Ind AS		Proforma Ind AS		Proforma Ind AS	
Equity shares with voting rights fully paid up without payment being received in cash. [Equity shares allotted during the year 2013-14 as fully paid up pursuant to consideration on amalgamation.]	66,85,956	6.69	66,85,956	6.69	66,85,956	6.69	66,85,956	6.69

Note No.	Particulars	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>21</b>	<b>Other equity</b>				
(a)	Securities premium	1,019.36	1,019.36	1,019.36	1,019.36
(b)	Capital reserve	3.87	3.87	3.87	3.87
(c)	General reserve	16.89	15.02	12.52	10.02
(d)	Revaluation reserve	180.40	182.27	184.77	187.27
(e)	Retained earnings	308.82	(1,012.83)	(1,072.93)	(793.42)
(f)	Foreign currency translation reserve	4.98	0.61	6.15	3.32
<b>39</b>	Deemed capital contribution	65.00	65.00	65.00	65.00
	<b>Total</b>	<b>1,599.32</b>	<b>273.30</b>	<b>218.74</b>	<b>495.42</b>
(a)	<b>Securities premium</b>				
	Opening balance	1,019.36	1,019.36	1,019.36	1,019.36
	Received during the period / year	-	-	-	-
	<b>Closing balance</b>	<b>1,019.36</b>	<b>1,019.36</b>	<b>1,019.36</b>	<b>1,019.36</b>
(b)	<b>Capital reserve</b>				
	Opening balance	3.87	3.87	3.87	3.87
	Received during the period / year	-	-	-	-
	<b>Closing balance</b>	<b>3.87</b>	<b>3.87</b>	<b>3.87</b>	<b>3.87</b>
(c)	<b>General reserve</b>				
	Opening balance	15.02	12.52	10.02	7.52
	Transferred from revaluation reserve	1.87	2.50	2.50	2.50
	<b>Closing balance</b>	<b>16.89</b>	<b>15.02</b>	<b>12.52</b>	<b>10.02</b>
(d)	<b>Revaluation reserve</b>				
	Opening balance	182.27	184.77	187.27	189.77
	Transferred to general reserve	(1.87)	(2.50)	(2.50)	(2.50)
	<b>Closing balance</b>	<b>180.40</b>	<b>182.27</b>	<b>184.77</b>	<b>187.27</b>
(e)	<b>Retained earnings</b>				
(g)	Opening balance	(1,012.83)	(1,078.02)	(793.42)	(562.90)
	Profit / (loss) for the period / year	1,319.65	54.02	(290.52)	(229.18)
	Adjustment arising from change in non-controlling interests (net)	2.00	11.17	11.01	(1.34)
	<b>Closing balance</b>	<b>308.82</b>	<b>(1,012.83)</b>	<b>(1,072.93)</b>	<b>(793.42)</b>
(f)	<b>Foreign currency translation reserve</b>				
	Opening balance	0.61	6.15	3.32	(5.57)
	Add/(less): Other comprehensive income for the year / period	4.37	(5.54)	2.83	8.89
	Add/(Less): Movement during the period / year	-	-	-	-
	<b>Closing balance</b>	<b>4.98</b>	<b>0.61</b>	<b>6.15</b>	<b>3.32</b>

**Notes**

- (a) The securities premium account is used to record the premium on issue of shares and is utilised in accordance with the provisions of the Companies Act 2013.
- (b) Capital reserve consists of forfeiture of the amount received from partly paid preference share capital due to non-payment of final call money and represents reserve of the Company which are not available for distribution as dividend.
- (c) The general reserve is free reserve which is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income. Items included in general reserve will not be reclassified subsequently to profit or loss.
- (d) The Company had revalued its land and building on 31-Mar-2012, based on an appraisal taken by an external registered valuer. Such revaluation resulted in an enhancement in the value of land and building by ₹ 127.32 and ₹ 74.96 respectively which was credited to revaluation reserve as on the mentioned date.
- (e) Retained earnings represent the amount of accumulated earnings / deficit of the Company, and re-measurement gains/losses on defined benefit plans. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety. Remeasurement gain/(loss) - net on defined benefit plans ₹ (3.63) (31 March 2020: ₹ (3.42), 31 March 2019: ₹ (2.88) and 31 March 2018 ₹ 2.29) has been recognised during the year as part of retained earnings.
- (f) Exchange difference relating to translation of the results and net assets of the Group's foreign operations from the functional currencies to the Group's presentation currency (i.e Rs) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve in respect translating both the net assets of foreign operations are reclassified to profit or loss on the disposal of the foreign operation.
- (g) Under erstwhile GAAP, Goodwill on acquisition of business was amortised over a period of 5 years, whereas under Ind AS, the same is not amortised but tested for impairment. As of the date of transition i.e. 01-Apr-2019, the Company has adopted the deemed cost model and accordingly, the amortization of goodwill which was reversed in the proforma Ind AS financial information has been adjusted against opening equity as at the date of transition.

**22 Non-controlling interest**

<b>Opening balance</b>	4.01	2.05	4.72	5.13
Proceeds from allotment of shares in subsidiary (net)	-	10.85	7.77	2.85
Add / (less): Profit/(loss) for the period/year	0.69	(10.66)	(9.69)	(1.76)
Add/less: Other comprehensive (expense)/income /for the period/year	(3.25)	0.96	(0.62)	-
Add/less: Adjustment arising from change in non-controlling interests (net)	(2.00)	0.81	(0.13)	(1.50)
<b>Closing balance</b>	<b>(0.55)</b>	<b>4.01</b>	<b>2.05</b>	<b>4.72</b>

Note No.	Particulars	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>23</b>	<b>Borrowings</b>				
	[Non-current]				
	Secured				
(a)	Term loan from bank and financial institutions	5.82	649.04	5.05	6.14
	Unsecured				
(b)	Term loan from bank and financial institutions	-	-	412.03	-
	Loan from others	-	-	-	4.20
(c)	11.5% Redeemable preference shares of ₹ 1,000/- each [RPS]	80.00	80.00	80.00	-
	<b>Total</b>	<b>85.82</b>	<b>729.04</b>	<b>497.08</b>	<b>10.34</b>
	<b>Details of security and repayment terms</b>				
(a)	Term loan from bank and financial institutions				
(i)	<b>Term loan</b>	1.19	643.95	-	-
	<b>Current maturities of long-term borrowings</b>	0.02	321.67	-	-
	Secured by all movable property, plant and equipment, immovable assets and current assets of the Company. Rate of interest: 0.50% to 15.5%. No. of instalments outstanding as at 31-Dec-2020 is 14 instalments [As at 31-Mar-20: 12 quarterly instalments].				
(ii)	<b>Vehicle loan</b>	4.63	5.09	5.06	6.10
	<b>Current maturities of long-term borrowings</b>	2.04	1.89	2.18	2.42
	Secured by charge over vehicle purchase against respective loan. Rate of interest: Base rate + 0.40% to 2.50%. No. of instalment varies between 24 to 84 monthly payment of equated monthly instalments beginning from the month subsequent to taking the loan. Number of instalments outstanding as at 31-Dec-2020 range between 1 to 76 instalments [31-Mar-20: 3 to 57 instalments; 31-Mar-19: 10 to 57 instalments; 31-Mar-18: 10 to 36 instalments].				
(b)	<b>Unsecured loan from banks</b>	-	-	416.67	-
	<b>Current maturities of long-term borrowings</b>	41.68	-	83.34	-
	Secured by unconditional and irrevocable personal guarantee of a shareholder in the Company. The loan is repayable in 12 equal monthly instalments, commencing from February 2020 and rate of interest is base rate+ 3 month MCLR rate.				
(c)	<b>11.5% Redeemable preference shares of ₹ 1,000/- each ['RPS']</b>	80.00	80.00	80.00	-
	The RPS shareholders shall be entitled to rank, as regards to repayment of redemption amount and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to any future participation in profits or assets or surplus funds. The RPS attract a dividend of 11.5% per annum and dividends on RPS would be cumulative, if not paid on specific annual dates and would be paid prior to any dividend with respect to the equity shares.				
	Non-current	85.82	729.04	501.73	6.10
	Current maturities of long-term borrowings	43.74	323.56	85.52	2.42
<b>24</b>	<b>Other financial liabilities</b>				
	[Non-current]				
	Dealer deposit	7.94	8.23	7.21	7.91
	<b>Total</b>	<b>7.94</b>	<b>8.23</b>	<b>7.21</b>	<b>7.91</b>
<b>25</b>	<b>Provisions</b>				
	[Non-current]				
	Provisions for employee benefits				
	Compensated absences	34.58	18.16	16.86	13.97
42	Gratuity	22.73	19.08	11.49	6.74
	Severance indemnities	84.03	67.81	71.98	65.05
	<b>Total</b>	<b>141.34</b>	<b>105.05</b>	<b>100.33</b>	<b>85.76</b>
<b>26</b>	<b>Borrowings</b>				
	[Current]				
	Secured				
	Loan from bank and financial institutions	166.67	95.25	920.12	854.80
	Unsecured				
	Loan from				
	Bank and financial institutions	-	-	20.16	50.00
	Related parties	64.61	46.67	6.00	166.51
	Others	304.04	109.92	11.05	80.00
	<b>Total</b>	<b>535.32</b>	<b>251.84</b>	<b>957.33</b>	<b>1,151.31</b>

Note No.	Particulars	As at			
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Details of security and repayment terms</b>					
(a)	<b>Loan from bank and financial institutions</b>				
	<b>Cash credit</b>				
	Secured by first hypothecation charge on inventory, book debts, fixed deposits and all current assets of the Company. Rate of interest: Base rate plus 0.84% to 11.75%.	166.67	95.25	920.12	854.80
	Unsecured - Secured by unconditional and irrevocable personal guarantee of a shareholder in the Company.	-	-	20.16	50.00
(b)	<b>Loan from related parties</b>				
	Interest on loans range from 6.5% to 15.5% per annum. Repayable on demand	64.61	46.67	6.00	166.51
(c)	<b>Loan from others</b>				
	Interest on loans range from 4% to 6% per annum. Repayable on demand	304.04	109.92	11.05	80.00
27	<b>Trade payables</b>				
	Trade Payables				
A	Total outstanding dues of micro enterprises and small enterprises	10.17	13.93	9.68	6.06
	Total outstanding dues of creditors other than micro and small enterprises	506.86	428.94	464.51	376.36
	<b>Total</b>	<b>517.03</b>	<b>442.87</b>	<b>474.19</b>	<b>382.42</b>
A	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>				
	Principal amount remaining unpaid to any supplier as at the end of the accounting year	10.17	13.93	9.68	6.06
	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.42	0.42	0.10	0.19
	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-	-
	The amount of interest due and payable for the period / year	0.12	0.35	1.67	1.47
	The amount of interest accrued and remaining unpaid at the end of the accounting period /	7.51	7.39	7.04	5.37
	The amount of further interest due and payable even in the succeeding period / year, until such date when the interest dues as above are actually paid	-	-	-	-
(i)	The above information regarding dues to Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.				
(ii)	As at 31-Dec-2020 a sum of ₹ 2.74 (31-Mar-2020: ₹ 1.07) towards foreign currency payable to the various parties, are outstanding for a period exceeding one year. The Company is in the process of obtaining necessary approvals for condonation of delay in remittance with the requisite authorities.				
28	<b>Other financial liabilities</b>				
	<b>[Current]</b>				
23	Current maturities of long-term borrowings	43.74	323.56	85.52	2.42
	Interest accrued but not due on borrowings	12.63	22.08	0.16	40.35
	Interest accrued on trade payables	7.51	7.39	7.04	5.37
	Trade/ security deposit received	3.11	3.12	4.04	2.71
	Interest on redeemable preference shares	21.99	15.07	5.87	-
	<b>Total</b>	<b>88.98</b>	<b>371.22</b>	<b>102.63</b>	<b>50.85</b>
29	<b>Other current liabilities</b>				
	<b>[Current]</b>				
	Statutory remittances	22.68	36.20	41.18	26.20
	Income received in advance (unearned revenue)	27.52	38.30	39.59	34.84
	Advance received from customers	50.66	92.50	15.24	22.19
42	Gratuity	8.68	7.99	8.24	6.87
	<b>Total</b>	<b>109.54</b>	<b>174.99</b>	<b>104.25</b>	<b>90.10</b>
25	<b>Provisions</b>				
	<b>[Current]</b>				
	Provisions for employee benefits				
	Compensated absences	3.91	4.83	5.98	3.17
(a)	Provision for warranty	34.23	23.00	22.22	16.48
	<b>Total</b>	<b>38.14</b>	<b>27.83</b>	<b>28.20</b>	<b>19.65</b>
(a)	<b>Details of movement in provision for warranty</b>				
	Opening balance	23.00	22.22	16.48	13.32
	Recognised during the period / year	27.27	24.76	17.50	16.58
	Utilised during the period / year	(16.04)	(23.98)	(11.76)	(13.42)
	<b>Closing balance</b>	<b>34.23</b>	<b>23.00</b>	<b>22.22</b>	<b>16.48</b>

A provision is an estimate of the expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. It is expected that most of these costs will be incurred over the next 12 months as per the warranty terms.



**Skandray Technologies Limited**

(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	For the year ended			
		For the nine months period ended	31-Mar-2020	31-Mar-2019	31-Mar-2018
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>30</b>	<b>Revenue from operations</b>				
<b>A</b>	<b>Revenue streams</b>				
(i)	Sale of products				
	Manufactured goods	1,728.40	1,322.14	1,475.97	1,162.50
	Traded goods	4.70	3.37	10.81	12.81
(i)	Sale of services				
	Annual maintenance charges	72.39	108.82	115.18	134.27
(ii)	License fees	1,650.00	-	-	-
	Other operating revenue				
	Scrap sale	0.82	0.84	0.97	0.42
	Export incentive	11.97	12.91	14.18	4.99
	Research and development grants	1.05	8.00	8.02	4.21
	<b>Total</b>	<b>3,469.33</b>	<b>1,456.08</b>	<b>1,625.13</b>	<b>1,319.20</b>

(i) The Group is into the business of (i) manufacturing and trading in medical equipments; and (ii) annual maintenance services of medical equipments.

(ii) License fees, ₹ 1,650 relates to income from license agreement for manufacture of critical care devices.

**B Disaggregated revenue information**

(a) In the following table, revenue from contracts with customers is disaggregated by primary geographical market:

Sale of products				
Manufactured goods				
India	1,180.83	721.62	864.28	647.49
Outside India	547.57	600.52	611.69	515.01
Traded goods				
India	4.70	3.37	10.81	12.78
Outside India	-	-	-	0.03
Sale of services				
Annual maintenance charges				
India	69.70	105.32	104.32	126.78
Outside India	2.69	3.50	10.86	7.49
License fees				
India	1,650.00	-	-	-
<b>Total</b>	<b>3,455.49</b>	<b>1,434.33</b>	<b>1,601.96</b>	<b>1,309.58</b>
Other operating revenue				
India	12.79	13.75	15.15	5.41
Outside India	1.05	8.00	8.02	4.21
<b>Total</b>	<b>13.84</b>	<b>21.75</b>	<b>23.17</b>	<b>9.62</b>
<b>Total revenue from operations</b>	<b>3,469.33</b>	<b>1,456.08</b>	<b>1,625.13</b>	<b>1,319.20</b>

(a) Geographical revenue is allocated based on the location of the customer

**C Contract balances**

(a) <b>Contract asset</b>				
Trade receivables	378.62	395.36	508.11	451.79
Less: Allowance for expected credit loss	(125.54)	(135.06)	(153.71)	(127.58)
<b>Total</b>	<b>253.08</b>	<b>260.30</b>	<b>354.40</b>	<b>324.21</b>
(a) <b>Contract liabilities</b>				
Income received in advance	27.52	38.30	39.59	34.84
Advance from customers	50.66	92.50	15.24	22.19
<b>Total</b>	<b>78.18</b>	<b>130.80</b>	<b>54.83</b>	<b>57.03</b>

(a) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as revenue as and when the performance obligation is satisfied.

**Skandray Technologies Limited**

(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	For the nine months period ended	For the year ended		
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>D</b>	<b>Unsatisfied performance obligations at the end of reporting period</b>				
	The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds to all such contracts that are entered for a period of 1 year or less.				
<b>E</b>	<b>Reconciliation of revenue from contract with customers</b>				
	Revenue from contracts with customers as per the contract price	3,469.33	1,471.53	1,646.05	1,319.20
	Adjustments made to contract price on account of				
	Discount	-	(15.45)	(20.92)	-
	<b>Revenue from contracts with customers as per statement of profit and loss</b>	<b>3,469.33</b>	<b>1,456.08</b>	<b>1,625.13</b>	<b>1,319.20</b>
<b>31</b>	<b>Other income</b>				
	Interest income on				
	Fixed deposits with banks	13.71	33.44	37.02	14.01
(i)	Others	6.02	14.63	-	1.52
	Financial assets carried at amortised cost	0.10	0.20	0.25	0.20
	Other non-operating income				
	Liabilities / provisions no longer required written back	13.78	19.14	4.44	83.49
	Gain on foreign currency transactions and translation (net)	-	2.90	-	-
	Miscellaneous income	2.25	4.63	2.38	1.48
	<b>Total</b>	<b>35.86</b>	<b>74.94</b>	<b>44.09</b>	<b>100.70</b>
(i)	Interest income on others includes interest income from related parties, refer note 47.				
<b>32</b>	<b>Cost of materials consumed</b>				
	Opening stock	268.18	270.72	268.04	201.42
	Add: Purchases	1,104.81	827.88	932.11	713.15
		<b>1,372.99</b>	<b>1,098.60</b>	<b>1,200.15</b>	<b>914.57</b>
	Less: Closing stock	(414.88)	(268.18)	(270.72)	(268.04)
6	Less: Expenses transferred to intangible assets under development	(4.93)	(17.78)	(49.55)	(29.76)
	<b>Total</b>	<b>953.18</b>	<b>812.64</b>	<b>879.88</b>	<b>616.77</b>
<b>33</b>	<b>Purchase of stock-in-trade</b>				
	Purchase of medical equipments	12.36	20.64	19.11	17.98
	<b>Total</b>	<b>12.36</b>	<b>20.64</b>	<b>19.11</b>	<b>17.98</b>
<b>34</b>	<b>Changes in inventories of finished goods, stock-in-trade and work-in-progress</b>				
(A)	Inventories at the end of the period / year:				
	Finished goods	264.09	209.70	178.80	170.44
	Work-in-progress	75.04	59.63	38.55	61.01
	Stock-in-trade	4.27	4.05	4.89	6.58
	<b>Total</b>	<b>343.40</b>	<b>273.38</b>	<b>222.24</b>	<b>238.03</b>
(B)	Inventories at the beginning of the year:				
	Finished goods	209.70	178.80	170.44	219.11
	Work-in-progress	59.63	38.55	61.01	37.12
	Stock-in-trade	4.05	4.89	6.58	12.95
	<b>Total</b>	<b>273.38</b>	<b>222.24</b>	<b>238.03</b>	<b>269.18</b>
	<b>(Increase) / decrease in stock (B-A)</b>	<b>(70.02)</b>	<b>(51.14)</b>	<b>15.79</b>	<b>31.15</b>

**Skansray Technologies Limited**

(Formerly Skansray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	For the nine months period ended	For the year ended		
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>35</b>	<b>Employee benefits expense</b>				
	Salaries & allowances	368.61	385.98	452.40	407.47
	Contributions to				
42	Provident fund	8.47	12.05	11.58	9.07
42	Gratuity fund	3.52	4.12	3.39	3.67
	Staff welfare expenses	39.03	53.22	23.77	24.38
		<b>419.63</b>	<b>455.37</b>	<b>491.14</b>	<b>444.59</b>
6	Less: Expenses transferred to intangible assets under development	(23.75)	(49.41)	(82.35)	(71.94)
	<b>Total</b>	<b>395.88</b>	<b>405.96</b>	<b>408.79</b>	<b>372.65</b>
<b>36</b>	<b>Finance costs</b>				
	Interest expense on				
	Borrowings	77.20	164.09	117.14	81.83
4	Lease liabilities	2.93	4.37	5.04	5.27
	Trade payables	0.12	0.35	1.67	1.47
	Delayed payment of taxes	-	1.73	3.36	-
	Interest on redeemable preference shares	6.92	9.20	5.87	-
	Bank and other processing charges	7.93	6.54	0.70	1.29
	<b>Total</b>	<b>95.10</b>	<b>186.28</b>	<b>133.78</b>	<b>89.86</b>
<b>37</b>	<b>Depreciation and amortization expense</b>				
3	Depreciation on property, plant and equipment	23.77	29.10	29.97	29.78
	Amortisation of				
4	Right-of-use assets	7.90	11.31	13.30	11.52
5	Intangible assets	77.86	86.22	79.29	53.43
	<b>Total</b>	<b>109.53</b>	<b>126.63</b>	<b>122.56</b>	<b>94.73</b>
<b>38</b>	<b>Other expenses</b>				
	Consumption of stores	10.77	16.02	22.33	19.62
	Power and fuel	5.35	12.20	12.35	17.21
4	Lease rents	7.61	9.69	9.04	5.66
	Repairs and maintenance				
	Buildings	0.11	0.86	0.83	0.24
	Plant and machinery	1.76	3.21	3.25	6.32
	Others	8.73	7.46	7.71	8.87
	Insurance	3.15	4.42	3.25	3.86
	Rates and taxes	2.82	12.60	9.36	17.99
	Sub-contracting charges	31.80	11.48	10.85	28.48
	Travelling and conveyance	23.55	37.07	47.32	43.97
	Sales commission	40.05	59.17	47.60	41.61
	Legal and professional fees	23.85	29.04	14.29	21.45
(i)	Payment to auditors	1.58	2.17	2.19	2.88
	Net loss on foreign currency transactions and translation	1.01	-	10.35	10.34
	Allowance for expected credit losses/provision for advances and security deposits	-	0.80	34.83	-
	Provision for diminution in investment	-	-	6.85	-
	Intangible asset under development written off	-	-	6.73	-
	Bad trade receivables, loans and advances written off (net)	2.16	1.20	16.08	5.01
25	Provision for warranty	27.27	24.76	17.50	16.58
	Loss on sale of property, plant and equipment (net)	-	-	0.93	0.03
	Sales promotion expense	13.46	3.94	9.85	8.28
	Research and development expenses	7.78	15.37	20.14	4.81
	Miscellaneous expenses	46.95	67.05	72.09	90.40
		<b>259.76</b>	<b>318.51</b>	<b>385.72</b>	<b>353.61</b>
6	Less: Expenses transferred to Intangible assets under development	(0.80)	-	(2.22)	(2.00)
	<b>Total</b>	<b>258.96</b>	<b>318.51</b>	<b>383.50</b>	<b>351.61</b>

**Skandray Technologies Limited**

(Formerly Skandray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

Note No.	Particulars	For the nine months period ended	For the year ended		
		31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
		Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>(i) Details of payment to auditors</b>					
Payment to auditors for *					
Statutory audit	1.58	2.10	2.10	1.80	
Out-of-pocket expense	-	0.07	0.09	0.12	
Statutory auditor of subsidiaries and joint ventures	-	-	-	0.96	
<b>Total</b>	<b>1.58</b>	<b>2.17</b>	<b>2.19</b>	<b>2.88</b>	

\*Excludes ₹ 6.75 pertaining to fee for Initial Public Offer which is disclosed under prepaid expenses (Share issue expenses) under the head other current assets referred to in Note 19.

**39 Exceptional items**

(a)	Write-off of non-current investments	-	-	-	64.98
(b)	Provision for bad debts released	-	-	-	(7.70)
(b)	Loans and advance written off	-	-	-	7.70
(b)	Loss on sale of non-current investments	-	-	-	7.20
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72.18</b>

(a) The Company, during the year 2016-17, made an investment in Rathi Vikram Healthcare Infrastructure LLP (“RVHI” or “LLP”) by way of current account investment in the LLP. The Company is eligible to a share of profit/loss of 18% in LLP. The investment in LLP was made based on a loan taken from a shareholder of the Company. The operations of RVHI could not materialize as expected and consequently, the investment in RVHI is written off in the books. Also, the shareholder from whom the loan was obtained, has consented to waive off the loan and therefore the same is written back. These transactions have been disclosed under as deemed capital contribution in the restated consolidated Financial information.

(b) The Company, during 2016-17, committed to make an investment of ₹ 15.00 in telemedicine and homecare project being run by Riverview Healthcare Private Limited (“RHPL”). In line with the above, the Company gave a loan of ₹ 7.70 to RHPL during 2016-17 and invested in the equity shares of RHPL aggregating to ₹ 7.20 during 2017-18. However, this pilot project could not be implemented as per the plan as the hospital was not having enough patients. Based on the information available with the Management of the Company, RHPL was undergoing winding up proceedings during the year ended 31 March 2018. To ensure full exit from investments in RHPL, the Company has written off the loan of ₹ 7.70 and sold off the investments in shares for an aggregate consideration of ₹ 720, thereby recording a loss on sale of investments of ₹ 7.20 during the year 2017-18. The above transactions have been disclosed under “exceptional items” in the financial statements.

**Note**

**No. 40 Tax expense / (credit)**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Current tax	103.35	-	-	-
Deferred tax expense / (credit)	319.55	(326.11)	-	-
<b>Total income tax expense/(credit) in the statement of profit and loss</b>	<b>422.90</b>	<b>(326.11)</b>	-	-
<b>Tax expense/(credit) on items recognised in OCI</b>	<b>(1.97)</b>	<b>0.41</b>		

**(a) Movement in deferred tax asset / (liabilities)**

Particulars	31-Dec-2020			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Deferred tax arising on account of</b>				
Property, plant and equipment, right-of-use asset and other intangible assets	(48.79)	(7.00)	-	(55.79)
Provision for employee benefits	15.00	(0.46)	2.25	16.79
Provision for expected credit loss	41.50	(2.25)	-	39.25
Provision for warranty	12.93	(5.51)	-	7.42
Unabsorbed depreciation and business losses	304.33	(304.33)	-	-
Others	0.73	-	(0.28)	0.45
<b>Total deferred income tax assets / (liabilities)</b>	<b>325.70</b>	<b>(319.55)</b>	<b>1.97</b>	<b>8.12</b>

Particulars	31-Mar-2020			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Deferred tax arising on account of</b>				
Property, plant and equipment, right-of-use asset and other intangible assets	(47.93)	(0.86)	-	(48.79)
Provision for employee benefits	13.97	2.61	(1.58)	15.00
Provision for expected credit loss	26.58	14.92	-	41.50
Provision for warranty	7.38	5.55	-	12.93
Unabsorbed depreciation and business losses		304.33	-	304.33
Others		(0.44)	1.17	0.73
<b>Total deferred income tax assets / (liabilities)</b>	<b>-</b>	<b>326.11</b>	<b>(0.41)</b>	<b>325.70</b>

Particulars	31-03-2019 [Proforma Ind AS]			
	Opening balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income	Closing balance
<b>Deferred tax arising on account of</b>				
Property, plant and equipment, right-of-use asset and other intangible assets	(47.93)	-	-	(47.93)
Provision for employee benefits	13.97	-	-	13.97
Provision for expected credit loss	26.58	-	-	26.58
Provision for warranty	7.38	-	-	7.38
<b>Total deferred income tax assets / (liabilities)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Reconciliation between the income tax expense and amounts computed by applying the Indian statutory income tax rate to profit before taxes is as follows:**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Profit / (loss) before tax [A]</b>	<b>1,750.20</b>	<b>(288.50)</b>	<b>(294.19)</b>	<b>(161.05)</b>
Income tax rate [B]	25.17%	25.63%	26.00%	30.90%
<b>Income tax expense [A*B]</b>	<b>440.49</b>	<b>(73.93)</b>	<b>(76.49)</b>	<b>(49.76)</b>
Effect of expenses that are not deductible in determining taxable profit	(2.84)	(3.42)	-	-
Effect of previously unrecognised deferred tax credit on leave encashment	(0.45)	(13.88)	-	-
Effect of previously unrecognised tax losses now recouped to reduce current tax expense	21.32	(382.74)	-	-
Effect of change in tax rate	(0.44)	-	-	-
Deferred tax asset not recognised	-	-	76.49	49.76
<b>Total tax expense / (credit) recognised in the statement of profit and loss</b>	<b>422.90</b>	<b>(326.11)</b>	<b>-</b>	<b>-</b>

**Note No.**

**41 Earnings per share**

Particulars	For the nine months period ended		For the year ended	
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Profit for the period/year attributable to the equity shareholders	1,321.46	38.78	(298.00)	(222.05)
Weighted average number of equity shares (Nos.)	1,82,92,409	1,82,92,409	1,82,92,409	1,82,92,409
Weighted average potential equity shares due to CCPS (Nos.)	1,05,89,041	1,05,89,041	1,05,89,041	64,40,458
<b>Weighted average number of equity shares used in the calculation of basic and diluted EPS (Nos.)</b>	<b>2,88,81,450</b>	<b>2,88,81,450</b>	<b>2,88,81,450</b>	<b>2,47,32,867</b>
Par value per equity share (₹)	10.00	10.00	10.00	10.00
Basic earning per share (₹)	45.75	1.34	(10.32)	(8.98)
Diluted earning per share (₹)	45.75	1.34	(10.32)	(8.98)

**42 Employee benefits**

**A Defined contribution plans**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The Company makes provident fund and employee state insurance scheme contributions which are defined contribution plans for qualifying employees.

**(a) Provident fund**

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary.

**(b) Employee State Insurance Scheme**

The Company provides employee state insurance scheme ['Scheme'] for all eligible employees at rates specified in the rules of the Schemes. These contributions are recognised as staff welfare expenses.

**The Company's contribution towards above defined contribution plans for the period / year ended charged to statement of profit and loss:**

Particulars	For the nine months period ended		For the year ended	
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
35 Provident fund	8.47	12.05	11.58	9.07
35 Employee State Insurance Scheme	0.57	0.81	1.02	1.01

**B Defined benefit plans**

**Gratuity**

The entity has a defined benefit gratuity plan in India (funded). The entity's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund. The fund is managed by a trust which is governed by the Board of Trustees. The Board of Trustees are responsible for the administration of the plan assets and for the definition of the investment strategy. Gratuity is a defined benefit plan and entity is exposed to the following risks:

- (i) Interest rate risk: A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
- (ii) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
- (iii) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
- (iv) Asset liability matching risk: The plan faces the Asset Liability Matching (ALM) risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.
- (v) Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
- (vi) Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

Note  
No.

(a) **The principal assumptions used for the purposes of the actuarial valuations were as follows:**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Discount rate	5.54%	6.24%	7.07%	7.80%
Expected return on plan assets	5.54%	6.24%	7.07%	7.80%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%
Rate of employee turnover				
Less than 2 years	30%	22%	22%	25%
Less than 4 years	20%	22%	22%	25%
5 years and above	10%	13%	13%	6%
Retirement age in years	58	58	58	58
Mortality rate during employment	Indian Assured Lives Mortality [IALM] (2006-08) Ult			

(b) **Movements in the present value of the defined benefit obligations are as follows:**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Opening defined benefit obligations</b>	<b>31.78</b>	<b>27.30</b>	<b>22.17</b>	<b>21.00</b>
Current service cost	2.25	2.73	2.33	2.56
Interest cost	1.48	1.93	1.73	1.56
Past service cost	-	-	-	0.14
Benefit paid from the fund	(1.00)	(2.95)	(1.83)	(0.90)
Remeasurement (gains)/losses:				
Actuarial (gains)/losses arising from changes in demographic assumptions	0.23	-	0.83	(0.26)
Actuarial (gains)/losses arising from changes in financial assumptions	1.47	1.18	0.84	(0.64)
Actuarial (gains)/losses arising from experience assumptions	1.73	1.59	1.23	(1.29)
<b>Closing defined benefit obligation</b>	<b>37.94</b>	<b>31.78</b>	<b>27.30</b>	<b>22.17</b>

(c) **Change in fair value of plan assets:**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Fair value of plan assets at beginning of year</b>	<b>4.71</b>	<b>7.57</b>	<b>8.56</b>	<b>7.93</b>
Interest Income	0.22	0.54	0.67	0.59
Contributions by the employer	2.80	0.20	0.15	0.84
Return on plan assets, excluding interest income	(0.20)	(0.65)	0.02	0.10
Benefit paid from the fund	(1.00)	(2.95)	(1.83)	(0.90)
<b>Fair value of plan assets at end of year</b>	<b>6.53</b>	<b>4.71</b>	<b>7.57</b>	<b>8.56</b>

(i) The fund is managed by LIC, the fund manager. The details of composition of plan assets managed by the fund manager is not available with the Company. However, the said funds are subject to Market risk (such as interest risk, investment risk, etc.).

(d) **Amounts to be recognized in balance sheet:**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Present value of defined benefit obligation	37.94	31.78	27.30	22.17
Fair value of plan assets	(6.53)	(4.71)	(7.57)	(8.56)
<b>Net (liability) / asset recognized</b>	<b>31.41</b>	<b>27.07</b>	<b>19.73</b>	<b>13.61</b>
25 Non-current	22.73	19.08	11.49	6.74
29 Current	8.68	7.99	8.24	6.87

Note  
No.

(e) **Expense recognised in the statement of profit and loss consists of:**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Components of statement of profit / loss				
Current service cost	2.25	2.73	2.33	2.56
Interest cost	1.27	1.39	1.06	0.97
Past service cost	-	-	-	0.14
<b>Total</b>	<b>3.52</b>	<b>4.12</b>	<b>3.39</b>	<b>3.67</b>

(f) **Expenses recognized in the other comprehensive income (OCI)**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Actuarial (gains)/losses arising from changes in demographic assumptions	0.23	-	0.83	(0.26)
Actuarial (gain)/loss due to changes in financial assumptions	1.47	1.18	0.84	(0.64)
Actuarial (gain)/loss on account of experience adjustments	1.73	1.59	1.23	(1.28)
Return on plan assets excluding amounts included in interest income	0.20	0.65	(0.02)	(0.11)
<b>Total actuarial (gain)/loss recognised in OCI</b>	<b>3.63</b>	<b>3.42</b>	<b>2.88</b>	<b>(2.29)</b>

(g) **Sensitivity analysis of significant assumptions:**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Discount rate				
Increase by 100 basis points	(2.06)	(1.41)	(1.14)	(1.43)
Decrease by 100 basis points	2.33	1.57	1.26	1.63
Salary increase				
Increase by 100 basis points	2.16	1.45	1.20	1.63
Decrease by 100 basis points	(1.95)	(1.34)	(1.11)	(1.45)
Employee turnover				
Increase by 100 basis points	(0.26)	(0.12)	(0.06)	(0.04)
Decrease by 100 basis points	0.28	0.13	0.06	0.05

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(h) **Maturity analysis of the benefit payments:**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Year 1	4.23	4.38	5.00	1.84
Year 2-5	18.23	16.24	13.72	8.94
Year 6-10	13.33	12.93	10.99	10.80
Above 10 years	20.16	11.73	10.47	23.20

C **Staff severance indemnities [Skan X Radiology Devices S.p.A, Italy]**

The Employee termination indemnities are estimated annually in accordance with Article 2120 of the Italian Civil Code. (The calculation of the coefficient and the relative of the re-estimation is determined on the analysis and values measured by National Institute for Statistics, Italy considering a fixed rate of 1.50% and a variable that is equal to 75% of a possible increase of the index costs for consumption, estimated by the month of December in the year and reported to employees' families, employees and workers.)

**Liability recognized as on the balance sheet date**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Current	-	-	-	-
Non-current	84.03	67.81	71.98	65.05



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**Note****No.****43 Contingent liabilities**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Claims against the Company not acknowledged as debt				
Disputed vendor claims	9.77	6.83	5.79	5.55
(i) Disputed service tax dues including interest and penalties	12.82	12.82	12.82	-

(i) The above amount has been arrived at based on the notice of demand and the Company is contesting this claim with the respective authority. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

(ii) During the financial year 2019-20, the Income tax authorities ('IT authorities') carried out a search at the premises of the Company and the residence of certain officials of the Company in pursuance of Section 132 of the Income Tax Act, 1961 ('Act'). Further, during the financial years 2019-20 and 2020-21, the IT authorities by way of issue of notices/summons, sought various details from the Company and its employees/shareholders which were duly furnished.

The IT authorities issued notices dated November 19, 2020 under section 153A of the IT Act for six years i.e. FY 2013-14 to FY 2018-19 directing the Company to file a return of income ('ROI') disclosing its true and correct income for the above-stated six years. The Company has filed the same without any adjustments to its earlier filed tax returns for the years mentioned above. The Company has been furnishing the details/ clarifications called for by the IT Authorities from time to time.

The IT authorities have currently not issued any show case notice identifying any issues resulting in additional income for the Company. The Company is of the view that it is in compliance with the Income Tax Laws and Rules as applicable to it and accordingly, the above action by the IT authorities would not have any impact on the financial statements of the Company for the period/years covered under these financial statements.

**Note**

**No.**

**44 Financial instrument - Accounting, Classification and Fair Values**

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes forming the part of the financial statements.

**(a) Financial assets and liabilities**

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at respective balance sheet date

<b>Particulars</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>FVTOCI</b>	<b>Total carrying value</b>	<b>Total fair value</b>
<b>31-Dec-2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents [including other bank balances]	967.52	-	-	967.52	967.52
Trade receivables	253.08	-	-	253.08	253.08
Loans	133.13	-	-	133.13	133.13
Other financial assets	27.51	-	-	27.51	27.51
<b>Total</b>	<b>1,381.24</b>	<b>-</b>	<b>-</b>	<b>1,381.24</b>	<b>1,381.24</b>
<b>Financial liabilities</b>					
Trade payables	517.03	-	-	517.03	517.03
Borrowings	664.88	-	-	664.88	664.88
Lease Liabilities	60.98	-	-	60.98	60.98
Other financial liabilities	53.18	-	-	53.18	53.18
<b>Total</b>	<b>1,296.07</b>	<b>-</b>	<b>-</b>	<b>1,296.07</b>	<b>1,296.07</b>
<b>31-Mar-2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents [including other bank balances]	198.18	-	-	198.18	198.18
Trade receivables	260.30	-	-	260.30	260.30
Loans	20.88	-	-	20.88	20.88
Other financial assets	34.13	-	-	34.13	34.13
<b>Total</b>	<b>513.49</b>	<b>-</b>	<b>-</b>	<b>513.49</b>	<b>513.49</b>
<b>Financial liabilities</b>					
Trade payables	442.87	-	-	442.87	442.87
Borrowings	1,304.44	-	-	1,304.44	1,304.44
Lease Liabilities	65.39	-	-	65.39	65.39
Other financial liabilities	55.89	-	-	55.89	55.89
<b>Total</b>	<b>1,868.59</b>	<b>-</b>	<b>-</b>	<b>1,868.59</b>	<b>1,868.59</b>
<b>31-Mar-2019</b>					
<b>[Proforma Ind AS]</b>					
<b>Financial assets</b>					
Cash and cash equivalents [including other bank balances]	541.65	-	-	541.65	541.65
Trade receivables	354.40	-	-	354.40	354.40
Investment in gold	-	-	-	-	-
Loans	69.78	-	-	69.78	69.78
Other financial assets	20.38	-	-	20.38	20.38
<b>Total</b>	<b>986.21</b>	<b>-</b>	<b>-</b>	<b>986.21</b>	<b>986.21</b>
<b>[Proforma Ind AS]</b>					
<b>Financial liabilities</b>					
Trade payables	474.19	-	-	474.19	474.19
Borrowings	1,539.93	-	-	1,539.93	1,539.93
Lease Liabilities	72.36	-	-	72.36	72.36
Other financial liabilities	24.32	-	-	24.32	24.32
<b>Total</b>	<b>2,110.80</b>	<b>-</b>	<b>-</b>	<b>2,110.80</b>	<b>2,110.80</b>
<b>31-Mar-2018</b>					
<b>[Proforma Ind AS]</b>					
<b>Financial assets</b>					
Cash and cash equivalents [including other bank balances]	440.59	-	-	440.59	440.59
Trade receivables	324.21	-	-	324.21	324.21
Investment in gold	-	-	-	-	-
Loans	65.51	-	-	65.51	65.51
Other financial assets	7.62	-	-	7.62	7.62
<b>Total</b>	<b>837.93</b>	<b>-</b>	<b>-</b>	<b>837.93</b>	<b>837.93</b>
<b>[Proforma Ind AS]</b>					
<b>Financial liabilities</b>					
Trade payables	382.42	-	-	382.42	382.42
Borrowings	1,164.07	-	-	1,164.07	1,164.07
Lease Liabilities	75.43	-	-	75.43	75.43
Other financial liabilities	56.34	-	-	56.34	56.34
<b>Total</b>	<b>1,678.26</b>	<b>-</b>	<b>-</b>	<b>1,678.26</b>	<b>1,678.26</b>

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**Note****No.****(b) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group does not have any financial instrument which have been measured using the valuation techniques as per level 1.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices). The Group does not have any financial instrument which have been measured using the valuation techniques as per level 2.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The Group does not have any financial instrument which have been measured using the valuation techniques as per level 3.

- (i) Other financial assets, cash and cash equivalents, trade receivables except long term trade receivables, loans and advances, trade payables and other financial liabilities are stated at carrying value which is approximates their fair value.
- (ii) All borrowings except one have variable interest rate which gets adjusted periodically based on the change in interest rate. The borrowing which is at fixed rate approximates the market interest rate. Hence the carrying value approximates the fair value.
- (iii) Interest on RPS approximates market rate. Hence the carrying value approximates the fair value.
- (iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (v) There have been no transfers between Level 1 and Level 2 during the reporting period.

**45 Capital management**

The capital structure of the Group consists of share capital comprising of equity and preference share capital, debt, cash and cash equivalents accumulated reserves like general reserve, retained earnings, capital reserve and securities premium as disclosed in the statement of changes in equity.

The Group's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Group's ability to meet its liquidity requirements and repay loans as they fall due.

The Group manages its capital on the basis of net debt to equity ratio. Net debt comprises of long term and short term borrowings less cash and cash equivalents.

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Total borrowings	664.88	1,304.44	1,539.93	1,164.07
Less: Cash and cash equivalents [including fixed deposits with banks with more than 12 months maturity]	978.32	203.48	546.98	445.65
<b>Net debt [A]</b>	-	<b>1,100.96</b>	<b>992.95</b>	<b>718.42</b>
Total equity [B]	1,900.96	574.94	520.38	797.06
<b>Gearing ratio [A/B]</b>	-	<b>191%</b>	<b>191%</b>	<b>90%</b>

**46 Financial risk management objectives and policies**

The Group's principal financial liabilities comprises of borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash that derive directly from its operations.

The Group is exposed to the following risks from its use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk
- (d) Foreign currency exchange rate risk
- (e) Interest rate risk

The Group's Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Group's objectives, policies and processes for measuring and managing risk.

**(a) Credit risk**

The Group is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Group's exposure to credit risk primarily relates to trade receivables. The Group monitors and limits its exposure to credit risk on a continuous basis. The Group's credit risk associated with trade receivable is primarily related to customers not able to settle their obligation as agreed upon. To manage this, the Group periodically reviews the financial reliability of its customers, taking into account their financial condition, current economic trends and analysis of historical bad debts and ageing of trade receivables.

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**Note****No.**

Financial instruments that are subject to such risk, principally consist of investments, trade receivables, loans, other financial assets and cash. None of the financial instruments of the Group results in material concentration of credit risks except trade receivables where revenues from transactions with 2 customers individually amount to 10 per cent or more of the Group's revenues for the periods presented below. Maximum exposure to credit risk of the Group has been listed below:

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
(i) Trade receivables	253.08	260.30	354.40	324.21
Loans	133.13	20.88	69.78	65.51
Investments	-	-	-	-
Other financial assets	27.51	34.13	20.38	7.62
Cash and bank balances	967.52	198.18	541.65	440.59

**(i) Trade receivables**

Trade receivables represent the most significant exposure to credit risk and is managed by the Group through policies, procedures and controls relating to customer credit risk management. Outstanding trade receivables are monitored at regular intervals. Impairment analysis is performed at each reporting date on individual customer basis.

The Group applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109, Financial Instruments which permits the use of the lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Group. Forward-looking information (including macroeconomic information) has been incorporated into the determination of expected credit losses. The Group has taken dealer deposits which are considered as collateral and these are considered in determination of expected credit losses, where applicable.

**Amounts pertaining to these collaterals are as given below**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Dealer deposit	7.94	8.23	7.21	7.91

**Reconciliation of loss allowance for trade receivables**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Trade and other receivables (measured under life time excepted credit loss model)</b>				
Opening balance	135.06	153.71	127.58	208.80
Provided during the period / year	-	0.80	34.83	-
Adjustment / reversal of provision	(9.52)	(19.45)	(8.70)	(81.22)
<b>Closing balance</b>	<b>125.54</b>	<b>135.06</b>	<b>153.71</b>	<b>127.58</b>

No significant changes in estimation techniques or assumptions were made during the reporting period.

**(b) Liquidity risk**

The Group is exposed to liquidity risk related to its ability to fund its obligations as and when they become due. The Group monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Group has access to credit facilities and monitors cash and bank balances on a regular basis. In relation to the Group's liquidity risk, the Group's policy is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses.

**Note**

**No.**

**Maturities of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	< 1 year	1-5 years	> 5 years	Total
<b>31-Dec-2020</b>				
<b>[Ind AS]</b>				
Borrowings other than RPS and lease liabilities	594.10	1.19	2.22	597.51
Lease liabilities	10.97	32.60	10.42	53.99
Borrowings - RPS	-	80.00	-	80.00
Trade payables	517.03	-	-	517.03
Other financial liabilities	32.61	-	7.94	40.55
<b>31-Mar-2020</b>				
<b>[Ind AS]</b>				
Borrowings other than RPS and lease liabilities	596.69	649.04	0.79	1,246.52
Lease liabilities	12.45	32.86	23.31	68.62
Borrowings - RPS	-	80.00	-	80.00
Trade payables	442.87	-	-	442.87
Other financial liabilities	25.58	-	8.23	33.81
<b>31-Mar-2019</b>				
<b>[Proforma Ind AS]</b>				
Borrowings other than RPS and lease liabilities	1,038.36	421.73	-	1,460.09
Lease liabilities	14.63	36.59	28.62	79.83
Borrowings - RPS	-	80.00	-	80.00
Trade payables	474.19	-	-	474.19
Other financial liabilities	16.95	-	7.21	24.16
<b>31-Mar-2018</b>				
<b>[Proforma Ind AS]</b>				
Borrowings other than RPS and lease liabilities	1,198.32	6.10	-	1,204.42
Lease liabilities	15.35	37.64	36.37	89.35
Trade payables	382.42	-	-	382.42
Other financial liabilities	8.08	-	7.91	15.99

**(c) Market risk**

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**(i) Foreign currency exchange rate risk**

The Group deals with receivables, payables, advance to suppliers and advance from customers and is therefore exposed to foreign exchange risk associated with exchange rate movement. The Group operates internationally and portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

There are no forward exchange contracts which have been entered into by the Group as at the reporting dates

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of year expressed in ₹, are as follows:

Particulars	Currency	As at			
		31-Dec-2020		31-Mar-2020	
		Forex	₹	Forex	₹
		Ind AS		Ind AS	
Trade Payables	USD	0.30	21.77	0.67	50.72
	EUR	0.02	2.09	0.13	10.73
	JPY	0.03	0.02	0.14	0.09
	GBP	-	-	0.01	0.24
Trade Receivables	USD	1.10	80.32	1.16	87.55
	EUR	0.21	19.14	0.20	16.69
Cash and cash equivalents	USD	0.11	8.05	0.08	5.91

Particulars	Currency	As at			
		31-Mar-2019		31-Mar-2018	
		Forex	₹	Forex	₹
		Proforma Ind AS		Proforma Ind AS	
Trade Payables	USD	0.87	60.14	0.67	43.71
	EUR	0.28	21.56	0.40	32.33
	JPY	0.64	0.40	1.32	0.81
	GBP	0.01	0.57	0.01	1.07
Trade Receivables	USD	0.99	67.95	0.29	18.58
	EUR	0.08	6.07	0.07	6.03
Cash and cash equivalents	USD	0.24	16.36	-	-

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**Note**
**No.**
**(ii) Foreign currency sensitivity analysis**

The Group is mainly exposed to USD, EURO, JPY and GBP

The following table details the Group's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates against ₹. A positive number below indicates an increase in profit or equity and vice-versa.

Currency	As at			
	31-Dec-2020		31-Mar-2020	
	>10%	<10%	>10%	<10%
	Ind AS		Ind AS	
USD	(6.66)	6.66	(4.27)	4.27
EURO	(1.71)	1.71	(0.60)	0.60
JPY	-	-	(0.01)	0.01
GBP	-	-	(0.02)	0.02

Currency	As at			
	31-Mar-2019		31-Mar-2018	
	>10%	<10%	>10%	<10%
	Proforma Ind AS		Proforma Ind AS	
USD	(2.42)	2.42	2.51	(2.51)
EURO	1.55	(1.55)	2.63	(2.63)
JPY	(0.04)	0.04	(0.08)	0.08
GBP	(0.06)	0.06	(0.11)	0.11

**(e) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

**(i) Interest rate exposure: The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Interest on variable rate borrowings	23.42	104.94	92.70	56.27

**(ii) Sensitivity analysis**
**Profit or loss estimate to higher/lower interest rate expense from borrowings as a result of changes in interest rates**

Particulars	For the nine months period ended	For the year ended		
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Interest rates - increase by 1%	0.23	1.05	9.27	5.63
Interest rates - decrease by 1%	(0.23)	(1.05)	(9.27)	(5.63)

**Note**

**No.**

**47 Related party disclosure**

**A List of related parties**

<b>Relationship</b>	<b>Name of the related party</b>
54 Wholly owned subsidiary	Skannray Healthcare Global Private Limited [w.e.f. 03-Mar-2021] Skancare Wellness Private Limited [w.e.f. 01-Mar-2021]
54 Subsidiaries	Cardia International A/S, Denmark [w.e.f. 03-Mar-2021] Cardia International BV, Netherland [w.e.f. 03-Mar-2021] Skannray Latino America SA DE CV, Mexico [w.e.f. 03-Mar-2021] Skannray Global Pte, Singapore (w.e.f. 03-Mar-2021) Skannray Dental Technologies Private Limited, India [w.e.f. 03-Mar-2021] Skannray America's Inc. USA [w.e.f. 03-Mar-2021] Skannray Europe S.r.l, Italy
Associate	Mysore ESDM Cluster Riverview Healthcare Pvt ltd [from 31-Oct-2017 to 31-Mar-2018] Rathi Vikram Healthcare Infrastructure LLP (upto 31-Mar-2018)
Investors with significant influence (Investor)	Agnus Holdings Private Limited [holding shares directly and indirectly through Agnus Capital LLP]
Key managerial person ('KMP') and their relatives Managing Director (MD) Director Relative of Director Company Secretary Non-Executive Director Non-Executive Director Non-Executive Director Independent Director Independent Director Independent Director Independent Director Independent Director	Vishwaprasad Alva K. Balasubramanian Jayashree Balasubramanian Bhagya M G Deepak Komare Gowda Sunil Kolongara Kumar (resigned on 03-Feb-2021) P.R.Kannan (resigned on 03-Feb-2021) Raja Venkatraman (w.e.f 03-Mar-2021 to 21-Apr-2021) D A Prasanna (w.e.f 03-Mar-2021) Reena Pandey (w.e.f 25-Mar-2021) Harish H V (w.e.f 21-Apr-2021) Jayashree Satagopan (w.e.f 12-May-2021)
Shareholder	Chayadeep Properties Private Limited Agnus Capital LLP

(a) Related parties have been identified by the management and relied upon by the auditors.

Note

No.

**47 Related party disclosure**

Particulars	For the nine months period ended		For the year ended	
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>B Transactions during the period/year</b>				
<b>Sale of products</b>				
Skannray Europe s.r.l	26.55	15.73	5.61	7.04
<b>Interest received</b>				
Skannray Europe s.r.l	-	2.12	-	-
<b>Remuneration to KMP or relative of KMP</b>				
Vishwaprasad Alva	73.76	16.26	22.13	9.88
K. Balasubramanian	5.98	8.25	9.02	6.54
Bhagya M G	0.72	0.89	1.04	0.63
Jayashree Balasubramanian	-	-	-	0.21
<b>Receipt of loan</b>				
K. Balasubramanian	-	-	8.20	5.00
Vishwaprasad Alva	-	-	2.98	47.30
Chayadeep Properties Private Limited	-	43.00	-	-
Agnus Capital LLP	17.94	3.67	-	-
<b>Repayment of Loan</b>				
Vishwaprasad Alva	-	-	49.73	0.55
K. Balasubramanian	-	6.00	7.20	-
Chayadeep Properties Private Limited	-	-	-	0.64
<b>Interest on loan</b>				
K. Balasubramanian	-	0.12	0.36	0.21
Vishwaprasad Alva	-	-	4.44	1.47
Agnus Capital LLP	0.40	-	-	-
Chayadeep Properties Private Limited	4.02	3.60	-	7.81
<b>Loan given</b>				
ESDM Mysore Cluster	3.02	1.27	0.67	5.59
<b>Loan repaid</b>				
ESDM Mysore Cluster	3.50	-	-	-
<b>Rent</b>				
Chayadeep Properties Private Limited	-	-	2.67	-
<b>Investment</b>				
ESDM Mysore Cluster	-	-	1.25	-
Riverview Healthcare Private Limited	-	-	-	7.20
<b>Impairment loss allowance on investment</b>				
CEI Skannray Radiology Devices Private Limited	-	-	-	0.33
ESDM Mysore Cluster	-	-	6.84	0.03
<b>Conversion of loan/interest on loan to equity</b>				
Mysore ESDM Cluster	-	-	5.59	-
<b>Write back of loan</b>				
Chayadeep Properties Private Limited	-	-	-	65.00
<b>Re-imburement of expenses</b>				
Skannray Europe s.r.l	0.45	12.16	0.23	0.39
<b>Share application money received</b>				
Agnus Capital LLP	-	-	150.00	-
<b>Share application money refunded</b>				
Agnus Capital LLP	-	-	150.00	-
<b>Interest on Share application money</b>				
Agnus Capital LLP	-	-	0.77	-



Note

No.

**47 Related party disclosure**

Particulars	As at			
	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>B Balances with related parties</b>				
<b>9 Loan given</b>				
Mysore ESDM Cluster	1.46	1.94	0.67	5.59
<b>Receivable</b>				
Skannray Europe s.r.l	39.46	24.06	13.99	8.34
<b>26 Borrowings</b>				
K. Balasubramanian	-	-	6.00	5.00
Vishwaprasad Alva	-	-	-	46.75
Agnus Capital LLP	21.62	3.67	-	-
Chayadeep Properties Private Limited	43.00	43.00	-	-
<b>Interest payable on borrowings</b>				
K. Balasubramanian	-	-	-	0.19
Vishwaprasad Alva	-	-	-	1.32
Agnus Capital LLP	0.40	-	-	-
Chayadeep Properties Private Limited	6.86	3.24	-	7.03
<b>Rent payable</b>				
Chayadeep Properties Private Limited	2.67	2.67	2.67	-
<b>C Key managerial personnel compensation</b>				
Vishwaprasad Alva	73.76	16.26	22.13	9.88
K. Balasubramanian	5.98	8.25	9.02	6.54
Jayashree Balasubramanian	-	-	-	0.21
Bhagya M G	0.72	0.89	1.04	0.63

**D On consolidation the following transactions and balances with related parties have been eliminated**

Skann-X Radiology Devices S.p.A				
<b>Transactions</b>				
Purchases	38.20	20.86	16.09	24.59
Sales	-	0.11	-	-
<b>Balances</b>				
Trade payables	9.14	5.92	3.22	11.13
Trade receivables	0.11	0.11	-	-
Interest accrued	-	-	-	6.74
Non-current investments	67.82	67.82	67.82	67.82

- (a) The Company has not written off any amounts due from the related parties during the period / year.  
(b) The Company has not written back any amounts due to related parties other than those disclosed above.  
(c) All transactions entered into with related parties were on an arm's length price basis and in the ordinary course of business.

**Note**

**No.**

**48 Segment information**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and assessing performance. The Group's CODM is the Managing Director.

The Group's operates in only one business segment, manufacture and sale of 'medical equipments' and accordingly no separate disclosure for business segments is not applicable.

**Disclosures regarding secondary segment**

The geographical information of the Group's revenues and assets are shown separately in the table below. Segment revenues has been disclosed based on geographical location of the customers. Segment assets has been disclosed based on the geographical location of the respective assets.

Particulars	31-Dec-2020	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Ind AS	Proforma Ind AS	Proforma Ind AS
Revenue				
Within India	2,918.02	844.06	994.56	792.46
Outside India	551.31	612.02	630.57	526.74
Non-Current Assets*				
Within India	1,051.68	1,096.32	1,135.70	1,098.37
Outside India	80.96	82.50	85.24	81.26

\* excludes Financial assets, deferred tax assets and other tax assets.

**49 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013**

Particulars	As at							
	Net Assets, i.e., total assets minus total liabilities		Net Assets, i.e., total assets minus total liabilities		Net Assets, i.e., total assets minus total liabilities		Net Assets, i.e., total assets minus total liabilities	
	31-Dec-2020		31-Mar-2020		31-Mar-2019		31-Mar-2018	
	As % of consolidated net assets	₹	As % of consolidated net assets	₹	As % of consolidated net assets	₹	As % of consolidated net assets	₹
	Ind AS		Ind AS		Proforma Ind AS		Proforma Ind AS	
<b>Parent</b>								
Skandray Technologies Limited	100.94%	1,918.34	101.83%	589.57	103.21%	539.19	101.86%	816.70
<b>Subsidiary</b>								
Skandray-X Radiology Devices S.p.A	-0.94%	(17.93)	-1.83%	(10.62)	-3.21%	(16.76)	-1.86%	(14.92)
<b>Total</b>	<b>100.00%</b>	<b>1,900.41</b>	<b>100.00%</b>	<b>578.95</b>	<b>100.00%</b>	<b>522.43</b>	<b>100.00%</b>	<b>801.78</b>

Particulars	For the nine months				For the year ended			
	Share of profit or loss		Share of profit or loss		Share of profit or loss		Share of profit or loss	
	31-Dec-2020		31-Mar-2020		31-Mar-2019		31-Mar-2018	
	As % of share of profit or loss	₹	As % of share of profit or loss	₹	As % of share of profit or loss	₹	As % of share of profit or loss	₹
	Ind AS		Ind AS		Proforma Ind AS		Proforma Ind AS	
<b>Restated Profit / (loss) for the period / year</b>								
<b>Parent</b>								
Skandray Technologies Limited	99.89%	1,325.86	100.00%	37.61	91.55%	(269.34)	98.07%	(228.72)
<b>Subsidiary</b>								
Skandray-X Radiology Devices S.p.A	0.11%	1.44	0.00%	-	8.45%	(24.85)	1.93%	(4.51)
<b>Restated profit / (loss) for the period / year [A]</b>	<b>100.00%</b>	<b>1,327.30</b>	<b>100.00%</b>	<b>37.61</b>	<b>100.00%</b>	<b>(294.19)</b>	<b>100.00%</b>	<b>(233.23)</b>
<b>Restated Other comprehensive income</b>								
<b>Parent</b>								
Skandray Technologies Limited	-15.92%	0.93	-70.94%	(0.83)	58.27%	(2.22)	100.00%	11.18
<b>Subsidiary</b>								
Skandray-X Radiology Devices S.p.A	115.92%	(6.77)	170.94%	2.00	41.73%	(1.59)	0.00%	-
<b>Restated Other Comprehensive income / (loss) for the period / year [B]</b>	<b>100.00%</b>	<b>(5.84)</b>	<b>100.00%</b>	<b>1.17</b>	<b>100.00%</b>	<b>(3.81)</b>	<b>100.00%</b>	<b>11.18</b>
<b>Total Restated comprehensive income</b>								
<b>Parent</b>								
Skandray Technologies Limited	100.19%	1,324.02	125.01%	48.48	96.54%	(287.69)	99.21%	(220.29)
<b>Subsidiary</b>								
Skandray-X Radiology Devices S.p.A	-0.19%	(2.56)	-25.01%	(9.70)	3.46%	(10.31)	0.79%	(1.76)
<b>Total Restated Comprehensive income / (loss) for the period / year [A+B]</b>	<b>100.00%</b>	<b>1,321.46</b>	<b>100.00%</b>	<b>38.78</b>	<b>100.00%</b>	<b>(298.00)</b>	<b>100.00%</b>	<b>(222.05)</b>

**Note**

**No.**

**50 Ind AS reconciliations**

The Group's restated consolidated financial information for the period ended 31-Dec-2020 are prepared in accordance with Indian Accounting Standard ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 in accordance with the accounting policies notified in Note 2. For the years ended 31-Mar-2020, 2019 and 2018 the Group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 notified under section 133 of the Act and other relevant provisions of the act ('previous GAAP').

The accounting policies as set out in Note 2 have been applied in preparing financial statements for the period ended 31-Dec-2020 including comparative information for the years ended 31-Mar-2020, 2019 and 2018.

In preparing its Ind AS balance sheet as at 31-Dec-2020 and in preparing the comparative information for the years ended 31-Mar-2020, 2019 and 2018, the Group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with previous gaap, and how the transition from previous GAAP to Ind AS has affected the Group's financial position.

**(a) Reconciliation of equity**

Particulars	As at		
	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Proforma Ind AS	Proforma Ind AS
Share capital	381.65	381.65	301.65
Reserves and surplus	372.80	326.44	587.82
<b>Equity as per previous GAAP</b>	<b>-</b>	<b>754.45</b>	<b>889.47</b>
Add/ (less): Ind AS adjustments for			
(i) Allowance for expected credit losses	(69.82)	(98.37)	(67.56)
(ii) Goodwill restatement	-	5.09	3.16
(iii) Reclassification of preference share capital	(80.00)	(80.00)	-
(iv) Amortisation of processing fees	(12.28)	4.64	-
(v) Impact arising on account of leases	(15.76)	(16.59)	(16.31)
(vi) Fair valuation of security deposits	0.61	0.41	0.16
(vii) Accrual of dividend on preference shares	(15.07)	(5.87)	-
(xiii) Others	(7.53)	(13.62)	(7.14)
(viii) Non-controlling interest*	18.83	16.60	(4.72)
(ix) Deferred tax on above	18.87	-	-
<b>Equity as per Ind AS</b>	<b>-</b>	<b>592.30</b>	<b>797.06</b>
<b>Correction of prior period errors</b>			
(xi) Cost of goods sold pertaining to sales reversal accounted in the respective years	(17.36)	-	-
<b>Restated equity as per Ind AS</b>	<b>574.94</b>	<b>520.38</b>	<b>797.06</b>

\* includes share application money of Rs. 22.84 as at 31-Mar-2020 and Rs. 18.65 as at 31-Mar-2019.

**(b) Reconciliation of total comprehensive income**

Particulars	For the nine months period	For the year ended	
	31-Mar-2020	31-Mar-2019	31-Mar-2018
	Ind AS	Proforma Ind AS	Proforma Ind AS
<b>Profit as per previous GAAP</b>	32.41	(263.97)	(258.19)
Add/ (less): Ind AS adjustments for			
(i) Allowance for expected credit losses	28.55	(30.81)	31.01
(ii) Goodwill restatement	-	1.93	3.16
(iv) Amortisation of processing fees	(16.92)	4.64	-
(v) Impact arising on account of leases	0.71	0.10	(0.74)
(x) Actuarial (loss)/ gain taken to OCI	6.16	(6.02)	2.29
(vi) Fair valuation of security deposits	0.20	0.25	0.20
(vii) Accrual of dividend on preference shares	(9.20)	(5.87)	-
(xiii) Others	6.10	(6.48)	(6.38)
(ix) Deferred tax on above	16.79	-	-
<b>Profit as per Ind AS</b>	<b>64.80</b>	<b>(306.23)</b>	<b>(228.65)</b>
(x) Recognition of actuarial loss on defined benefit obligation in OCI	(6.16)	6.02	(2.29)
(ix) Income tax relating to items that will not be reclassified to profit or loss	2.08	-	-
(xii) Foreign currency translation reserve	(4.58)	2.21	8.89
<b>Total comprehensive income as per Ind AS</b>	<b>56.14</b>	<b>(298.00)</b>	<b>(222.05)</b>
<b>Correction of prior period errors</b>			
(xi) Cost of goods sold pertaining to sales reversal accounted in the respective years	(17.36)	-	-
<b>Restated total comprehensive income as per Ind AS</b>	<b>38.78</b>	<b>(298.00)</b>	<b>(222.05)</b>

(c) Reconciliation of statement of cash flow: There are no material adjustments to the statement of cash flows as reported under previous GAAP.

**Note****No.****50 Ind AS reconciliations****Explanatory notes Ind AS reconciliation**

- (i) On transition to Ind AS, the Group has recognised impairment loss on trade receivables based on the Expected Credit Loss (ECL) model as required by Ind AS 109, Financial Instruments. Consequently, incremental provision determined based on the ECL model has been recognised as on the transition date and in subsequent years the difference between ECL and provision made under previous GAAP has been recognised in the statement of total comprehensive income.
- (ii) Under the previous GAAP, goodwill was amortised over the estimated useful life. Goodwill on purchase of business is not amortized and has to be tested for impairment under Ind AS. Hence, the amortisation expense recorded during the year ended 31 March 2018 and 31 March 2019 have been reversed.
- (iii) Under previous GAAP, redeemable cumulative preference shares were classified as a part of share capital. However, under Ind AS, financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form. These preference shares are redeemable and do not contain any equity component hence they have been classified as a financial liability under Ind AS.
- (iv) Under the previous GAAP, the processing fees for borrowings was charged off as finance cost during the year it was incurred. Under Ind AS, the processing fees has been recognised based on the Effective Interest Rate (EIR) method over the period of loan. Accordingly processing fees has been recognised as prepaid expenses in the year in which it was incurred and amortised over the period of the loan based on the EIR method.
- (v) Under the previous GAAP, for all the operating leases, lease rentals were expensed as an operating expense during the year. Under Ind AS, the Company recognises right-of-use asset and related lease liability in connection with all the existing leases except for those identified as having a remaining lease term of less than 12 months from the date of initial application. Interest on the lease liability has to be accrued over the period of lease and right-of-use assets has to be depreciated over the remaining life of the lease.
- (vi) Under previous GAAP, interest free security deposits given for lease are recognized at the disbursement amount however under Ind AS, security deposits is recognized at the fair value on the date of disbursement. Interest on the security deposits have been accrued over the lease term and right-of-use assets have been amortised over the lease term.
- (vii) Under the previous GAAP, interest on redeemable preference shares had not been recognized. Under Ind AS, interest has been accrued on redeemable preference shares for all the years.
- (viii) In accordance with the previous GAAP, (i) minority share of negative net-worth on the date of acquisition of subsidiaries; (ii) impact on account of changes in shareholding pattern in subsidiaries without change in control; and (iii) minority share of loss was absorbed by Company. Under Ind AS, minority share of negative net-worth as on date of acquisition and share of loss for the respective periods is adjusted to non-controlling interest. This amount includes share application money pending allotment.
- (ix) Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognized in correlation to the underlying transaction either in retained earnings or a separate component of equity.

- (x) Under the previous GAAP, the remeasurements of the defined benefit plans were forming part of the profit or loss for the year. Under Ind AS, these remeasurements of the defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.
- (xi) The Company reverses sales and records related inventory for the sales transactions not meeting revenue recognition criteria as at the cut-off date and records the same as sales and Cost of Goods Sold in the period in which the revenue recognition criteria is met. During the year ended March 31, 2020, in respect of such sales recognised, corresponding cost of goods sold was erroneously not recorded in the books of account. This error has now been corrected by recording such cost of goods sold in the correct accounting period applying the matching concept.
- (xii) Under the previous GAAP, Foreign currency translation reserve ('FCTR') arising due to the translation of financial statements of overseas subsidiary of the Group were recognised in balance sheet under 'Other equity'. Under Ind AS, these FCTR balance are recognised in statement of profit or loss under 'Other comprehensive income'.
- (xiii) The employee termination indemnities are estimated annually in accordance with Article 2120 of the Italian Civil Code. (The calculation of the coefficient and the relative of the re-estimation is determined on the analysis and values measured by National Institute for Statistics, Italy considering a fixed rate of 1.50% and a variable that is equal to 75% of a possible increase of the index costs for consumption, estimated by the month of December in the year before and reported to employees' families, employees and workers.)
- (xiv) Appropriate regrouping have been made in the restated consolidated statement of assets and liabilities, restated consolidated statement of profit and loss, restated consolidated statement of cash flows, wherever required by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the accounting policies and reclassification as per Ind As financial information of the Group for the period ended December 31, 2020 prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosures Requirements) Regulations 2018, as amended

**Skanray Technologies Limited**

(Formerly Skanray Technologies Private Limited)

Notes to the restated consolidated financial information

(Amount in ₹ Millions, except for share data or as otherwise stated)

**Note****No.****51 Share-based payment arrangements**

The Shareholders of the Company vide their meeting held on March 27, 2021 have approved share option scheme - "Employee Stock Option (ESOP) Scheme 2021", ('ESOP Scheme 2021') for the benefit of employees and directors (other than independent directors) of the Company. In accordance with the terms of the plan the Company may grant options to the eligible employees and directors of the Company, as approved by the shareholders of the Company and the Nomination and Remuneration Committee (the "Committee"). The Company has granted 5,21,084 share options under the ESOP Scheme 2021 to 43 employees as on March 31, 2021.

**52 Fund raising initiatives**

The Company is proposing and accordingly exploring various opportunities for fund raising, including by way of an Initial Public Offering of its equity shares ('IPO'). In the event the Company decides to raise funds through an IPO, such IPO may comprise of a combination of a fresh issue of equity shares of the Company, and an offer for sale by the eligible shareholders of the Company who are interested in offering equity shares of the Company held by them in the IPO. The same has been approved by the Directors and Shareholders at their Board meeting and Annual General Meeting held on November 17, 2020 and December 31, 2020 respectively.

**53 Impact of COVID -19**

The Group has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Group has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the Group expects to fully recover the carrying amount of trade receivables, investments, inventories and other assets. The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of restated consolidated financial statements.

**54 Note on corporate actions by the Group****(a) Skanray Healthcare Global Private Limited [Skanray Healthcare]**

On 03 March, 2021, the Group completed acquisition of 100% equity stake in Skanray Healthcare by way of equity share-swap for an aggregate consideration of ₹ 577. This resulted in the Company issuing 5,944,932 of its equity shares to the existing shareholders of Skanray Healthcare. Skanray Healthcare has 7 subsidiaries carrying on trading and / or manufacturing activities of medical and allied equipments spread across various geographies viz. Denmark, Italy, USA, Singapore, Mexico and India. The Management of the Group believes that this would help expand its products outreach in the international markets, as part of its expansion strategy.

**(b) Skanray Wellness Private Limited [Skanray Wellness]**

On 08 March 2021, the Group acquired equity shares of Skancare Wellness from the existing shareholders of Skancare Wellness at an agreed consideration of ₹ 1. Accordingly, Skancare Wellness has become a wholly owned subsidiary of the Group. Skancare Wellness was incorporated to carry on the business of Home Care and Telemedicine in conjunction with the hospitals. Skancare Wellness is yet to commence operations as of current date.

**(c) Irillic Private Limited [IPL]**

On March 8, 2021, the Group entered into a binding term sheet with IPL to invest ₹ 190 over a period of 2 years for a 80% equity stake in IPL, with a clause to cede portion of its stake to the promoter group of IPL on achieving certain milestones. IPL is a start-up entity in the space of surgical imaging.

55 On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**(a) Balance Sheet**

- (i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- (ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period
- (iii) Specified format for disclosure of shareholding of promoters
- (iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- (v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used
- (vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**(b) Statement of profit and loss**

- (i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the restated consolidated financial information

The above amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Signatures to Notes 1 to 55

**For and on behalf of the Board of Directors of Skanray Technologies Limited**

(Formerly Skanray Technologies Private Limited)

**Vishwaprasad Alva**  
Managing Director  
DIN: 01240253

**Balasubramanian K**  
Executive Director  
DIN: 02058807

**Lakshmi Kamath**  
Chief Financial Officer

**Bhagya M G**  
Company Secretary

**Mysuru, 12 June 2021**

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION INCLUDED IN A DRAFT RED HERRING PROSPECTUS**

**The Board of Directors,  
Skanray Technologies Limited (Formerly Skanray Technologies Private Limited)**

**Report on the compilation of unaudited pro forma condensed combined financial information included in Draft Red Herring Prospectus**

1. We have completed our assurance engagement to report on the compilation of unaudited pro forma condensed combined financial information of Skanray Technologies Limited (Formerly Skanray Technologies Private Limited) (hereinafter referred to as the "Company") and its subsidiaries (collectively, the "Group") and Skanray Healthcare Global Private Limited and its subsidiaries ("Skanray Healthcare") (collectively, the "Proforma Group") prepared by the Management of the Company. The unaudited pro forma condensed combined financial information consists of the unaudited pro forma condensed combined balance sheet as at 31 December, 2020 and 31 March, 2020, the unaudited pro forma condensed combined statement of profit and loss for the nine month period ended 31 December, 2020 and for the year ended 31 March, 2020, and selected explanatory notes (collectively, Unaudited Pro forma Condensed Combined Financial Information) as set out in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO"). The applicable criteria on the basis of which the Company has compiled the Unaudited Pro forma Condensed Combined Financial Information is described in Note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information. Because of its nature, the Unaudited Pro forma Condensed Combined Financial Information does not represent the actual financial position and financial performance of the Proforma Group.
2. The Unaudited Pro forma Condensed Combined Financial Information has been compiled by Management of the Company to illustrate the impact of the acquisition of Skanray Healthcare Global Private Limited and its subsidiaries ("Skanray Healthcare") as set out in Note 2.02 to the Unaudited Pro forma Condensed Combined Financial Information as if the acquisition had taken place at an earlier date selected for purposes of the illustration. As part of this process, the financial position and financial performance as at and for the nine month period ended 31 December, 2020 and as at and for the year ended 31 March, 2020 of the Proforma Group have been compiled by the Management of the Company from (a) restated consolidated Ind AS financial information of the Group as at 31 December 30, 2020 and 31 March, 2020 and for the nine month period ended 31 December, 2020 and for the year ended 31 March, 2020 on which we have issued examination report dated 12 June, 2021 and (b) special purpose condensed consolidated Ind AS financial statements of Skanray Healthcare as at 31 December, 2020 and 31 March, 2020 and for the nine months period ended 31 December, 2020 and for the year ended 31 March, 2020 on which other auditors have issued an audit report dated 12 June, 2021.

**Management's Responsibility for the Unaudited Pro forma Condensed Combined Financial Information**

3. The Board of Directors of the Company (the "Management") is responsible for compiling the Unaudited Pro Forma Condensed Combined Financial Information on the basis set out in the Note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Unaudited Pro forma Condensed Combined Financial Information on the basis as set out in note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information that is free from material misstatement, whether due to fraud or error. The Board of Directors of the Company is also responsible for identifying and ensuring that the companies included in the Proforma Group comply with the laws and regulations applicable to their activities, including compliance with the provisions of the laws and regulations for the compilation of Unaudited Pro forma Condensed Combined Financial Information.

**Auditor's Responsibilities**

4. Our responsibility is to express an opinion, as required by SEBI Regulations, about whether the Unaudited Pro forma Condensed Combined Financial Information has been compiled, in all

material respects, by the Management on the basis set out in the note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information.

5. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Unaudited Pro forma Condensed Combined Financial Information on the basis set out in the note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information.
6. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro forma Condensed Combined Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro forma Condensed Combined Financial Information.
7. The special purpose condensed consolidated Ind AS financial statements of Skanray Healthcare referred to in paragraph 2 above have been audited by other auditors whose report has been furnished to us by the Management and our reporting on the Unaudited Pro forma Condensed Combined Financial Information, in so far as it relates to the amounts and disclosures included in respect of special purpose condensed consolidated Ind AS financial statements of Skanray Healthcare is solely based on the report of the other auditors.
8. The purpose of Unaudited Pro forma Condensed Combined Financial Information included in the DRHP is solely to illustrate the impact of the above mentioned acquisition of Skanray Healthcare on unadjusted restated consolidated financial information of the Company as if the acquisition of Skanray Healthcare had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the above mentioned acquisition at selected dates as described in Note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information, would have been as presented.
9. A reasonable assurance engagement to report on whether the Unaudited Pro forma Condensed Combined Financial Information has been compiled, in all material respects, on the basis of the applicable criteria as specified in Note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information, and to obtain sufficient appropriate evidence about whether:
  - a) the related pro forma adjustments give appropriate effect to those criteria; and
  - b) the Unaudited Pro forma Condensed Combined Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
10. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the Company, the event or transaction in respect of which the Unaudited Pro forma Condensed Combined Financial Information has been compiled, and other relevant engagement circumstances.
11. Because the above procedures do not constitute either an audit or a review made in accordance with the generally accepted auditing standards in India, we do not express any assurance on the Unaudited Pro forma Condensed Combined Financial Information.
12. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

13. In our opinion the Unaudited Pro forma Condensed Combined Financial Information has been compiled, in all material respects, on the basis set out in Note 3.01 to the Unaudited Pro forma Condensed Combined Financial Information.

**Restriction of use**

14. Our report is intended solely for use of the Board of Directors of the Company for inclusion in the DRHP to be filed with Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Registrar of Companies, Karnataka at Bengaluru in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. As a result, these Unaudited Pro forma Condensed Combined Financial Information may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**Shreedhar Ghanekar**  
Partner  
(Membership No. 210840)  
UDIN: 21210840AAAABJ4588

Place: Bengaluru  
Date: 12 June, 2021  
SMG/SSJ/MS/2021



**Unaudited Proforma Condensed Combined Balance Sheet**

Particulars	As at				As at			
	31-Dec-20				31-Mar-20			
	Consolidated financial information of		Proforma adjustments	Un-audited proforma condensed combined	Consolidated financial information of		Proforma adjustments	Un-audited proforma condensed combined
	Skanray Technologies Limited	Skanray Healthcare Global Private Limited			Skanray Technologies Limited	Skanray Healthcare Global Private		
<i>Note No.</i>			4				4	
<b>ASSETS</b>								
<b>Non-current assets</b>								
Property, plant and equipment	633.29	8.60	-	641.89	632.46	10.78	-	643.24
Capital work-in-progress	1.76	-	-	1.76	-	-	-	-
Right-of-use assets	45.56	3.45	-	49.01	50.02	26.67	-	76.69
Goodwill	8.73	130.87	-	139.60	8.73	121.58	-	130.31
Intangible assets	271.16	66.38	-	337.54	346.71	66.66	-	413.37
Intangible assets under development	163.05	-	-	163.05	133.57	-	-	133.57
Financial assets								
Investments	-	47.70	-	47.70	-	49.55	-	49.55
Loans	10.06	2.71	-	12.77	10.32	1.38	-	11.70
Other financial assets	11.39	-	-	11.39	17.39	-	(12.07)	5.32
Deferred tax assets (net)	8.12	-	-	8.12	325.70	-	-	325.70
Non-current tax assets (net)	44.61	2.22	-	46.83	19.84	4.79	-	24.63
Other non-current assets	9.09	-	-	9.09	7.33	-	-	7.33
<b>Total non-current assets</b>	<b>1,206.82</b>	<b>261.93</b>	<b>-</b>	<b>1,468.75</b>	<b>1,552.07</b>	<b>281.41</b>	<b>(12.07)</b>	<b>1,821.41</b>
<b>Current assets</b>								
Inventories	775.37	94.06	-	869.43	560.11	76.51	-	636.62
Financial assets								
Investments	-	-	-	-	-	0.08	-	0.08
Trade receivables	253.08	45.36	(76.42)	222.02	260.30	64.56	(112.33)	212.53
Cash and cash equivalents	661.70	18.70	-	680.40	124.23	43.48	-	167.71
Bank balances other than cash and cash equivalents	305.82	-	-	305.82	73.95	-	-	73.95
Loans	123.07	-	(110.25)	12.82	10.56	-	-	10.56
Other financial assets	16.12	-	(8.30)	7.82	16.74	-	(14.63)	2.11
Other current assets	143.52	52.76	-	196.28	157.45	53.72	-	211.17
<b>Total current assets</b>	<b>2,278.68</b>	<b>210.88</b>	<b>(194.97)</b>	<b>2,294.59</b>	<b>1,203.34</b>	<b>238.35</b>	<b>(126.96)</b>	<b>1,314.73</b>
<b>Total assets</b>	<b>3,485.50</b>	<b>472.81</b>	<b>(194.97)</b>	<b>3,763.34</b>	<b>2,755.41</b>	<b>519.76</b>	<b>(139.03)</b>	<b>3,136.14</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Equity share capital	182.92	496.80	(496.80)	182.92	182.92	0.10	(0.10)	182.92
Compulsorily convertible preference shares	118.72	-	-	118.72	118.72	357.01	(357.01)	118.72
Share application money pending allotment	-	-	-	-	-	31.00	(31.00)	-
Other equity	1,599.32	(510.63)	496.80	1,585.49	273.30	(518.79)	388.11	142.62
<b>Equity attributable to owners of the Company</b>	<b>1,900.96</b>	<b>(13.83)</b>	<b>-</b>	<b>1,887.13</b>	<b>574.94</b>	<b>(130.68)</b>	<b>-</b>	<b>444.26</b>
Non-controlling interests	(0.55)	2.03	-	1.48	4.01	40.14	-	44.15
<b>Total equity</b>	<b>1,900.41</b>	<b>(11.80)</b>	<b>-</b>	<b>1,888.61</b>	<b>578.95</b>	<b>(90.54)</b>	<b>-</b>	<b>488.41</b>
<b>Liabilities</b>								
<b>Non-current liabilities</b>								
Financial liabilities								
Borrowings	85.82	174.25	(110.25)	149.82	729.04	74.16	-	803.20
Lease liabilities	55.91	22.29	-	78.20	60.48	24.17	-	84.65
Other financial liabilities	7.94	-	-	7.94	8.23	-	-	8.23
Provisions	141.34	-	-	141.34	105.05	-	-	105.05
<b>Total non-current liabilities</b>	<b>291.01</b>	<b>196.54</b>	<b>(110.25)</b>	<b>377.30</b>	<b>902.80</b>	<b>98.33</b>	<b>-</b>	<b>1,001.13</b>
<b>Current liabilities</b>								
Financial liabilities								
Borrowings	535.32	-	-	535.32	251.84	61.07	-	312.91
Lease liabilities	5.07	5.78	-	10.85	4.91	22.50	-	27.41
Trade payables								
Total outstanding dues of micro enterprises and small enterprises	10.17	-	-	10.17	13.93	-	-	13.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	506.86	267.71	(76.42)	698.15	428.94	305.53	(112.33)	622.14
Other financial liabilities	88.98	9.82	(8.30)	90.50	371.22	97.25	(26.70)	441.77
Other current liabilities	109.54	4.76	-	114.30	174.99	20.25	-	195.24
Provisions	38.14	-	-	38.14	27.83	5.37	-	33.20
<b>Total current liabilities</b>	<b>1,294.08</b>	<b>288.07</b>	<b>(84.72)</b>	<b>1,497.43</b>	<b>1,273.66</b>	<b>511.97</b>	<b>(139.03)</b>	<b>1,646.60</b>
<b>Total liabilities</b>	<b>1,585.09</b>	<b>484.61</b>	<b>(194.97)</b>	<b>1,874.73</b>	<b>2,176.46</b>	<b>610.30</b>	<b>(139.03)</b>	<b>2,647.73</b>
<b>Total equity and liabilities</b>	<b>3,485.50</b>	<b>472.81</b>	<b>(194.97)</b>	<b>3,763.34</b>	<b>2,755.41</b>	<b>519.76</b>	<b>(139.03)</b>	<b>3,136.14</b>

See accompanying notes forming part of the Unaudited Proforma Condensed Combined Financial Information

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors of Skanray Technologies Limited**  
(Formerly Skanray Technologies Private Limited)

**Shreedhar Ghanekar**  
Partner

**Vishwaprasad Alva**      **Balasubramanian K**  
Managing Director      Executive Director  
DIN: 01240253      DIN: 02058807

**Lakshmi Kamath**  
Chief Financial officer

**Bhagya M G**  
Company Secretary

Bengaluru, 12 June 2021

Mysuru, 12 June 2021

**Unaudited Proforma Condensed Combined Statement of Profit and Loss**

Particulars	For the nine months period ended				For the year ended			
	31-Dec-20				31-Mar-20			
	Consolidated financial information of		Proforma adjustment	Un-audited proforma condensed combined	Consolidated financial information of		Proforma adjustment	Un-audited proforma condensed combined
	Skannray Technologies Limited	Skannray Healthcare Global Private Limited			Skannray Technologies Limited	Skannray Healthcare Global Private Limited		
<i>Note No.</i>			<i>4</i>				<i>4</i>	
<b>INCOME</b>								
Revenue from operations	3,469.33	289.17	(62.27)	3,696.23	1,456.08	378.19	(62.40)	1,771.87
Other income	35.86	6.48	(5.09)	37.25	74.94	0.11	(14.63)	60.42
<b>Total income</b>	<b>3,505.19</b>	<b>295.65</b>	<b>(67.36)</b>	<b>3,733.48</b>	<b>1,531.02</b>	<b>378.30</b>	<b>(77.03)</b>	<b>1,832.29</b>
<b>EXPENSES</b>								
Cost of materials consumed	953.18	-	-	953.18	812.64	-	-	812.64
Purchase of stock in trade	12.36	202.97	(62.27)	153.06	20.64	361.95	(62.40)	320.19
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(70.02)	(23.85)	-	(93.87)	(51.14)	(1.31)	-	(52.45)
Employee benefits expense	395.88	82.79	-	478.67	405.96	140.95	-	546.91
Finance costs	95.10	19.59	(5.09)	109.60	186.28	26.46	(14.63)	198.11
Depreciation and amortisation expense	109.53	14.85	-	124.38	126.63	17.18	-	143.81
Other expenses	258.96	132.98	-	391.94	318.51	195.38	-	513.89
<b>Total expense</b>	<b>1,754.99</b>	<b>429.33</b>	<b>(67.36)</b>	<b>2,116.96</b>	<b>1,819.52</b>	<b>740.61</b>	<b>(77.03)</b>	<b>2,483.10</b>
<b>Profit / (loss) before tax</b>	<b>1,750.20</b>	<b>(133.68)</b>	<b>-</b>	<b>1,616.52</b>	<b>(288.50)</b>	<b>(362.31)</b>	<b>-</b>	<b>(650.81)</b>
Share of loss of joint ventures and associates	-	(2.56)	-	(2.56)	-	(9.70)	-	(9.70)
<b>Profit / (loss) before tax</b>	<b>1,750.20</b>	<b>(136.24)</b>	<b>-</b>	<b>1,613.96</b>	<b>(288.50)</b>	<b>(372.01)</b>	<b>-</b>	<b>(660.51)</b>
Tax expense								
Income tax	(103.35)	0.11	-	(103.24)	-	-	-	-
Deferred tax (charge)/credit	(319.55)	-	-	(319.55)	326.11	-	-	326.11
<b>Profit / (loss) for the period / year</b>	<b>1,327.30</b>	<b>(136.13)</b>	<b>-</b>	<b>1,191.17</b>	<b>37.61</b>	<b>(372.01)</b>	<b>-</b>	<b>(334.40)</b>
<b>Other comprehensive income / (loss)</b>								
Items that will not be reclassified to profit and loss								
Remeasurement of post employment benefit obligations - gain/(loss)	(8.93)	-	-	(8.93)	6.16	-	-	6.16
Income tax relating to these items	2.25	-	-	2.25	(1.58)	-	-	(1.58)
Items that will be reclassified to profit and loss								
Exchange differences in translating the financial statements of foreign operations	1.12	46.28	-	47.40	(4.58)	(18.45)	-	(23.03)
Income tax relating to these items	(0.28)	-	-	(0.28)	1.17	-	-	1.17
<b>Total other comprehensive gain / (loss)</b>	<b>(5.84)</b>	<b>46.28</b>	<b>-</b>	<b>40.44</b>	<b>1.17</b>	<b>(18.45)</b>	<b>-</b>	<b>(17.28)</b>
<b>Total comprehensive gain / (loss) loss for the period / year</b>	<b>1,321.46</b>	<b>(89.85)</b>	<b>-</b>	<b>1,231.61</b>	<b>38.78</b>	<b>(390.46)</b>	<b>-</b>	<b>(351.68)</b>
<b>Profit / (loss) for the year attributable to</b>								
Owners of the Company	1,326.61	(131.08)	-	1,195.53	48.27	(358.69)	-	(310.42)
Non-controlling interests	0.69	(5.05)	-	(4.36)	(10.66)	(13.32)	-	(23.98)
<b>Other comprehensive income / (loss) for the period / year</b>	<b>1,327.30</b>	<b>(136.13)</b>	<b>-</b>	<b>1,191.17</b>	<b>37.61</b>	<b>(372.01)</b>	<b>-</b>	<b>(334.40)</b>
<b>Other comprehensive income / (loss) for the period / year</b>								
Owners of the Company	(2.59)	79.06	-	76.47	0.21	(17.10)	-	(16.89)
Non-controlling interests	(3.25)	(32.78)	-	(36.03)	0.96	(1.35)	-	(0.39)
<b>Total comprehensive income / (loss) for the period / year</b>	<b>(5.84)</b>	<b>46.28</b>	<b>-</b>	<b>40.44</b>	<b>1.17</b>	<b>(18.45)</b>	<b>-</b>	<b>(17.28)</b>
<b>Total comprehensive income / (loss) for the period / year</b>								
Owners of the Company	1,324.02	(52.02)	-	1,272.00	48.48	(375.79)	-	(327.31)
Non-controlling interests	(2.56)	(37.83)	-	(40.39)	(9.70)	(14.67)	-	(24.37)
<b>Earnings per equity share (face value of Rs. 10/- each)</b>	<b>1,321.46</b>	<b>(89.85)</b>	<b>-</b>	<b>1,231.61</b>	<b>38.78</b>	<b>(390.46)</b>	<b>-</b>	<b>(351.68)</b>
Basic (Rs.)	45.75	-	-	44.25	1.34	-	-	(12.18)
Diluted (Rs.)	45.75	-	-	44.25	1.34	-	-	(12.18)

See accompanying notes forming part of the Unaudited Proforma Condensed Combined Financial Information

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board of Directors of Skannray Technologies Limited**  
(Formerly Skannray Technologies Private Limited)

**Shreedhar Ghanekar**  
Partner

**Vishwaprasad Alva** **Balasubramanian K**  
Managing Director Executive Director  
DIN: 01240253 DIN: 02058807

**Lakshmi Kamath**  
Chief Financial officer

**Bhagya M G**  
Company Secretary

Bengaluru, 12 June 2021

Mysuru, 12 June 2021

## Skanray Technologies Limited

(Formerly Skanray Technologies Private Limited)

Notes forming part of Unaudited Proforma Condensed Combined Financial Information

(Amount in Rupees Millions, except for share data or as otherwise stated)

### Note

#### No.

#### 1 Corporate information

Founded in 2007 by a group of Engineers with decades of experience in the medical equipment industry, Skanray Technologies Limited (formerly known as Skanray Technology Private Limited) ("the Company") is engaged in the design, development, manufacturing, marketing and servicing of medical equipment such as Radiology, Imaging Systems, Patient Monitoring Systems, Central Nursing Station, Electro Surgical Units, Ventilators, Anaesthesia Systems, ECG Machines, etc. It has a USFDA approved manufacturing plants in Mysore. The Company's products combine the latest in technology with simplicity of design, innovation and high-performance catering to efficient patient care at health care facilities in India and across the world. The Registered office is at Plot No. 15-17, Hebbal Industrial Area, Mysuru – 570016.

The Company changed its name from Skanray Technologies Private Limited to Skanray Technologies Limited effective 19 March 2021 post requisite regulatory approvals

#### 2 Background

**2.01** The Unaudited Proforma Condensed Combined Financial Information (referred to as 'Proforma Financial Information') of Skanray Technologies Limited (referred to as 'Skanray Technologies' or 'Company') as at and for the nine months period ended 31 December 2020 and as at 31 March 2020 and for the year then ended, have been prepared based on the restated Ind AS consolidated financial information of Skanray Technologies (referred to as 'Skanray Group') and proforma condensed combined financial information of Skanray Healthcare Global Private Limited (referred to as 'Skanray Healthcare Group').

Skanray Group and Skanray Healthcare Group are together referred to as 'Skanray Proforma Group', in presentation of the Proforma Financial Information to illustrate the combined results of the Skanray Proforma Group on the basis of preparation specified in Note 3 below.

#### **2.02 Business combination: Acquisition of Skanray Healthcare Global Private Limited**

The Board of Directors of the Company in their meeting held on 26 February 2021 approved the acquisition of 49,679,843 equity shares of equity shares of face value ₹ 10 each of Skanray Healthcare Global Private Limited (referred to as 'Skanray Healthcare') for an aggregate purchase consideration of ₹ 577.29 (transaction referred to as 'Business Combination'). The purchase consideration for acquisition of 100% equity share capital of Skanray Healthcare was settled through issue of issue 5,944,932 equity shares of the Company of face value ₹ 10 each at a premium of ₹ 87.1062 per equity share. The Company completed the acquisition of 100% equity share capital of Skanray Healthcare on 03 March 2021 and consequent to acquisition, Skanray Healthcare became wholly owned subsidiary of the Company.

#### 3 Purpose and basis of preparation of Proforma Financial Information

#### **3.01 Purpose of Proforma Financial Information**

The Proforma Financial Information comprises of Unaudited Proforma Condensed Combined Balance Sheet as at 31 December 2020 and 31 March 2020 ('Proforma Balance Sheet'); and; Unaudited Proforma Condensed Combined Statement of Profit and Loss for the nine months period ended 31 December 2020 and for the year ended 31 March 2020 ('Proforma Statement of Profit and Loss'), ('as at 31 December 2020 and for the nine months period then ended' and 'as at 31 March 2020 and for the year then ended', together referred to as 'Period') has been prepared by the Management of the Company solely for the purpose of inclusion in the Draft Red Herring Prospectus (referred to as 'DRHP'), in connection with its proposed Initial Public Offer of equity shares ("IPO") ('DRHP' referred to as 'IPO Offer Document') and have been prepared in accordance with the Guidance Note on Combined and Carve Out Financial Statements and Guide to Reporting on Proforma Financial Statements issued by the Institute of Chartered Accountants of India ('ICAI') ('Guidance Note') using the recognition and measurement principles of Indian Accounting Standards ('Ind AS') except for the accounting for acquisition of Skanray Healthcare Group and its purchase price allocation as per the requirements of the Ind AS 103 "Business Combination". The adjustments for converting the financial information of the Skanray Healthcare Group from the Generally Accepted Accounting Principles ('GAAP') under which the respective entities in the Skanray Healthcare Group maintain their books of accounts to Ind AS have been prepared by the Management of the Company.

The Proforma Financial Information for the above mentioned Period is not a complete set of financial statements of Proforma Group in accordance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013 (referred to as 'Act'), as applicable and its not intended to give true and fair view of the financial position or the financial performance of the Proforma Group for the Period, in accordance with Ind AS prescribed under section 133 of the Act. Further, the relevant comparative financial information under Ind AS have not been included in these Proforma Financial Information. As a result, these Proforma Financial Information may not be comparable and suitable for any other purpose.

The Proforma Financial Information represents a hypothetical situation and does not represents financial condition or results of operations that would have been achieved had the Business Combination actually taken place at the dates indicated and in not intended to be indicative of future financial position or operating results.

The Proforma Financial Information has been compiled by the Company solely to illustrate the impact of the Business Combination amongst Skanray Group and Skanray Healthcare Group as set out in Note 2 to Unaudited Proforma Condensed Combined Financial Information as if the Business Combination had taken place on 01 April 2019 for the purpose of illustration only.

#### **Entities considered in the Proforma Financial Information**

<b>Name of the entity</b>	<b>Country of incorporation</b>	<b>Principle place of business</b>
<b>Skanray Technologies Group</b>		
(a) Skanray Technologies Limited (STL)	India	India
(b) Skan X Radiology Devices SPA (subsidiary of STL)	Italy	Italy
<b>Skanray Healthcare Group</b>		
(a) Skanray Healthcare Global Private Limited	India	India
(b) Skanray Dental Technologies Private Limited	India	India
(c) Skanray Brasil – Produtos Medicos Odontologicos Ltda.(winded up on June, 2019)	Brazil	Brazil
(d) Skanray Latino America, SA de CV	Mexico	Mexico
(e) Cardia International A/S (Cardia A/S)	Denmark	Denmark
(f) Cardia International B.V (subsidiary of Cardia A/S)	Netherlands	Netherlands
(g) Skanray Global Pte Ltd. (Skanray Pte.)	Singapore	Singapore
(h) Skanray Americas (subsidiary of Skanray Pte.)	USA	USA
(i) Skanray USA Inc. (subsidiary of Skanray Pte.) (merged with Skanray Americas and remaned to Skanray Americas. Refer note j below)	USA	USA
(j) Skanray Europe SRL	Italy	Italy

**Skanray Technologies Limited**

(Formerly Skanray Technologies Private Limited)

Notes forming part of Unaudited Proforma Condensed Combined Financial Information

(Amount in Rupees Millions, except for share data or as otherwise stated)

**Note****No.****Notes**

During the period ended 31 December 2020, Skanray Americas, a subsidiary of Skanray Pte, was merged with Skanray USA Inc, another subsidiary of Skanray Pte and Skanray USA Inc was renamed as Skanray Americas.

**3.02 Process of preparation of Proforma Financial Information of the Proforma Group:**

The Proforma Financial Information of the Proforma Group for the Period has been compiled by the Company from:

- (a) Restated Consolidated Financial Information as at 31 December 2020, 31 March 2020, 31 March 2019 and 31 March 2018 and for the periods / years then ended of Skanray Group ('Restated Consolidated Financial Information');
- (b) Audited Special Purpose Condensed Combined Financial Information as at 31 December 2020 and 31 March 2020 and for the period/year then ended of Skanray Healthcare Group (Audited Special Purpose Consolidated Financial Information) ('Restated Consolidated Financial Information' and 'Audited Special Purpose Consolidated Financial Information', together referred to as 'Consolidated financial information');
- (c) The Proforma Financial Information have been prepared by combining like items of income and expenses of Skanray Group and Skanray Healthcare Group and adjustments made towards balances and transactions between these two Groups referred to as 'Inter-company transactions' as set-out in Note 4 to Proforma Financial Information. The Proforma Financial Information of the Proforma Group have not been adjusted to reflect business combination explained in Note 2 Proforma Financial Information.

**4 Description of Proforma adjustments in the preparation of Proforma Financial Information**

The Proforma adjustments made in the preparation of the Proforma Financial Information relates to the following elimination adjustments of Inter-company transitions amongst Skanray Group and Skanray Healthcare Group which have been identified by the Management of the Company:

**(a) Transactions and balances**

<b>Particulars</b>	<b>31-Dec-20</b>	<b>31-Mar-20</b>
Revenue from operations	62.27	62.40
Other income	5.09	14.63
Loans / borrowings (Non-current and current)	110.25	12.07
Trade receivables / trade payables	76.42	112.33
Other current assets / Other current liabilities	8.30	14.63

- (b) Equity balance of Skanray Healthcare as at 31 December 2020 and 31 March 2020 comprising of, (i) equity share capital; (ii) preference share capital; and (iii) share application money pending allotment, have been eliminated and adjusted in 'Other equity' line.

**5 Other income for the Period mainly includes**

<b>Particulars</b>	<b>31-Dec-20</b>	<b>31-Mar-20</b>
Interest on fixed deposit with banks and loan and advance	19.73	48.07
Liability no more required written bank	13.78	19.14

- 6 The Proforma Financial Information of the Company for the Period has reviewed by Audit Committee on 11 June 2021 and approved by the Board of Directors of the Company in their meeting held on 12 June 2021.

## CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at December 31, 2020, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Financial Statements*” and “*Risk Factors*” beginning on pages 271, 197, and 27, respectively.

(in ₹ million)

Particulars	Pre-Offer as at December 31, 2020	As adjusted for the Offer*
<b>Total borrowings</b>		
Current borrowings	535.32	[●]
Non- current borrowings (including current maturity)	129.56	[●]
<b>Total Borrowings</b>	<b>664.88</b>	<b>[●]</b>
<b>Total equity</b>		
Equity share Capital	182.92	[●]
Compulsorily convertible preference share capital	118.72	[●]
Other equity	1,599.32	[●]
Less: non – controlling interest	(0.55)	[●]
<b>Total Capital</b>	<b>1,900.41</b>	<b>[●]</b>
<b>Ratio: Non-Current Borrowings / Total Equity</b>	<b>6.82%</b>	<b>[●]</b>

*These terms shall carry the meaning as per Schedule III of the Companies Act, 2013.*

*\*Post-Offer Capitalisation will be determined after finalisation of Offer Price.*

**Note :**

- i) *The above has been computed on the basis of the Restated Consolidated Ind AS Financial Information – Annexure I.*
- ii) *The corresponding post-Offer capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*

## OTHER FINANCIAL INFORMATION

- The audited standalone financial statements of our Company as at and for the Fiscals 2020, 2019 and 2018, respectively (“**Company’s Financial Statements**”) are available at <https://www.skanray.com/?q=content/annual-report-financial-report>. Further, the audited standalone financial statements of our Subsidiaries, as at and for the Fiscals 2020, 2019 and 2018 (“**Subsidiaries Financial Statements**”) are available at <https://www.skanray.com/?q=content/annual-report-financial-report>.

Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Company’s Financial Statements and the Subsidiaries Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Company’s Financial Statements and the Subsidiaries Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, or any entity in which 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 the BRLMs or the Promoter, 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 Company’s Financial Statements and the Subsidiaries Financial Statements, or the opinions expressed therein.

- The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As on/For the nine month period ended December 31, 2020	As on/ For Fiscal 2020	As on/ For Fiscal 2019	As on/ For Fiscal 2018
Basic Earnings/ (loss) per Equity Share (₹)	45.75	1.34	(10.32)	(8.98)
Diluted Earnings/ (loss) per Equity Share (₹)	45.75	1.34	(10.32)	(8.98)
Return on Net Worth (%)	77.10%	12.29%	(84.77%)	(37.96%)
Net Asset Value Per Equity Share (₹)	59.57	13.60	11.62	24.66
Earnings before interest, tax, depreciation and amortisation (EBITDA) (₹ in million)	<b>1,918.97</b>	<b>(50.53)</b>	<b>(81.94)</b>	<b>(77.16)</b>

The ratios have been computed as under:

- Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
- Net Worth: Net Worth is calculated as the sum of (i) Equity Shares; (ii) Compulsory convertible preference shares; and (iii) other equity, less revaluation reserve.*
- Return on Net Worth Ratio: Profit/ (loss) for the period attributable to equity shareholders of the parent divided by Net Worth as attributable to equity shareholders of the parent at the end of the year/period.*
- Net assets value per equity share (₹): Net assets at the end of the year/period divided by Total number of weighted average equity share outstanding at the end of the year/ period*  
*Net asset means total assets minus total liabilities excluding revaluation reserves.*
- EBITDA is calculated as profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.*
- Accounting and other ratios are based on the financial statements prepared on the basis of Indian Accounting Standards.*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our "Restated Consolidated Financial Information" beginning on page 202.*

*This Draft Red Herring Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Draft Red Herring Prospectus. For further information, see "Forward-Looking Statements" on page 18. Also read "Risk Factors" and "- Significant Factors Affecting our Results of Operations" beginning on pages 27 and 274, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020 included herein is derived from the Restated Consolidated Financial Information, included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 197.*

*Pursuant to the Share Transfer Agreement dated March 2, 2021, our Company acquired Skanray Healthcare Global Private Limited with effect from March 3, 2021. Accordingly, our Company's historical operational and financial information prior to this Acquisition are not comparable to those subsequent to such Acquisition. For further information, see "- Presentation of Financial Information – Acquisition of SHGPL" and "- Significant Factors Affecting our Results of Operations and Financial Condition – Acquisition of SHGPL" and "History and Certain Corporate Matters – Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last 10 years" on pages 273, 274 and 161, respectively. The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Skanray Technologies Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Skanray Technologies Limited on a consolidated basis.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Market Assessment of the Medical Device Industry in India" dated January 2021 (the "CRISIL Report") prepared and released by CRISIL Limited and commissioned by our Company in connection with the Issue. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 16.*

### OVERVIEW

We are among the key Indian medical device players engaged in designing, development, manufacturing and marketing of medical devices (*Source: CRISIL Report*). We are a multi-product company offering a diversified portfolio of products, including patient monitoring systems, cardiology devices, respiratory management systems and radiology/ imaging systems, to hospitals, OEMs and for personal medical use/ retail sale globally. Our products are designed and developed in-house based on intellectual property that we own. In Fiscal 2020 we sold our products and services to over 1,830 customers in 20 countries. We have an extensive in-house research and development ("R&D") team that has been granted 27 patents, 49 trademarks, and 11 design registrations as of December 31, 2020. Our R&D activities are focused on developing modular technology platforms which can be used across multiple products in our portfolio. Our growth has been supplemented by strategic acquisitions designed to improve our ability to take advantage of growth opportunities in the medical device industry.

We were incorporated on February 14, 2007 and have grown our business with the objective of accessing various global markets that have localised regulatory requirements and distribution nuances. We have since evolved into a multi-product company on the back of our in-house R&D capabilities and our ability to successfully integrate new businesses and platforms that we have acquired for fast-track time-to-market strategies in terms of product and market expansion. Our

product-driven acquisitions include the acquisition of the medical equipment business of Larsen and Toubro Limited to grow our PMS and ESU product portfolio, which form part of our critical care segment, and to leverage the pan-India distribution network of Larsen and Toubro's business. We acquired Pricol Engineering Industries Limited's medtech business in 2013 to gain access to their RMS product portfolio. Our market-driven acquisitions include the acquisition of CEI-Italy (Compagnia Elettronica Italiana), an Italian X-ray tube manufacturer, to gain a presence in the European market and to vertically integrate our radiology product line for which X-ray tubes are a critical component. The acquisition of Cardia International A/S, manufacturer of AED, was similarly driven to gain access to a distribution network in Europe. These acquisitions allowed us to expand our presence across India and globally and strengthened our capabilities in key modalities, i.e. critical care. We have subsequently leveraged these acquired capabilities to grow our operations. For instance, through our acquisition of CEI-Italy, we were able to vertically integrate our radiology product line and distribute our radiology devices through the same distribution channels in Europe.

We have a well-diversified portfolio of products that can be classified into three broad categories, critical care products, radiology products and respiratory management systems. Our critical care products include patient monitoring systems, cardiology devices, syringe-pumps, and electro-surgical units. Our radiology products include mobile and fixed X-ray systems, DR systems, surgical C-arms, and dental x-ray systems. Our portfolio of respiratory management systems includes anaesthesia delivery systems and ICU ventilator systems. Our products have received several certifications including US FDA, CE and certain of our processes are ISO certified.

Our R&D activities are focused on continuous expansion of our product portfolio, improvement of product quality, and refining our processes to increase cost effectiveness. We carry out R&D activities with a platform-based approach to maximize value, where we develop advanced technology platforms that are common across products, and based on which multiple products can be developed in-house. We capitalized on this platform-based model most recently by entering into a licensing framework with Bharat Electronics Limited to manufacture 30,000 ventilators (model CV-200) during the initial months of the COVID-19 pandemic in India. These ventilators have been distributed to various government hospitals in India. We actively protect and promote our R&D efforts by making timely applications for protection of intellectual property rights, resulting in ownership of intellectual property in our key products and modular-platforms.

As of December 31, 2020, we had three manufacturing facilities, of which two are in India and one in Italy, that had an aggregate installed manufacturing capacity of 49,000 units per annum. Through the acquisition of SHGPL we acquired two more facilities, one in Italy and one in the Netherlands, that had an aggregate installed manufacturing capacity of 5,200 units per annum, as of December 31, 2020. Each of our facilities is periodically subject to third-party audits and manufactures US FDA and CE certified devices. Our in-house manufacturing capabilities enable us to control costs, monitor quality, and mitigate supply chain related risks around our key products. With manufacturing facilities located in India we are well-positioned to cater to customers in the growing markets of South East Asia at competitive prices. In addition, with facilities located in Europe, we are able to produce 'Made in Europe' devices that get preference in certain markets within Europe, giving us a competitive advantage over manufacturers outside Europe.

Owing to our portfolio of globally certified products and manufacturing facilities, we have been able to build an extensive global and pan-India distribution network. Our distribution network can broadly be categorized based on geography and customer-type, i.e. sales within India, sales outside India, and sales to OEMs. Revenue generated from operations, within India and outside India, amounted to ₹ 844.06 million and ₹ 612.02 million in Fiscal 2020, respectively, and represented 57.97% and 42.03% of our revenue from operations in Fiscal 2020, respectively. Revenue generated from sales to OEMs amounted to ₹ 310.72 million and represented 21.34% of our revenue from operations in Fiscal 2020. For sales within and outside India, our products are sold under our own brands such as "Skan", "CEP" and "Cardi", using a combination of our in-house sales team and distribution partners. Within India, we generate revenue from sale of products directly to large hospitals, to distributors, to certain central and state government agencies in India, as well as for servicing of our products. As of December 31, 2020, we installed an aggregate of 126,824 products in India. Sales outside India are driven by having a direct local presence in key geographies such as the United States where we have a subsidiary, and Europe where we have our own manufacturing operations and distributor relationships. We also distribute our products to countries in the LATAM, South East Asia and Africa regions, through engagements with distributors. In addition, products that are designed and developed by us in-house are also sold to our OEM partners for onward sale under various OEM brands, helping us leverage the customer base of OEMs and further expand our geographic reach. Some of our OEM tie-ups include Medtronic, GE, Fujifilm, Hatch Inc., ImageWorks and Kruuse.

We are led by our experienced Individual Promoter and Managing Director Mr. Vishwaprasad Alva, have been supported by our other Promoters including Agnus Group, and have received strategic investments from Ascent Capital. We also



have an experienced senior management team that has an average experience of over 20 years. Further, each of our international businesses are led by designated CEOs, being experienced professionals with extensive industry and market expertise.

We have consistently strengthened our financial performance over the years. Our revenue from operations grew from ₹ 1,319.20 million in Fiscal 2018 to ₹ 1,456.08 million in Fiscal 2020. Further, for the nine months ended December 31, 2020, we recorded revenue from operations of ₹ 3,469.33 million. Our EBTIDA in Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2020 was ₹ (77.16) million, ₹ (81.94) million, ₹ (50.53) million and ₹ 1,918.97 million respectively. For a reconciliation of EBITDA to restated profit/ (loss) for the year/ period, see “*Management’s Discussion and Analysis of Financial Information and Results of Operations – Non-GAAP Measures – Reconciliation of EBITDA and EBITDA Margin to Profit for the Year/ Period*” on page 283. Our restated profit/ (loss) for the year/ period for Fiscal 2018, 2019 and 2020 and for the nine months ended December 31, 2020 was ₹ (233.23) million, ₹ (294.19) million, ₹ 37.61 million and ₹ 1,327.30 million respectively.

## PRESENTATION OF FINANCIAL INFORMATION

Our restated Ind AS consolidated statements of assets and liabilities as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, and the restated Ind AS consolidated statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the nine months ended December 31, 2020, and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, together with the summary of significant accounting policies and explanatory information thereon (collectively, the “**Restated Consolidated Financial Information**”), have been derived from our audited financial statements as at and for the nine months ended December 31, 2020, prepared in accordance with Ind AS 34, and our audited financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, each prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance Note.

The Restated Consolidated Financial Information as of and for the years ended March 31, 2019 and March 31, 2018 have been prepared under Ind AS on a proforma basis. For further information, see “*Financial Statements – Restated Consolidated Financial Information – Note 2 - Significant Accounting Policies*” beginning on page 207.

### Acquisition of Skanray Healthcare Global Private Limited

Pursuant to the Share Transfer Agreement dated March 2, 2021, our Company acquired Skanray Healthcare Global Private Limited with effect from March 3, 2021 (the “**Acquisition**”). Accordingly, our Company’s historical operational and financial information prior to this Acquisition are not comparable to those subsequent to such Acquisition.

Since the Acquisition had a significant impact on the consolidated financial statements of our Company, we have included in this Draft Red Herring Prospectus following additional financial information with respect to the Acquisition:

- Proforma financial information as of and for the nine months ended December 31, 2020; and
- Proforma financial information as of and for the year ended March 31, 2020.

(collectively, the “**Proforma Financial Information**”)

The Proforma Financial Information seeks to present the impact of the Acquisition on our Company’s financial performance, and assumes that the Acquisition had taken place with effect from April 1, 2019. The proforma impact of the Acquisition is therefore reflected in the Proforma Financial Information for Fiscal 2020 and nine months ended December 31, 2020. For further information, see “*Financial Statements – Proforma Financial Information*” on page 265.

Solely to illustrate the impact of the Acquisition on certain key performance indicators, we have presented certain other financial information that is based on or derived from, the Proforma Financial Information (“**Additional Proforma Information**”) For further information, see “*Financial Statements - Proforma Financial Information*” and “*– Additional Proforma Information*” on pages 265 and 294, respectively.

The Proforma Financial Information and Additional Proforma Information address a hypothetical situation and, therefore, do not represent our actual financial position or results. The Proforma Financial Information and Additional Proforma Information only purport to indicate the results of operations that would have resulted had the Acquisition been completed at the beginning of the period presented and the financial position had the Acquisition been completed as at the year/period end. The Proforma Financial Information and Additional Proforma Information have been prepared for illustrative purposes

only based on various assumptions stated therein, do not purport to predict our future financial condition, results of operations or cash flows, and potential investors are cautioned against relying on such information in connection with any investment decision.

## **SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### ***Impact of COVID-19 pandemic***

On account of the COVID-19 pandemic, India had imposed a nationwide lockdown on March 24, 2020, however, since our operations were determined to be operating in an essential industry, we were allowed to continue operations and all of our facilities in India continued operations, subject to certain adjustments in working patterns and limited workforce. Our operations in the nine months ended December 31, 2020, were also significantly impacted by COVID-19 and consequent demand for ventilators and other medical devices at hospitals and nursing homes. In the nine months ended December 31, 2020, we entered into a licensing framework with Bharat Electronics Limited to manufacture 30,000 ventilators (model CV-200) during the initial months of the COVID-19 pandemic in India. These ventilators have been distributed to various government hospitals in India. We generated license fees of ₹ 1,650.00 million in the nine months ended December 31, 2020, from the sale of these ventilators. However, there were disruptions to our operations in the Europe where the pandemic caused wide spread disruptions due to the implementation of strict lockdowns in many European countries.

The pandemic outbreak has caused an economic downturn on a global scale, including closures of many businesses and reduced consumer spending, as well as significant market disruption and volatility. The steps taken to counter the effects of the pandemic have resulted in a period of economic downturn and business disruption in India and globally. The demand for our products is dependent on and directly affected by factors affecting industries where our products are applied. Companies have faced disruptions in manufacturing and their supply chains. The disruptions in supply chain and logistics led to decreased inventory levels which in turn affected the supply of products to end consumers that primarily include hospitals and pharmacies. Due to COVID-19 related medical requirements, manufacturing and demand for consumables and disposables has increased significantly (*Source: CRISIL Report*).

It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future and we continue to closely monitor the effect that COVID-19 may have on our business and results of operations.

### ***Acquisition of SHGPL***

Our Company acquired SHGPL with effect from March 3, 2021. As a result, our Company's historical operational and financial information prior to this Acquisition are not comparable to those subsequent to such Acquisition.

The Acquisition has resulted in expanding our R&D capabilities, manufacturing capacities, and direct operational network in a number of additional geographic regions, which will potentially enable us to strengthen customer relationships and grow our business in these regions. We intend to leverage the Acquisition to increase operational efficiencies, derive significant cost synergies, and strengthen our financial performance. Further, the Acquisition has also resulted in an expansion of our Company's portfolio of products.

Since the Acquisition had a significant impact on the consolidated financial statements of our Company, we have included in this Draft Red Herring Prospectus, additional financial information with respect to the Acquisition to present the impact of the Acquisition on our Company's financial performance, assuming the Acquisition had taken place with effect from April 1, 2019 ("**Proforma Financial Information**"). The proforma impact of the Acquisition is therefore reflected in the Proforma Financial Information for Fiscal 2020 and nine months ended December 31, 2020. For further information, see "*Financial Statements – Proforma Financial Information*" on page 265.

### ***Product development and registration***

Our business depends to a large extent on our R&D capabilities and the ability to successfully design, develop, manufacture, and launch a new product. The R&D process is both time consuming and costly and involves a high degree of business risk. Our business and results of operations have been and will be affected by our ability to continue to develop and commercialize new products. Over the years, we have invested substantial funds to the acquisition, integration and creation of platforms, modules and products. Our in-house R&D capabilities have enabled us to develop an innovative and diversified product offering. Our R&D efforts are primarily focused on developing new products within our existing product verticals as well as introduce products.

To develop our product pipeline, we commit substantial time, effort, funds and other resources for R&D. The R&D process is often time consuming and costly, and obtaining an approval or patent protection in any one jurisdiction would not ensure approval in other jurisdictions. Our processes and products that are currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such products or processes. Our competitors and other companies or innovators may try to assert patent and other intellectual property rights against us. As a result, we could become involved in extensive litigation regarding our products. Our future results of operations will, in part, depend on our ability to successfully commercialize new medical devices, including critical care devices that we seek to develop through our R&D efforts.

### ***Raw material and employee benefit expenses***

Our Material Costs represented 47.33%, 54.80%, 51.09% and 25.55% of our total income, for Fiscals 2018, 2019 and 2020 and for the nine months ended December 31, 2020, respectively. For a reconciliation of Material Costs, see “*Management’s Discussion and Analysis of Financial Information and Results of Operations – Non-GAAP Measures – Reconciliation of Material Cost to Cost of Materials Consumed*” on page 284. We procure our raw materials from both domestic and international suppliers based on purchase orders and without any long-term contracts. Prices of our raw materials are influenced by, among other factors, changes in global economic conditions, industry cycles, demand-supply dynamics, attempts by particular producers to capture market share and speculation in the market. The changes in raw material costs are generally passed through to our customers. However, as such price adjustments based on cost changes occur at periodic intervals, there is generally a time lag between changes in our raw material costs and any adjustments to our prices, and a significant increase in raw material prices during such period, may adversely impact our profitability.

Employee benefit expenses also constitute a significant portion of our operating expenses. Our employee benefit expenses represented 26.24%, 24.49%, 26.52% and 11.29% of our total income for Fiscals 2018, 2019 and 2020 and in the nine months ended December 31, 2020, respectively. We expect our employee benefit expenses to increase in the future as retaining the services of our skilled employees, including engineers and technicians, is a high priority and competition to retain skilled employees will likely result in increased personnel expenses. While we believe that we have sufficient human resources to sustain our current operations and planned growth, we seek to improve our operational efficiency by reducing our employee costs as a percentage of our total income in future periods. As a significant portion of our overall manpower is located in India, rising wages in India may have a material impact on our net revenues as well. If we are unable to efficiently manage our operating expenses, it could have a significant impact on our results of operations and financial condition.

### ***Acquisitions***

Our business strategies are focused on enhancing our market position by continuously improving the competitive differentiation of our product portfolio, focusing on our strengths and core competencies, and growing the businesses that offer the most attractive returns. We have historically expanded our business through a combination of organic growth and acquisitions. For example, through the acquisition of L&T Limited’s medical equipment business, we obtained access to core technology for patient monitoring systems that enabled a faster time to market. Similarly, we acquired Pricol Engineering Industries Limited’s medical devices business that gave us access to core technology in respiratory management systems. We leveraged this acquisition by obtaining relevant international certifications for the acquired technology and capitalized on Pricol’s existing network to grow RMS sales and modularize the platform.

Although we seek to continue to achieve growth organically through investment in our technological capabilities, business development skills and customer relationships, we continue to evaluate inorganic growth opportunities such as acquisitions and strategic alliances that may provide us with complementary technologies. Each new acquisition that we complete may materially affect the overall results of our operations and financial profile. For further information on our divestments and acquisitions, see “*History and Certain Corporate Matters – Material acquisitions of business or undertakings, mergers, amalgamations in the last 10 years*” on page 161.

### ***Distribution and sale of our products***

We have an extensive sales and distribution network in India that enables us to market our products to a wide base of private and government hospitals and nursing homes. We are dependent on third-party distributors for the distribution of our products and have a wide network of distributors in India. In addition to our distribution network, our sales division is involved in the promotion of our products in private and government hospitals and nursing homes across India. For distribution in our overseas markets we enter into strategic partnerships or establish local presence. We constantly seek to grow our product reach to under-penetrated geographies, increase the penetration of our products in markets in which we

are currently present and widen the portfolio of our products available in those markets by growing our distribution network. Our success is dependent on our ability to successfully tie up with or appoint new distributors to expand our network and effectively manage our existing distribution network.

### **Global operations and foreign exchange**

A large portion of our revenue and some part of costs are denominated in Euros. As a result of our substantial international operations, we are exposed to foreign currency risks that arise from our business transactions that are denominated in foreign currencies and investments made in foreign jurisdictions. However, in case of some of our customers, the fluctuation in foreign currency is passed through by way of price adjustment with a time lag. Since our reporting currency is Indian rupee, all foreign currency transactions including sales, purchases and expenses are translated into Indian rupees. We are also required to translate the financial statements of our foreign subsidiaries from their respective currencies to Indian Rupees for the purposes of our consolidated financial statements.

Our business and the industry in which we operate is subject to substantial government regulation, including tax laws in foreign jurisdictions in which we have a presence which may differ by state, region and country. Changes in tax laws and treaties or tax rates, the resolution of tax assessments or audits by various tax authorities could adversely affect our results of operations. These government regulatory changes may also support or impede the business of our customers and consequently impact our business. Any of these outcomes could affect our financial condition and results of operations.

Our overseas business and growth initiatives are also exposed to changes in international tariffs, trade relations and policies, including renegotiated trade agreements and imposition of tariffs that make unjustified, unreasonable or discriminatory trade actions impacting the countries in which we have a presence. Our sales may also be impacted by changes in tariffs applicable on our products or on our customers' products containing content sourced from us.

### **SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of our Restated Consolidated Financial Information is set forth below. These policies have been consistently applied to all the periods presented, unless otherwise stated. For further information, see “*Financial Statements – Restated Consolidated Financial Information – Significant Accounting Policies*” on page 207.

#### **Basis of preparation**

The Restated Consolidated Financial Information relate to the Company and its Subsidiary (the “**Group**”) and the Group’s share of profit/ loss in its associate and has been specifically prepared for inclusion in the document to be filed by the Company with the SEBI in connection with the proposed Offer. The Restated Consolidated Financial Information comprises the Restated Consolidated State of Assets and Liabilities as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Cash Flow Statement, the Restated Consolidated Statement of Changes in Equity and Statement of Significant Accounting Policies and other explanatory information for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018 (hereinafter collectively referred to as “**Restated Consolidated Financial Information**”).

The Restated Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “**Act**”) read with the SEBI ICDR Regulations.

#### *Principles of Consolidation*

The following subsidiary company and associate have been considered in the preparation of the consolidated financial information:

Name of the entity	Relationship	Country of Incorporation	Ownership held by	% of Holding & voting power as at	% of Holding & voting power as at	% of Holding & voting power as at	% of Holding & voting power as at
				March 31, 2018**	March 31, 2019	March 31, 2020	December 31, 2020

Skand-X Radiology Devices S.p.A (Formerly Skand-X Radiology Devices s.r.l)	Subsidiary	Italy	Skandray Technologies Private Limited	61%	61%	52%	52%
Mysore Cluster*	ESDM	Associate	India	Skandray Technologies Private Limited	14%	48%	48%

\* The Company holds 48% equity in Mysore ESDM Cluster (ESDM), a company limited by shares not for profit under section 8 of the Companies Act, 2013 (Act). ESDM is yet to commence its operations. Since the Company exercises significant influence by way of participation in the financial and operating decisions of ESDM, ESDM is identified as an Associate of the Company. As per the Memorandum of Association (MoA) of ESDM, the profits or any other income of ESDM whenever derived shall be applied solely towards the promotion of its objects as per the MoA and accordingly, no portion of the income shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to persons who, at any time are or have been members of ESDM. Also, upon winding up or dissolution of ESDM, if there is any surplus that remains after satisfaction of all debt and liabilities, the same shall not be distributed amongst the members of the Company but shall be given/transferred to such other company having objects similar to the objects of ESDM or credited to Rehabilitation and Insolvency Fund formed under Section 269 of the Act.

Based on the above, the Company has assessed that it does not have any interest in the associate's performance and as a result, the return on its investment. Accordingly, equity method of accounting has not been followed for this associate.

\*\*For Fiscal, was considered as an Associate for the period April 1, 2017 to July 31, 2017 only.

## Revenue recognition

We assess the goods and services promised in a contract and identify distinct performance obligations in the contract. We allocate the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which we estimate the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

*Revenue from sale of goods is recognised as follows:*

Revenue from sale of goods is recognised when the control is transferred to the customer and it is probable that we will collect the consideration to which we are entitled for the exchanged goods. In case of domestic sales the control of goods is transferred either when the goods are dispatched or when it is delivered to the customer, based on the terms of the agreement. In case of export sales the control of goods is transferred either when the goods are dispatched from factory or when the goods are shipped, based on the terms of the agreement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Our contracts may include variable consideration including rebates, volume discounts and penalties. We include variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

*Revenue from service:*

We provide annual maintenance service for the products sold. Annual maintenance service revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period.

License fee is recognized in the period we complete all our performance obligations. 'Unbilled revenues' represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' represent billing in excess of revenue recognized. Advance payments received from customers for which no services are rendered are presented as 'Advance from customers'

*Other income:*

Interest income from a financial assets is recognised when it is probable that the economic benefits will flow to us and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established provided that it is probable that the economic benefits will flow to us and the amount of income can be measured reliably.

## **Employee benefits**

Employee benefits include provident fund, employee state insurance scheme, gratuity and compensated absences.

### *Defined contribution plans:*

Our contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### *Defined benefit plans:*

For defined benefit retirement benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date and the same is funded with LIC of India. Remeasurement, comprising actuarial gains or losses, the effect of the changes to the asset ceiling (if applicable) and return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Actuarial gains and losses and return on plan assets are recognised in the Statement of Other comprehensive income in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. Defined benefit costs are categorised as follows: service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); net interest expense or income; and remeasurement.

We present the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailments gains and losses are accounted as past service costs.

*Short-term employee benefits:* The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as: (i) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and (ii) in case of non-accumulating compensated absences, when the absences occur.

*Long-term employee benefits:* Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date, using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date.

## **Foreign exchange transactions**

Foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Foreign currency rate fluctuations relating to monetary assets and liabilities are restated at the year-end rates. The net gain or loss arising on restatement/ settlement is recorded in statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction. The related revenue and expense are recognized using the same exchange rate.

## **Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on

fixed assets after its purchase / completion is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. We depreciate property, plant and equipment over their estimated useful lives using the straight-line method. Depreciation methods and useful lives are reviewed periodically at each financial year end.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the Statement of Profit and Loss.

### ***Intangible assets***

Design, drawings and software costs are included in the Balance Sheet as intangible assets when it is probable that associated future economic benefits would flow to us. All other costs on design, drawings and software are expensed in the Statement of Profit and Losses as and when incurred. Intangible assets are stated at cost less accumulated amortization and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. 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). Amortization methods and useful lives are reviewed periodically including at each financial year end.

### ***Internally-generated intangible assets – research and development expenditure***

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use.
- its intention to complete the intangible asset and use or sell it.
- its ability to use or sell the intangible asset.
- how the intangible asset will generate probable future economic benefits.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated and impairment losses, on the same basis as intangible assets that are acquired separately.

### **Leases**

We assess whether a contract is or contains a lease, at inception of the contract. We recognize a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, we recognize the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Ind AS 116, Leases has been applied using the modified retrospective approach, with the right-of-use asset recognized at an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases.

### **As a Lessee**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, we use our incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise: fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; the amount expected to be payable by the lessee under residual value

guarantees; payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. We remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever: the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. We apply Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of non-financial assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss. As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. We have availed this practical expedient.

### **Inventories**

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance, and receiving charges. Net realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution. The cost of various categories of inventory is determined as follows: raw materials and traded goods are valued on weighted average cost; work-in-progress and finished goods are valued on full absorption cost method based on the average cost of production; loose tools and stores & spares are valued at cost of purchases less obsolescence provision.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their product lines and market conditions.

### **Statement of Cash flows**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### **Cash and cash equivalents (for purposes of Statement of Cash flows)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.



## **Provisions and contingent liabilities**

Provisions, involving substantial degree of estimation in measurement, are recognized when there is a present obligation (legal or constructive) as a result of past events and it is probable that there will be an out flow of resources and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within our control. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are neither recognized nor disclosed in the financial information.

### *Provision for warranty*

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically one year.

As per the terms of the contracts, we provide post-contract services / warranty support to some of our customers. We account for the post-contract support / provision for warranty on the basis of the information available with the management duly taking into account the current and past technical estimates.

## **Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements includes:

- measurement of defined benefit obligations;
- estimation of useful lives of property, plant and equipment;
- provision and contingent liabilities;
- carrying values of inventories;
- expected credit loss on receivables;
- impairment of non-financial assets (goodwill and brands);
- measurement of share based payments;
- cash flow projections and liquidity assessment with respect to COVID-19 .

For further information, see “*Financial Statements - Restated Consolidated Financial Information – Significant Accounting Policies*” on page 207.

## **CHANGES IN ACCOUNTING POLICIES**

The Restated Consolidated Financial Information have been compiled by the management from:

- audited special purpose interim consolidated Ind AS financial statements of the Company as at and for the nine months period ended December 31, 2020 prepared in accordance with recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", issued by ICAI and other accounting principles generally accepted in India (the "Special Purpose Interim Consolidated Ind AS Financial Statements"). The comparative information as at and for the year ended March 31, 2020 included in such Special Purpose Interim Consolidated Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended March 31, 2020, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 31 December, 2020.
- these Restated Consolidated Financial Information also contains the proforma consolidated Ind AS financial information as at and for the years ended March 31, 2019 and 2018. The proforma consolidated Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the years ended March 31, 2019 and 2018.

For the purpose of proforma consolidated Ind AS financial information as at and for the years ended March 31, 2019 and 2018, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2019. Accordingly, suitable restatement adjustments (both re-measurements and reclassifications) in the accounting heads are made to the proforma consolidated Ind AS financial information as at and for the years ended March 31, 2019 and 2018 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2019). For further information, see "Financial Statements – Restated Consolidated Financial Information – Note 2 - Significant Accounting Policies" beginning on page 207. Other than this, there have been no changes in our accounting policies during Fiscal 2018, 2019 and 2020, and in the nine months ended December 31, 2020.

## **PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS**

### **Income**

Our total income comprises revenue from operations and other income. We generate majority of our revenue through the designing, development, manufacturing, marketing and sales and service of medical devices.

#### ***Revenue from Operations***

Revenue from operations comprises (i) revenue from sale of products, (ii) revenue from sale of services, and (iii) other operating revenue.

- Revenue from sales of products comprises revenue from sale of manufactured goods (medical equipment), and revenue from sale of traded goods (medical equipment).
- Revenue from sale of services comprises annual maintenance charges, and license fees
- Other operating revenue comprises scrap sales, export incentives, and operating grants relating to R&D.

#### ***Other Income***

Other income includes (i) interest income on bank deposits, loans to employees, security deposits and others; (ii) other non-operating income comprising liability/ provisions no longer required written-back, net gain on foreign currency transactions and translation, fair value gain on investment in gold, and miscellaneous income.

### **Expenses**

Our expenses comprise (i) cost of raw materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods, stock-in-trade and work-in-progress; (iv) excise duty on sale of goods; (v) employee benefits expense; (vi) finance costs; (vii) depreciation and amortisation expense; and (viii) other expenses.

#### ***Cost of Materials Consumed and Changes in Inventories of Finished Goods and Work-in Progress***

Cost of materials consumed primarily includes the cost of raw materials, such as valves, printed wires, LCD monitors and mother boards.

Changes in inventories of finished goods and work-in-progress denotes increase/decrease in inventories of finished goods and work in progress between opening and closing dates of a reporting period.

#### ***Employee Benefit Expense***

Employee benefit expenses primarily includes (i) salaries and allowances; (ii) contributions to provident fund and other funds; and (iii) staff welfare expenses.

#### ***Depreciation and Amortization expenses***

Depreciation and amortization expenses primarily include depreciation expenses on our property, plant and equipment and amortization expenses on our intangibles and right of use assets.

#### ***Finance Cost***

Finance cost includes interest on borrowings, trade payables, lease liabilities, and other borrowing costs on bank and other processing charges.

#### ***Other Expenses***

Other expenses comprises (i) consumption of stores; (ii) power and fuel; (iii) rent; (iv) repairs and maintenance (on plant and machinery and others); (v) insurance; (vi) rates and taxes; (vii) sub-contracting charges; (viii) travelling and conveyance; (ix) sales commission; (x) interest on delayed payment of taxes; (xi) legal and professional fees; (xii) payment to auditors; (xiii) intangible assets under development written-off; (xiv) net loss on foreign currency transactions and translation; (xv) provision for doubtful trade and other receivables, loans and advances (net); (xvi) provision for diminution in investment; (xvii) bad trade receivables, loans and advances written-off; (xviii) provision for warranty; (xix) sales promotion expense; (xx) R&D expenses; (xxi) manpower charges; (xxii) miscellaneous expenses.

### **NON-GAAP MEASURES**

EBITDA, EBITDA Margin, and other non-GAAP measures, (together, “**Non-GAAP Measures**”), presented in this Draft Red Herring Prospectus is 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. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, such Non-GAAP Measures 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.

#### ***Reconciliation of EBITDA and EBITDA Margin to Profit for the Year/ Period***

The table below reconciles restated profit for the year/ period to EBITDA. EBITDA is calculated as profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income, while EBITDA Margin is the percentage of EBITDA divided by revenue from operations.

Particulars	Fiscal			Nine months ended December 31, 2020
	2018 (proforma)	2019 (proforma)	2020	
	(₹ million)			
<b>Restated profit for the year/ period (I)</b>	<b>(233.23)</b>	<b>(294.19)</b>	<b>37.61</b>	<b>1,327.30</b>
Add: Total Tax Expense (II)	-	-	(326.11)	422.90
Add: Exceptional Items (III)	72.18	-	-	-
Add: Finance Costs (IV)	89.86	133.78	186.28	95.10

Particulars	Fiscal			Nine months ended December 31, 2020
	2018 (proforma)	2019 (proforma)	2020	
	(₹ million)			
Add: Depreciation and Amortisation expense (V)	94.73	122.56	126.63	109.53
Less: Other Income (VI)	100.70	44.09	74.94	35.86
<b>Earnings before interest, taxes, depreciation and amortization expenses (EBITDA) VII = I + II +III+IV+V-VI</b>	<b>(77.16)</b>	<b>(81.94)</b>	<b>(50.53)</b>	<b>1,918.97</b>

#### *Reconciliation of Material Cost to Cost of Materials Consumed*

The table below reconciles cost of materials consumed to Material Cost. Material Cost is calculated as cost of materials consumed, purchase of stock in trade (medical equipment), changes in inventories of finished goods, stock-in-trade and work-in-progress and excise duty.

Particulars	Fiscal			Nine months ended December 31, 2020
	2018 (proforma)	2019 (proforma)	2020	
	(₹ million)			
<b>Cost of material consumed (I)</b>	<b>616.77</b>	<b>879.88</b>	<b>812.64</b>	<b>953.18</b>
<b>Adjustments:</b>				
Add: Purchase of Stock-in-Trade (II)	17.98	19.11	20.64	12.36
Add: Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (III)	31.15	15.79	(51.14)	(70.02)
Add: Excise Duty (IV)	6.20	-	-	-
<b>Material Costs V = I + II + III + IV</b>	<b>672.10</b>	<b>914.78</b>	<b>782.14</b>	<b>895.52</b>

#### *Reconciliation of Net Worth*

The table below reconciles Net worth and Return on Net worth.

	As of and for the year ended			As of and for the nine months ended December 31, 2020
	March 31, 2018 (proforma)	March 31, 2019 (proforma)	March 31, 2020	
		(₹ million)		
Equity shares	182.92	182.92	182.92	182.92
Compulsorily convertible preference shares	118.72	118.72	118.72	118.72
Other equity	495.42	218.74	273.30	1,599.32
<b>Equity attributable to equity holders of the Company</b>	<b>797.06</b>	<b>520.38</b>	<b>574.94</b>	<b>1,900.96</b>
Revaluation reserve	187.27	184.77	182.27	180.40
Net Worth	609.79	335.61	392.67	1,720.56
Profit/ (loss) for the period attributable to equity shareholders of the parent	(231.47)	(284.50)	48.27	1,326.61
<b>Return on Net Worth</b>	<b>(37.96)%</b>	<b>(84.77)%</b>	<b>12.29%</b>	<b>77.10%</b>

## RESULTS OF OPERATIONS

### NINE MONTHS ENDED DECEMBER 31, 2020

The following table sets forth certain information relating to our results of operations for Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2020:

Particulars	Fiscal						Nine months ended December 31, 2020	
	2018 (proforma)		2019 (proforma)		2020		₹ million	% of Total Income
	₹ million	% of Total Income	₹ million	% of Total Income	₹ million	% of Total Income		
<b>INCOME</b>								
Revenue from operations	1,319.20	92.91%	1,625.13	97.36%	1,456.08	95.11%	3,469.33	98.98%
Other Income	100.70	7.09%	44.09	2.64%	74.94	4.89%	35.86	1.02%
<b>Total Income</b>	<b>1,419.90</b>	<b>100.00%</b>	<b>1,669.22</b>	<b>100.00%</b>	<b>1,531.02</b>	<b>100.00%</b>	<b>3,505.19</b>	<b>100.00%</b>
<b>EXPENSES</b>								
Cost of materials consumed	616.77	43.44%	879.88	52.71%	812.64	53.08%	953.18	27.19%
Purchase of stock in trade (Medical Equipment)	17.98	1.27%	19.11	1.14%	20.64	1.35%	12.36	0.35%
Changes in inventories of finished goods, stock-in-trade and work-in-progress	31.15	2.19%	15.79	0.95%	(51.14)	(3.34)%	(70.02)	(2.00)%
Excise duty	6.20	0.44%	-	0.00%	-	0.00%	-	0.00%
Employee benefits expenses	372.65	26.24%	408.79	24.49%	405.96	26.52%	395.88	11.29%
Finance cost	89.86	6.33%	133.78	8.01%	186.28	12.17%	95.10	2.71%
Depreciation and amortization expenses	94.73	6.67%	122.56	7.34%	126.63	8.27%	109.53	3.12%
Other expenses	351.61	24.76%	383.50	22.97%	318.51	20.80%	258.96	7.39%
<b>Total expenses</b>	<b>1,580.95</b>	<b>111.34%</b>	<b>1,963.41</b>	<b>117.62%</b>	<b>1,819.52</b>	<b>118.84%</b>	<b>1,754.99</b>	<b>50.07%</b>
<b>Profit/(Loss) before exceptional items and tax</b>	<b>(161.05)</b>	<b>(11.34)%</b>	<b>(294.19)</b>	<b>(17.62)%</b>	<b>(288.50)</b>	<b>(18.84)%</b>	<b>1,750.20</b>	<b>49.93%</b>
Exceptional items (net)	72.18	5.08%	-	0.00%	-	0.00%	-	0.00%
<b>Profit/(Loss) before tax</b>	<b>(233.23)</b>	<b>(16.43)%</b>	<b>(294.19)</b>	<b>-17.62%</b>	<b>(288.50)</b>	<b>(18.84)%</b>	<b>1,750.20</b>	<b>49.93%</b>
<b>Tax expense:</b>								
(a) Current tax	-	-	-	-	-	-	103.35	2.95%
(b) Deferred tax	-	-	-	-	(326.11)	(21.30)%	319.55	9.12%
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(326.11)</b>	<b>(21.30)%</b>	<b>422.90</b>	<b>12.06%</b>
<b>Profit/(Loss) after tax for the period</b>	<b>(233.23)</b>	<b>(16.43)%</b>	<b>(294.19)</b>	<b>(17.62)%</b>	<b>37.61</b>	<b>2.46%</b>	<b>1,327.30</b>	<b>37.87%</b>

## NINE MONTHS ENDED DECEMBER 31, 2020

### Key Developments

- Our operations in the nine months ended December 31, 2020, were significantly impacted by COVID-19 and consequent demand for ventilators and other medical devices at hospitals and nursing homes. In the nine months ended December 31, 2020, we entered into a licensing framework with Bharat Electronics Limited to manufacture 30,000 ventilators (model CV-200) during the initial months of the COVID-19 pandemic in India. These ventilators have been distributed to various government hospitals in India. We generated license fees of ₹ 1,650.00 million in the nine months ended December 31, 2020, from the sale of these ventilators.

### Income

Our total income was ₹ 3,505.19 million in the nine months ended December 31, 2020, which primarily included revenue from operations of ₹ 3,469.33 million and other income of ₹ 35.86 million.

### Revenue from operations

Our revenue from operations was ₹3,469.33 million in the nine months ended December 31, 2020, which primarily included revenue from sale of products (manufactured goods) of ₹1,728.40 million, sale of traded goods of ₹4.70 million and sale of services of ₹1,722.39 million. The sale of services included a revenue of ₹ 1,650.00 million generated as license fees, from the sale of 30,000 ventilators to the Government of India.

### ***Other Income***

Our other income was ₹35.86 million in the nine months ended December 31, 2020, which primarily included interest income of ₹19.83 million and other non-operating income of ₹16.03 million.

### **Expenses**

Our total expenses were ₹ 1,754.99 million for the nine months ended December 31, 2020, which primarily included Material Costs, employee benefit expenses, depreciation and amortization expense, finance costs, and other expenses.

### ***Material Costs***

Our Material Costs was ₹895.52 million, representing 25.55% of our total income for the nine months ended December 31, 2020 which primarily included cost of materials consumed for the manufacture of our products. For a reconciliation of Material Costs, see “*Management’s Discussion and Analysis of Financial Information and Results of Operations – Non-GAAP Measures – Reconciliation of Material Costs to Costs of Material Consumed*” on page 284.

### ***Employee Benefit Expense***

Our employee benefit expense was ₹ 395.88 million for the nine months ended December 31, 2020 which primarily included salaries and wages of ₹368.61 million.

### ***Finance Costs***

Our finance costs were ₹95.10 million for the nine months ended December 31, 2020 which primarily included interest expense on borrowings, interest on trade payables, and lease liabilities of ₹80.25 million.

### ***Depreciation and Amortization Expense***

Our depreciation and amortization expense was ₹109.53 million for the nine months ended December 31, 2020 which primarily included (i) depreciation of property, plant and equipment of ₹23.77 million, (ii) amortisation of right-of-use assets of ₹ 7.90 million, and (iii) amortisation of intangible assets of ₹ 77.86 million.

### ***Other Expenses***

Our other expenses were ₹258.96 million for the nine months ended December 31, 2020 which primarily included expenses such as repairs and maintenance, sales commissions, consumption of stores, power and fuel, sub-contracting charges, manpower charges, and allowance for expected credit losses/ provision for advances and security.

### ***Tax Expense***

Our tax expense was ₹ 422.90 million for the nine months ended December 31, 2020 which primarily included current tax of ₹ 103.35 million and deferred tax charge of ₹ 319.55 million.

### ***Restated Profit/ (Loss) For The Period/ Year***

For the various reasons discussed above, our profit for the period was ₹ 1,327.30 million.

## **FISCAL 2020 COMPARED TO FISCAL 2019**

### **Income**

Our total income decreased by 8.28% from ₹1,669.22 million in Fiscal 2019 to ₹1,531.02 million in Fiscal 2020, on account of the factors discussed below.

### ***Revenue from operations***

Our revenue from operations decreased by 10.40% from ₹1,625.13 million in Fiscal 2019 to ₹1,456.08 million in Fiscal 2020, primarily due to our inability to fulfil orders in the month of March 2020 due to disruptions to our supply cycle caused by the imposition of a nationwide lockdown in India as well as multiple restriction placed on international trade in

the weeks leading to the lockdown. As a result, some of the sales scheduled for March 2021 consummated in the following months. Further, there was a reduction in the sale of our annual maintenance contracts.

### ***Other Income***

Our other income increased from ₹44.09 million in Fiscal 2019 to ₹ 74.94 million in Fiscal 2020, primarily due to an increase in interest income and an increase in liability/ provision no longer required written-back by ₹ 19.14 million.

### **Expenses**

Our total expenses, which primarily included Material Costs, employee benefit expenses and other expenses, decreased from ₹1,963.41 million in Fiscal 2019 to ₹1,819.52 million in Fiscal 2020 on account of the factors discussed below.

### ***Material Costs***

Our Material Costs represented 54.80% and 51.09% of our total income in Fiscal 2019 and Fiscal 2020, respectively. Our Material Costs decreased by 14.50% from ₹914.78 million for Fiscal 2019 to ₹782.14 million for Fiscal 2020. For a reconciliation of Material Costs, see “*Management’s Discussion and Analysis of Financial Information and Results of Operations – Non-GAAP Measures – Reconciliation of Material Costs to Costs of Material Consumed*” on page 284.

### ***Employee Benefit Expense***

Our employee benefit expenses represent costs related to on-roll employees and therefore is largely fixed in nature. Our employee benefit expense marginally decreased by 0.69% from ₹408.79 million in Fiscal 2019 to ₹ 405.96 million in Fiscal 2020, primarily as a result of realignment of salaries of shared resources and costs thereof.

### ***Finance Costs***

Our finance costs increased by 39.24% from ₹133.78 million in Fiscal 2019 to ₹186.28 million in Fiscal 2020 primarily due to an accounting of interest on loan for 12 months in Fiscal 2020 as against 3 months in Fiscal 2019 in proportion to the amounts drawn down. Further, the Company availed fresh long-term borrowings during Fiscal 2020.

### ***Depreciation and Amortization Expense***

Our depreciation and amortization expense increased marginally by 3.32% from ₹122.56 million for Fiscal 2019 to ₹126.63 million for Fiscal 2020 primarily as a result of capitalisation of intangible assets under development during the year and the subsequent amortisation thereof.

Amortisation of right of use assets decreased from ₹ 13.30 million in Fiscal 2019 to ₹ 11.31 million in Fiscal 2020, and amortisation of intangible assets increased from ₹ 79.29 million in Fiscal 2019 to ₹ 86.22 million in Fiscal 2020.

### ***Other Expenses***

Our other expenses significantly decreased by 16.95% from ₹383.50 million for Fiscal 2019 to ₹318.51 million for Fiscal 2020. While there was an increase in our expenditure relating to rates and taxes, legal and professional, warranty and sales commission expenses, our cost rationalisation measures resulted in a decrease in travelling cost, consumption of stores and spares, doubtful debts, loss from forex and sales promotion expenses.

### ***Tax Expense***

Total tax expenses increased significantly from no such expense in Fiscal 2019 to ₹ 326.11 million in Fiscal 2020, entirely driven by an increase in deferred tax charge.

### ***Restated Profit/ (Loss) For The Period/ Year***

For the various reasons discussed above, we recorded a loss for the period of ₹ 294.19 million in Fiscal 2019 and a profit for the period of ₹ 37.61 million in Fiscal 2020.

## **FISCAL 2019 COMPARED TO FISCAL 2018**

### **Income**

Our total income increased by 17.56% from ₹ 1,419.90 million in Fiscal 2018 to ₹ 1,669.22 million in Fiscal 2019, on account of the factors discussed below:

#### ***Revenue from Operations***

Our revenue from operations increased by 23.19% from ₹ 1,319.20 million in Fiscal 2018 to ₹ 1,625.13 million in Fiscal 2019, primarily due to a significant increase in sale of manufactured goods in India by 33.48% from ₹647.49 million in Fiscal 2018 to ₹ 864.28 million in Fiscal 2019, and sales outside India by 18.77% from ₹515.01 million in Fiscal 2018 to ₹611.69 million in Fiscal 2019. This was partially offset by a decrease in annual maintenance charges by 14.21% from ₹ 134.27 million in Fiscal 2018 to ₹ 115.18 million in Fiscal 2019.

#### ***Other Income***

Other income decreased from ₹ 100.70 million in Fiscal 2018 to ₹ 44.09 million in Fiscal 2019, a reduction of 56.22% on account of a decrease in other non-operating income from ₹ 84.97 million in Fiscal 2018 to ₹ 6.82 million in Fiscal 2019, driven by a decrease in liability/ provisions no longer required written-back from ₹ 83.49 million in Fiscal 2018 to ₹ 4.44 million in Fiscal 2019.

### **Expenses**

Total expenses, which primarily included Material Costs, employee benefit expenses and other expenses, increased by 24.19% from ₹ 1,580.95 million for Fiscal 2018 to ₹ 1,963.41 million for Fiscal 2019, primarily due to an increase in cost of materials that is in line with the increase in sales of finished products.

#### ***Material Costs***

Our Material Costs represented 46.90% and 54.80% of our total income in Fiscal 2018 and Fiscal 2019, respectively. Our Material Costs increased by 36.11% from ₹ 672.10 million for Fiscal 2018 to ₹914.78 million for Fiscal 2019, primarily due to increase in revenue from operations and due to a decrease in proportion of exports revenue as a percentage of total revenue as compared to Fiscal 2018. For a reconciliation of Material Costs, see “*Management’s Discussion and Analysis of Financial Information and Results of Operations – Non-GAAP Measures – Reconciliation of Material Costs to Costs of Material Consumed*” on page 284.

#### ***Employee Benefit Expense***

Our employee benefit expenses increased by 9.70% from ₹ 372.65 million in Fiscal 2018 to ₹ 408.79 million in Fiscal 2019, primarily due to increase in employees during the year and annual salary increments given to the employees.

#### ***Finance Costs***

Our finance costs increased by 48.88% from ₹ 89.86 million for Fiscal 2018 to ₹ 133.78 million for Fiscal 2019, primarily due to increased drawdown of short term funding as required for expanded operations.

#### ***Depreciation and Amortization Expense***

Our depreciation and amortization expense increased by 29.38% from ₹ 94.73 million for Fiscal 2018 to ₹ 122.56 million for Fiscal 2019, primarily due to an increase in amortisation of right of use assets and intangible assets.

Amortisation of right of use assets increased from ₹ 11.52 million in Fiscal 2019 to ₹ 13.30 million in Fiscal 2020, and amortisation of intangible assets increased from ₹ 53.43 million in Fiscal 2019 to ₹ 79.29 million in Fiscal 2020.

#### ***Other Expenses***

Our other expenses accounted for 24.76% and 22.97% of our total income for Fiscal 2018 and 2019, respectively.



Our other expenses increased by 9.07% from ₹ 351.61 million for Fiscal 2018 to ₹ 383.50 million for Fiscal 2019, primarily due to an increase in allowance for expected credit losses/ provision for advances and security of ₹ 34.83 million in Fiscal 2019, compared to no such expense in Fiscal 2018.

### **Exceptional Items**

During Fiscal 2017, our Company committed to make an investment of ₹ 15.00 million in the telemedicine and homecare project being operated by Riverview Healthcare Private Limited (“RHPL”). In line with the above, the Company advanced a loan of ₹7.70 million to RHPL during Fiscal 2017 and invested in the equity shares of RHPL aggregating to ₹7.20 million during Fiscal 2018. Due to non-viability of the project, the amount of ₹ 7.70 million has been written-off by the Company in Fiscal 2018. For further information, see “Financial Statements – Restated Consolidated Financial Information – Note 39 (Exceptional Items)” on page 244.

### **Restated Profit/ (Loss) For The Period/ Year**

For the reasons discussed above, our loss for the year in Fiscal 2018 was ₹233.23 million, which increased to a loss of ₹294.19 million in Fiscal 2019.

## **LIQUIDITY AND CAPITAL RESOURCES**

We have historically financed the expansion of our business and operations primarily through debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short-term working capital requirements and term loans to finance our capital expenditures.

### **CASH FLOWS**

The following tables set forth certain information relating to our cash flows in the years indicated:

Particulars	Fiscal			Nine months ended December 31, 2020
	2018 (proforma)	2019 (proforma)	2020	
	(₹ million)			
Net cash from/ (used in) operating activities	(94.51)	29.93	110.27	1,548.76
Net cash from/ (used in) investing activities	(265.83)	(229.97)	374.94	(258.20)
Net cash from/ (used in) financing activities	372.66	207.13	(388.99)	(753.09)
Net (decrease)/ increase in cash and cash equivalents	12.32	7.09	96.22	537.47
Cash and cash equivalents at the beginning of the period/ year	8.60	20.92	28.01	124.23
Cash and cash equivalents at the end of the period/ year	20.92	28.01	124.23	661.70

### **Operating Activities**

Net cash from operating activities for the nine months ended December 31, 2020 was ₹1,548.76 million, while our operating profit before working capital changes was ₹ 1,933.40 million. The difference was primarily attributable to decrease in trade receivables of ₹9.98 million, decrease in other non-current and current liabilities of ₹58.69 million, increase in inventories of ₹215.26 million and increase in non-current and current other assets of ₹ 115.29 million.

Net cash from operating activities for Fiscal 2020 was ₹110.27 million, while our operating loss before working capital changes was ₹ 27.46 million. The difference was primarily attributable increases in other non-current and current liabilities of ₹ 80.32 million, decrease in non-current and current assets of ₹ 11.27 million, and decrease in trade receivables of ₹ 101.59 million.

Net cash from operating activities for Fiscal 2019 was ₹ 29.93 million, while our operating loss before working capital changes was ₹11.88 million. The difference was primarily attributable to increase in trade receivables of ₹74.56 million, increase in other non-current and current liabilities by ₹ 22.48 million, increase in trade payables by ₹93.14 million and increase in provisions by ₹ 17.10 million.

Net cash used in operating activities for Fiscal 2018 was ₹94.51 million, while our operating loss before working capital changes was ₹75.49 million. This difference was primarily attributable to increase in non-current and current other assets of ₹75.85 million and inventory by ₹ 22.49 million, partially offset by an increase in trade payables of ₹ 46.86 million and an increase in provisions by ₹ 24.71 million.

### Investing Activities

Net cash used in investing activities in the nine months ended December 31, 2020 was ₹ 258.20 million primarily due to interest received of ₹ 25.83 million and capital expenditure on property, plant and equipment of ₹ 58.16 million.

Net cash generated from investing activities for Fiscal 2020 was ₹ 374.94 million primarily due to bank term deposits matured of ₹ 439.72 million and interest received of ₹ 19.66 million. This was offset by capital expenditure on property, plant and equipment of ₹ 84.44 million.

Net cash used in investing activities for Fiscal 2019 was ₹ 229.97 million primarily due to capital expenditure on property, plant and equipment of ₹ 153.41 million and bank term deposits made of ₹ 94.24 million. This was marginally offset by interest received of ₹ 24.53 million.

Net cash used in investing activities for Fiscal 2018 was ₹ 265.83 million primarily due to bank term deposits made of ₹ 136.59 million and capital expenditure on property, plant and equipment of ₹ 126.07 million. This was marginally offset by interest received of ₹ 12.75 million.

### Financing Activities

Net cash used in financing activities in the nine months ended December 31, 2020 was ₹ 753.09 million primarily due to repayment of long-term borrowings of ₹ 924.42 million and interest paid to the tune of ₹ 101.62 million. This was offset by proceeds from short-term borrowings of ₹ 283.48 million.

Net cash used in financing activities in Fiscal 2020 was ₹ 388.99 million primarily due to repayment of short-term borrowings of ₹ 705.49 million, repayment of long-term borrowings of ₹ 181.87 million and interest paid to the tune of ₹ 159.99 million. This was significantly offset by proceeds from long-term borrowings of ₹ 651.87 million.

Net cash flow from financing activities in Fiscal 2019 was ₹ 207.13 million primarily due to proceeds from long-term borrowings of ₹ 501.67 million and proceeds from issue of preference shares of ₹ 80.00 million. This was significantly offset by repayment of short-term borrowings of ₹ 193.98 million and interest paid to the tune of ₹ 168.93 million.

Net cash flow from financing activities in Fiscal 2018 was ₹ 372.66 million primarily due to proceeds from short-term borrowings of ₹ 451.00 million. This was significantly offset by interest paid to the tune of ₹ 54.69 million.

### INDEBTEDNESS

As of December 31, 2020, we had Total Borrowings (consisting of borrowings under non-current liabilities, current maturities of long-term debts, and borrowings under current liabilities) of ₹ 664.88 million. The following table sets forth certain information relating to our borrowings as of December 31, 2020:

Particulars	As at			
	March 31, 2018	March 31, 2019	March 31, 2020	December 31, 2020
	(₹ million)			
<b>Non-Current</b>				
<i>Secured</i>				
Term loan from bank and financial institutions	6.14	5.05	649.04	5.82
<i>Unsecured</i>				
Term loan from bank and financial institutions	-	412.03	-	-
Loan from others	4.20	-	-	-
11.5% Redeemable preference shares of ₹ 1,000/- each	-	80.00	80.00	80.00
<b>Total Non-Current Borrowings (A)</b>	<b>10.34</b>	<b>497.08</b>	<b>729.04</b>	<b>85.82</b>
<b>Current</b>				
<i>Secured</i>				
Loan from bank and financial institutions	854.80	920.12	95.25	166.67
<i>Unsecured</i>				

Particulars	As at			
	March 31, 2018	March 31, 2019	March 31, 2020	December 31, 2020
	(₹ million)			
Loan from				
Bank and financial institutions	50.00	20.16	-	-
Related parties	166.51	6.00	46.67	64.61
Others	80.00	11.05	109.92	304.04
<b>Total Current Borrowings (B)</b>	<b>1,151.31</b>	<b>957.33</b>	<b>251.84</b>	<b>535.32</b>
<b>Current maturities of long-term borrowings (C)</b>	<b>2.42</b>	<b>85.52</b>	<b>323.56</b>	<b>43.74</b>
<b>Total Borrowings (A+B+C)</b>	<b>1,164.07</b>	<b>1,539.93</b>	<b>1,304.44</b>	<b>664.88</b>

## CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2020, our contingent liabilities as per Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets, were as follows:

Particulars	As at December 31, 2020
	(₹ million)
Claims against the Company not acknowledged as debt (Disputed vendor claims)	9.77
Claims against the Company not acknowledged as debt (Disputed Service Tax dues Including interest and penalties)*	12.82
<b>Total</b>	<b>22.59</b>

\*The above amount has been arrived at based on the notice of demand and the Company is contesting this claim with the respective authority. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authorities and the Company's rights for future appeals before the judiciary. No reimbursements are expected.

## Contractual Obligations

The table below sets forth our contractual obligations as of December 31, 2020. These obligations primarily relate to our contractual maturities of financial liabilities such as borrowings, trade payables, other financial liabilities (which includes current maturities of long-term debt, interest accrued, payables on purchases of fixed assets).

Contractual maturities of financial liabilities	Less than 1 year	1-5 years	More than 5 years	Total
	(₹ million)			
Borrowings other than Redeemable Preference Shares and Lease liabilities	594.10	1.19	2.22	597.51
Lease liabilities	10.97	32.60	10.42	53.99
Borrowings (Non-current) - Redeemable Preference Shares	-	80.00	-	80.00
Trade payables	517.03	-	-	517.03
Other financial liabilities	32.61	-	7.94	40.55
<b>Total</b>	<b>1,154.71</b>	<b>113.79</b>	<b>20.58</b>	<b>1,289.08</b>

## Off-Balance Sheet Arrangements

Apart from as disclosed elsewhere in this Draft Red Herring Prospectus, we do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

## CAPITAL EXPENDITURES

In Fiscal 2018, Fiscal 2019, Fiscal 2020 and in the nine months ended December 31, 2020, our capital expenditure towards additions to property, plant and equipment, and intangible assets were ₹ 126.07 million, ₹ 153.41 million, ₹ 84.44 million

and ₹ 58.16 million, respectively.

## **RELATED PARTY TRANSACTIONS**

We enter into various transactions with related parties. For further information see “*Financial Statements – Restated Consolidated Financial Information – Note 47 (Related Party Transactions)*” on page 255.

## **AUDITOR’S OBSERVATIONS**

Other than as disclosed below, there have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor’s reports on the audited standalone and consolidated financial statements as of and for the years ended March 31, 2018, 2019 and 2020, and as of and for the nine months ended December 31, 2020:

### ***Emphasis of Matter Paragraphs***

As at and for the nine months ended December 31, 2020, the auditors drew attention to relevant notes with respect to:

- certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity, that are subject to regulatory approvals in India;
- the matter pertaining to the search carried out by the Income tax authorities.

As at and for the year ended March 31, 2020, the auditors drew attention to relevant notes with respect to:

- certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity, that are subject to regulatory approvals in India.
- the fact that trade receivables of ₹ 37.13 million and interest on loans recoverable of ₹ 12.07 million as at March 31, 2020 from a customer are considered good and recoverable at this stage, for the reasons stated therein. The recoverability of the dues is subject to the successful outcome of the plan of settlement detailed in the note.
- the matter pertaining to search carried out by the Income tax authorities.

As at and for the year ended March 31, 2019, the auditors drew attention to relevant notes with respect to:

- certain matters pertaining to conversion of loan and interest thereon given to a subsidiary, to equity are subject to regulatory approvals in India.
- the matter pertaining to search carried out by the Income tax authorities.
- the fact that trade receivables of ₹ 39.81 million and loans recoverable of ₹ 53.15 million (including interest accrued thereon of ₹ 6.48 million) as at March 31, 2019 from a customer is considered good and recoverable at this stage, for the reasons stated therein. The recoverability of the dues is subject to the successful outcome of the plan of settlement detailed in the note.

As at and for the year ended March 31, 2018, the auditors drew attention to relevant notes with respect to:

- certain matters pertaining to conversion of loan and interest thereon given to subsidiary, to equity are subject to regulatory approvals in India.

In addition, the auditors have included a statement on certain matters specified in the Companies (Auditors Report) Order 2016, as amended (“**CARO**”), in terms of sub-section (11) of section 143 of the Companies Act, in their reports included as an annexure to the auditor’s report on our audited financial statements as of and for the years ended March 31, 2018, 2019 and 2020. For further information, see “*Financial Statements*” on page 197.

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, foreign currency hedging instruments such as forward contracts and options. We have put in place appropriate risk management policies to limit the impact of these risks on its financial performance. The company ensures optimization of cash through fund planning and robust cash management practices.

### **Foreign currency exchange rate risk**

We deal with receivables, payables, advance to suppliers and advance from customers and is therefore exposed to foreign exchange risk associated with exchange rate movement. We operate internationally, and portion of the business is transacted in several currencies and consequently we are exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies.

### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Our exposure to the risk of changes in market interest rates relates primarily to our debt obligations with floating interest rates. We are exposed to variable rate term loans from banks. We manage our interest rate risk by regular monitoring and taking necessary actions as are necessary to maintain an appropriate balance.

### **Liquidity Risk**

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Accordingly, no liquidity risk is perceived.

## **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

## **SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" beginning on page 274 and 27, respectively.

## **KNOWN TRENDS OR UNCERTAINTIES THAT HAVE HAD OR ARE EXPECTED TO HAVE A MATERIAL ADVERSE IMPACT ON SALES, REVENUE OR INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*" and the uncertainties described in "*Risk Factors*" beginning on pages 274 and 27, respectively. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on sales, revenue or income of our Company from continuing operations.

## **EXPECTED FUTURE CHANGES IN RELATIONSHIP BETWEEN COSTS AND INCOME**

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 131 and 271 respectively, to our knowledge there are no

known factors that may adversely affect our business prospects, results of operations and financial condition.

## **NEW PRODUCT SEGMENTS**

Except as set out in this Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new product segments.

## **COMPETITIVE CONDITIONS**

We operate in a competitive environment. See “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” beginning on pages 131, 107 and 27, respectively, for further details on competitive conditions that we face across our various business segments.

## **EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Changes in revenue in the last three Fiscals are as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2019 compared to Fiscal 2018*” above on pages 286 and 288, respectively.

## **SEGMENT REPORTING**

Our Company operates in only one primary business segment viz. manufacturing and sale of medical equipment. The income from services is primarily support in nature.

## **SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS**

Revenues from any particular customer may vary between financial reporting periods depending on the demand for our products. Revenue generated from sales to our top 5 and top 10 customers (excluding related party transactions) represented 53.55% and 60.06%, respectively, of our revenue from operations in Fiscal 2020, and 61.28% and 69.72% respectively, of our revenue from operations in the nine months ended December 31, 2020. In addition, revenue generated from our single largest customer (excluding related party transactions) represented 23.62% and 47.56% of our revenue from operations in Fiscal 2020 and in the nine months ended December 31, 2020, respectively. For further information, see “*Risk Factors – Our business is dependent on certain principal customers and the loss of, or a significant reduction in purchases by such customers could adversely affect our business, financial condition, results of operations and future prospects*” on page 32.

## **SEASONALITY/ CYCLICALITY OF BUSINESS**

Our business does not exhibit seasonality.

## **SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2020 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Other than as disclosed below and elsewhere in this Draft Red Herring Prospectus, there have been no significant developments after December 31, 2020 that may affect our future results of operations.

- Increase in Authorised Share Capital pursuant to a resolution of our Shareholders dated December 31, 2020.
- Acquisition of 100% shareholding of SHGPL from Chayadeep Properties Private Limited, Skanray Healthcare Partners LLP, Karuna Ventures Private Limited, Agnus Capital LLP, Agnus Ventures LLP and UTI Trust of India Investment Advisory Services Limited (A/C Ascent India Fund III) with 59,44,932 Equity Shares of the Company being issued in lieu of consideration. Subsequent to the acquisition, SHGPL is now a 100% subsidiary of the Company and the subsidiaries of SHGPL are step down subsidiaries of the Company. For further information, see “*Financial Statements – Proforma Financial Information*” on page 265.

## **ADDITIONAL PROFORMA INFORMATION**

Pursuant to the Share Transfer Agreement dated March 2, 2021, our Company acquired Skanray Healthcare Global Private Limited with effect from March 3, 2021 (the “**Acquisition**”). Accordingly, our Company’s historical operational and

financial information prior to this Acquisition are not comparable to those subsequent to such Acquisition. For further information, see “ – Presentation of Financial Information – Acquisition of SHGPL” and “– Significant Factors Affecting our Results of Operations and Financial Condition – Acquisition of SHGPL” on pages 273 and 274, respectively.

Since the Acquisition had a significant impact on the consolidated financial statements of our Company, we have included in this Draft Red Herring Prospectus, Proforma Financial Information to present the impact of the Acquisition on our Company’s financial performance, assuming the Acquisition had taken place with effect from April 1, 2019. The proforma impact of the Acquisition is therefore reflected in the Proforma Financial Information for Fiscal 2020 and nine months ended December 31, 2020. For further information, see “Proforma Financial Information” on page 265.

In addition, solely to illustrate the impact of the Acquisition on certain key performance indicators, we have presented certain other financial information below that is based on or derived from, the Proforma Financial Information. The Additional Proforma Information set out below is for illustration purposes only and investors are cautioned against relying on such Additional Proforma Information in connection with any investment decision.

### ***EBITDA and EBITDA Margin***

EBITDA is defined as our profit for the period/year less other non-operating income before depreciation and amortization, finance costs and income tax expense. EBITDA margin is defined as our EBITDA as a percentage of revenue from operations.

The table below reconciles our profit / loss for the year to EBITDA for the periods indicated:

<b>Particulars</b>	<b>Fiscal 2020</b>	<b>Nine months ended December 31, 2020</b>
	<b>(₹ million)</b>	
Profit / (loss) before tax	(660.51)	1,613.96
Less: Other Income	(60.42)	(37.25)
Add: Finance Cost	198.11	109.60
Add: Depreciation and amortisation expense	143.81	124.38
<b>EBITDA</b>	<b>(379.01)</b>	<b>1,810.69</b>
Revenue from Operations	1,771.87	3,696.23
EBITDA Margin (in %)	<b>(21.39)%</b>	<b>48.99%</b>

### ***Return on Capital Employed***

ROCE is defined as Operating EBIT (EBITDA less depreciation and amortization) divided by adjusted capital employed (total assets less goodwill on consolidation, intangible assets, intangible assets under development and current liabilities at the end of the period).

<b>Particulars</b>	<b>Fiscal 2020</b>	<b>Nine months ended December 31, 2020</b>
	<b>(₹ million)</b>	
EBITDA	(379.01)	1,810.69
Less: Depreciation and amortisation	143.81	124.38
Operating EBIT	(235.20)	1,935.07
Total assets	3,136.14	3,763.34
Less:		
Goodwill on consolidation	(130.31)	(139.60)
Intangible assets	(413.37)	(337.54)
Intangible assets under development	(133.57)	(163.05)
Adjusted total assets	2,458.89	3,123.15
Less:		
Current liabilities	(1,646.60)	(1,497.43)
Adjusted capital employed	812.29	1,625.72
<b>Return on capital employed (“ROCE”)</b>	<b>(28.96)%</b>	<b>119.03%</b>

## FINANCIAL INDEBTEDNESS

We avail loans and financing facilities in the ordinary course of our business for meeting our working capital and business requirements. For details of the borrowing powers of our Board, see “*Our Management- Borrowing Powers*” on page 174.

We have obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Offer, including effecting a change in our capital structure, change in our shareholding pattern, change in our constitutional documents and change in the composition of our Board.

The details of the indebtedness of the Company (on a consolidated basis) as on May 31, 2021 is provided below:

Category of borrowing	Sanctioned amount (₹ in million)	Outstanding amount (in ₹ million)
<b>Working Capital Facilities</b>		
<i>Secured</i>		
Fund based	749.93	588.40
Non-fund based	49.20	49.20
<i>Unsecured</i>		
Fund based	NIL	NIL
<b>Total working capital facilities (A)</b>	<b>799.13</b>	<b>637.60</b>
<b>Term Loan facilities (B)</b>	<b>100.33</b>	<b>99.38</b>
<b>Vehicle loans (C)</b>	<b>11.02</b>	<b>6.12</b>
<b>Total borrowings (A + B + C)</b>	<b>910.49</b>	<b>743.09</b>

### Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financing documentation executed by us in relation to our indebtedness.

- Interest:** In terms of the facilities availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spreads are different for different facilities.

The interest rates for the working capital facilities and the vehicle loans availed by our Company respectively typically range as under:

- Fixed Deposit rate plus 50 bps
- Ranging from MCLR + 0.55 to MCLR + 0.80.

The interest rates for the loans availed by our Subsidiary typically range from 1.95% to 12%.

- Penal Interest:** The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by us. These include, *inter alia*, breach of non-payment of instalments, our Company becoming bankrupt or committing any act of insolvency, breaching any provisions as set forth in the loan documentation entered into with the lenders or default in the performance of the obligations set forth in such loan documentation, *etc.* Further, the default interest payable on the facilities availed by us is typically two per cent *per annum*.
- Pre-payment penalty:** The terms of facilities availed by us typically have prepayment provisions in terms of the norms of such individual lenders.
- Validity/Tenor:** The tenor of the vehicle loans availed by us range typically for a tenor from five (5) to seven (7) years.
- Security:** In terms of our working capital facilities and our vehicle loans, we are required to *inter alia*:
  - (a) Create a hypothecation over the vehicle purchased using such loans;
  - (b) Furnish corporate guarantees from our corporate promoter Agnus Capital LLP and obtain liens on fixed deposits provided by Agnus Capital LLP; and
  - (c) Furnish corporate guarantees from Thenshi Pharmaceuticals Private Limited and obtain liens on fixed deposits provided by Thenshi Pharmaceuticals Private Limited.



6. **Repayment:** The vehicle loans are typically repayable in structured instalments.
7. **Key Covenants:** Certain of our borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, *inter alia* the following:
  - (a) effecting any transfer of controlling interest or make any drastic change in the management set-up including resignation of promoter directors;
  - (b) effecting any change in our capital structure where the shareholding of the existing promoter gets diluted below current levels or 51%;
  - (c) not approaching the capital markets for mobilizing additional resources either in the form of debt or equity; and
  - (d) undertake any new project, implement any scheme of expansion/diversification or capital expenditure or acquire fixed assets (except normal replacements) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.
8. **Events of default:** Borrowing arrangements entered into by us, contain standard events of default, including:
  - (a) default in payment of interest or instalment amount due;
  - (b) any interest remaining unpaid and in arrears for a period of 3 months after the same shall have become due whether demanded or not;
  - (c) non-compliance of financial covenants;
  - (d) becoming bankrupt or committing an act of insolvency; and
  - (e) existence of circumstances which in the opinion of the lender, prejudicially or adversely affects the Company's capacity to repay the loan.

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.

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters (the “**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) litigations or arbitration proceedings involving the Relevant Parties which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below). Further, there are no disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against our Promoters in the last five Fiscals immediately preceding the date of this DRHP, including any outstanding action.*

*For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation pursuant to Board resolution dated June 12, 2021:*

*All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, and tax matters (direct or indirect), will be considered material if: (i) the monetary amount of claim by or against the entity or person in any such proceedings is in excess of one percent of the net worth of our Company for the latest full financial year included in the Restated Consolidated Financial Information (being Fiscal 2020) i.e. ₹3.92 million, or (ii) where monetary liability is not quantifiable, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company basis the latest Restated Consolidated Financial Information. Accordingly, five percent of the consolidated trade payables of our Company as on December 31, 2020 amounts to ₹25.85 million, and therefore, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹25.85 million as on December 31, 2020.*

*For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that the Relevant Party is impleaded as a defendant in litigation before any judicial or arbitral forum.*

*Unless stated to the contrary, the information provided below is as of the date of this DRHP. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### LITIGATION INVOLVING OUR COMPANY

##### (a) Outstanding litigation proceedings against our Company

###### (i) Criminal proceedings

M/s. Hindustan Cargo Limited (“**Petitioner**”) filed a criminal complaint against our Company and our Individual Promoter, Vishwaprasad Alva, under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 at the Additional Metropolitan Magistrate, Ballard Estate (the “**Court**”), Mumbai on February 8, 2019. The Petitioner was appointed by our Company as a logistics service provider and raised invoices on our Company for services rendered, which were disputed by our Company. Subsequently, our Company paid the Petitioner in parts through postdated cheques. The last such cheque issued by our Company amounted to ₹ 2.02 million (the “**Cheque**”). Subsequently, our Company disputed the amount being paid vide the Cheque and made a payment of for a lesser amount, amounting to ₹ 1.68 million by way of NEFT to the Petitioner. The Petitioner proceeded to present the Cheque for payment which was returned unpaid. The Court, by way of two orders passed by it in 2019 (the “**Orders**”) issued summons and directed Vishwaprasad Alva, our Individual Promoter to pay 20% of the interim compensation to the Petitioner. In response, our Individual Promoter filed a writ petition dated October 4, 2019 before the Bombay High Court for quashing the Orders passed by the Court, stating that the Court was not in possession of the full facts of the case. The matter is currently pending.

(ii) *Outstanding actions by regulatory or statutory authorities*

1. Our Company made an application for compounding dated March 12, 2020 (“**Application**”) under the Companies Act, 2013, for violating the provisions under Section 96 of the Companies Act, 2013 by not holding the annual general meeting of the Company within the required time period. Pursuant to the Application, the Regional Director, South East Region, Ministry of Corporate Affairs, Hyderabad (“**Regional Director**”) vide order dated April 27, 2021, imposed a compounding fee of ₹50,000 on our Company, a compounding fee of ₹20,000 on Vishwaprasad Alva, our Individual Promoter, and compounding fees of ₹10,000 each on Balasubramanian Kandankumarath, our Director, and Bhagya M G, our Company Secretary and Compliance Officer. The compounding fees have been duly paid by the parties.
2. The Income-Tax Department, Bengaluru (“**Department**”) undertook a search at the premises of our Company, the residence of Vishwaprasad Alva, our Individual Promoter, the residence of Balasubramanian Kandankumarath, and the residence of Kavita Swame, a key management personnel of our Company, on November 6, 2019. The Department had asked for certain documents from our Company, Vishwaprasad Alva, Balasubramanian Kandankumarath and Kavita Swame, which were submitted. As on date, we have not received any demand notices from the Department.

(iii) *Other pending proceedings*

As on the date of this DRHP, there are no proceedings pending against our Company, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) *Tax proceedings*

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Company as on the date of this DRHP:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Indirect tax	8	23.27
<b>Total</b>	8	23.27

\* To the extent quantified.

(b) *Outstanding litigation proceedings by our Company*

(i) *Criminal proceedings*

1. Our Company filed a criminal complaint under section 138 of the Negotiable Instruments Act, 1881 on November 23, 2015 at the Principal I Civil Judge and the Judicial Magistrate First Class, Mysuru against Krishna Menon (“**Accused**”). The Accused had submitted a cheque to our Company amounting towards ₹ 1.00 million as a payment for some purchases made by the Accused from the Company. However, upon presenting the cheque, it was returned with an endorsement stating that there were insufficient funds. This matter is currently pending.
2. Our Company filed a criminal complaint against Madegowda Lingarajegowda under sections 143 and 506 of the Indian Penal Code, 1861 (“**Accused**”) with the Vijayanagar Police Station. The Accused was engaged in activities hindering certain construction activities at one of our premises. The matter was initially being heard before the IV JMC Court at Mysuru. Subsequently, it was transferred to the V JMC Court, Mysuru. The matter is currently pending.

(ii) *Other pending proceedings*

1. Our Company has filed a suit before the District and Sessions Judge, at Mysuru against Sheel Cardiac Centre and others (“**Defendants**”) for failure to repay certain balance outstanding dues to our Company, amounting towards ₹ 4.65 million as a payment for some medical equipments purchased by the Defendants from the Company. The matter is currently pending.
2. Our Company has filed an execution petition against Granada Information Solutions (Private) Limited (“**Respondent**”) before the LXXXVII Additional City Civil and Session Judge, Bangalore, seeking the enforcement of the arbitration award dated February 4, 2016 in relation to the non-performance of the agreement between the Respondent and our Company. The matter is currently pending.

## LITIGATION INVOLVING OUR SUBSIDIARIES

### (a) *Outstanding litigation proceedings against Subsidiaries*

#### (i) *Criminal proceedings*

As on the date of this DRHP, there are no pending criminal proceedings against our Subsidiaries.

#### (ii) *Actions by statutory or regulatory authorities*

As on the date of this DRHP, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiaries.

#### (iii) *Other pending proceedings*

As on the date of this DRHP, there are no proceedings pending against our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

#### (iv) *Tax proceedings*

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	1	1.63
<b>Total</b>	1	1.63

\* To the extent quantified.

### (b) *Outstanding litigation proceedings by our Subsidiaries*

#### (iii) *Criminal proceedings*

As on the date of this DRHP, there are no pending criminal proceedings initiated by our Subsidiaries.

#### (iv) *Other pending proceedings*

As on the date of this DRHP, there are no pending proceedings initiated by any of our Subsidiaries, which have been considered material by our Company in accordance with the Materiality Policy.

## LITIGATION INVOLVING OUR DIRECTORS

### (a) *Outstanding litigation proceedings against Directors*

#### (i) *Criminal proceedings against our Directors*

##### 1. **Vishwaprasad Alva**

For details of the criminal proceedings initiated against Vishwaprasad Alva, please see “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Criminal Proceedings – 1*” on page 298.

#### (ii) *Actions by statutory or regulatory authorities*

##### 1. **Vishwaprasad Alva**

For details of the actions initiated against Vishwaprasad Alva, please see “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Outstanding actions by regulatory or statutory authorities - 1*” and “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Outstanding actions by regulatory or statutory authorities - 2*” on page 299.

##### 2. **Balasubramanian Kandankumarath**

For details of the actions initiated against Balasubramanian Kandankumarath, please see

*“Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Outstanding actions by regulatory or statutory authorities - 1” and “Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Outstanding actions by regulatory or statutory authorities - 2” on page 299.*

(iii) *Other pending proceedings*

**1. Doddaballapur Prasanna Achutarao**

Padmashree Medicare Private Limited (the “**Plaintiff**”) filed a civil suit against Doddaballapur Prasanna Achutarao, Simplify Wellness India Private Limited (“**Simplify**”) and others (collectively, the “**Defendants**”) in his capacity as a director in Simplify before the City Civil Court and Sessions Judge, Bengaluru. The Plaintiff has alleged that Simplify, through its platform “DoctorC”, misrepresented that Plaintiff was a partner laboratory on its website, without its express consent, and was misdirecting potential customers away to other diagnostic laboratories. Accordingly, the Plaintiff has filed the suit seeking the relief of, *inter alia*, permanent and mandatory injunction against the Defendants as well as a payment amounting to ₹ 5,000,000 towards the loss of profit and revenue and ₹ 1,000,000 towards the loss of reputation incurred due to the actions of the Defendants. The matter is currently pending.

(iv) *Tax proceedings*

As on the date of this DRHP, there are no pending claims related to direct and indirect taxes initiated against our Directors.

**(b) Outstanding litigation proceedings by our Directors**

(i) *Criminal proceedings*

**1. Vishwaprasad Alva**

For details of the writ petition filed by Vishwaprasad Alva, please see “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Criminal Proceedings – 1*” on page 298.

**2. Doddaballapur Prasanna Achutarao**

Doddaballapur Prasanna Achutarao (the “**Petitioner**”) filed a petition under Section 482 of the Code of Criminal Procedure, 1973 before the High Court of Karnataka (the “**Court**”) seeking to quash a criminal complaint dated December 11, 2020 and First Information Report filed against him, and other individuals in their capacity as directors of Simplify Wellness India Private Limited (“**Simplify**”), and the related proceedings (“**Complaint**”) which are pending before the Court of the I Additional Chief Metropolitan Magistrate at Bengaluru pertaining to the alleged identity theft of Padmashree Diagnostics committed by Simplify. The Court has granted an ex parte stay order on all proceedings pursuant to the Complaint. The matter is currently pending.

(ii) *Other pending proceedings*

As on the date of this DRHP, there are no pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

**LITIGATION INVOLVING OUR PROMOTERS**

**(a) Outstanding litigation proceedings against our Promoters**

(i) *Criminal proceedings*

**1. Vishwaprasad Alva**

For details of the criminal proceedings initiated against Vishwaprasad Alva, please see “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Criminal Proceedings – 1*” on page 298.

(ii) *Actions by statutory or regulatory authorities*

1. **Vishwaprasad Alva**

For details of the actions initiated against Vishwaprasad Alva, please see “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Outstanding actions by regulatory or statutory authorities - 1*” and “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Outstanding actions by regulatory or statutory authorities - 2*” on page 299.

(iii) *Disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action*

As on the date of this DRHP, there have been no disciplinary actions, including penalty imposed by SEBI or stock exchanges in the last five financial years against our Promoters.

(iv) *Other pending proceedings*

As on the date of this DRHP, there are no proceedings pending against our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(v) *Tax proceedings*

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	1	257.78
<b>Total</b>	<b>1</b>	<b>257.78</b>

\* To the extent quantified.

(b) ***Outstanding litigation proceedings by our Promoters***

(i) *Criminal proceedings*

1. **Vishwaprasad Alva**

For details of the writ petition filed by Vishwaprasad Alva, please see “*Outstanding Litigation and Material Developments – Outstanding Litigation Proceedings against our Company – Criminal Proceedings – 1*” on page 298.

(ii) *Other pending proceedings*

As on the date of this DRHP, there are no pending proceedings initiated by any of our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

## OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of five percent of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Information, i.e. ₹25.85 million, as of December 31, 2020 (“**Material Creditors**”).

The details of the total 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 on December 31, 2020 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro, small and medium enterprises	23	10.17
Dues to Material Creditor(s)	2	98.87
Dues to other creditors (including outstanding liabilities)	590	407.89
<b>Total</b>	<b>615</b>	<b>517.03</b>

For details of outstanding dues to the Material Creditors (referenced above) as on December 31, 2020, (along with the names and amounts involved for each such Material Creditor) see <https://www.skanray.com/?q=content/investors>.

It is clarified that information provided on the website of our Company is not a part of this DRHP and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, skanray.com would be doing so at their own risk.

## **MATERIAL DEVELOPMENTS**

Except as disclosed in this Draft Red Herring Prospectus, no circumstances have arisen since December 31, 2020, the date of the last Restated Consolidated Financial Information disclosed in this DRHP, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our Company and Material Subsidiaries have received the necessary consents, licenses, permissions, registrations, and approvals from the Government of India, various governmental agencies and other statutory and / or regulatory authorities required for carrying out our present business activities. Except as mentioned below, no further material approvals are required for carrying on our present business activities. Our Company and Material Subsidiaries undertakes to obtain all material approvals, licenses and permissions required to operate our present business activities, including such material approvals, licenses, and permissions as may be necessary to set up and operate our manufacturing facilities. Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus, and in case of licenses and approvals which have expired, we have either made an application for renewal, or are in the process of making an application for renewal. For further details in connection with the applicable regulatory and legal framework, see “Risk Factors” and “Key Regulations and Policies” on pages 27 and 153, respectively.*

The objects clause of the respective memoranda of association enables our Company to undertake its present business activities.

The approvals required to be obtained by us include the following:

### APPROVALS IN RELATION TO THE OFFER

For details, see “Other Regulatory and Statutory Disclosures - Authority for the Offer” on page 309.

### INCORPORATION DETAILS OF OUR COMPANY

- (a) Certificate of incorporation dated February 14, 2007, issued by the RoC to our Company in our former name, being Skanray Technologies Private Limited.
- (b) Fresh certificate of incorporation dated March 19, 2021 issued by the RoC to our Company, consequent upon change of name on conversion to a public company in the name of Skanray Technologies Limited.
- (c) Our Company’s corporate identity number is U72200KA2007PLC041774

### APPROVALS IN RELATION TO OUR BUSINESS OPERATIONS

For information on our business operations, see “Our Business – Overview” on page 131. An indicative list of the material approvals required by us to undertake our businesses are set out below:

- (a) *Approvals in relation to our business*
  - (i) Consent issued by the Karnataka State Pollution Control Board (i) to operate under the Water (Prevention and Control of Pollution) Act, 1974; (ii) to operate under the Air (Prevention and Control of Pollution) Act, 1981; and (iii) under the Hazardous & Other Wastes (Management and Transboundary Movement) Rules, 2016;
  - (ii) Type Approval and Supplier’s Authorisation issued by the Atomic Energy Regulatory Board for radiography (fixed) equipment models manufactured by our Company, namely, SKANRAD 300i, SKANRAD, SKANRAD 400 and SKAN DR;
  - (iii) Type Approval and Supplier’s Authorisation issued by the Atomic Energy Regulatory Board for radiography (mobile) equipment models manufactured by our Company, namely, microSKAN and SKANMOBILE.
  - (iv) Type Approval and Supplier’s Authorisation issued by the Atomic Energy Regulatory Board for C-Arm equipment model manufactured by our Company, namely, SKAN C;
  - (v) Type Approval and Supplier’s Authorisation issued by the Atomic Energy Regulatory Board for Dental (Intra Oral) equipment model manufactured by our Company, namely, INTRASKAN-DC;
  - (vi) Certificate for quality assurance system issued by the Polish Centre for Testing and Certification for design, manufacturing and final inspection of various medical devices; and
  - (vii) Letters of substantial equivalence determination issued by the Department of Health and Human Services, U.S. Food and Drug Administration to market the medical devices.



**(b) Registrations under employment laws**

The registrations and approvals obtained by our Company under applicable labour laws, include the following:

- (i) Factories licence issued by the Deputy Director of Factories under the Factories Act, 1948;
- (ii) Letter of applicability issued under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
- (iii) Letter of applicability issued under the Employees' State Insurance Act, 1948.
- (iv) Professional tax registration certificates, as issued under applicable professional tax legislations.

**(c) Foreign Trade Related Approvals**

Our Company has been allotted an Importer – Exporter Code bearing #0707020328, issued by the Joint Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

**(d) Tax related Approvals**

- (i) GST registration bearing 29AALCS1086Q1ZG for Karnataka, India;
- (ii) PAN bearing AALCS1086Q; and
- (iii) TAN bearing BLRS26729D.

**PENDING APPROVALS**

There are no approvals for which applications have been made but not yet received.

**INTELLECTUAL PROPERTY RIGHTS**

**Trademarks**

*Registered Trademarks*

We use certain trademarks in respect of our business operations. The classes of the trademarks obtained by us are 9, 10 and 99. We have also obtained a trademark over the brand name “Skanray Technologies” which will expire on August 10, 2029 and is registered under class 99.

*Trademark applications*

Our Company has made applications for the registration of the following trademarks:

Sr. No.	Trademark	Class	Application #	Date of application
1.	S	9	2390666	September 6, 2012
2.	TruSKAN S500	10	4274236	August 24, 2019
3.	floSKAN2000	10	4512107	May 27, 2020
4.	stressSKANcardi	10	4797389	December 28, 2020

**Design**

*Registered Designs*

Our Company has obtained design registrations for certain products we use in respect of our business operations.

*Design Applications*

Our Company has made applications for the registration of the following designs:

Sr. No.	Particulars	Class	Application #	Date of application
1.	Fixed RAD System	24-01	332076-001	August 17, 2020
2.	Medical air compressor for ventilator	24-01	332211-001	August 21, 2020

*Renewal applications for expired designs*

Our Company has made applications for renewal of the following designs:

Sr. No.	Particulars	Class	Application #	Date of application
1.	Handle design - patient monitoring system	24-01	215819	April 6, 2018
2.	Trolley based ultrasound	24-01	215825	April 6, 2018

**Patents**

*Registered patents*

Our Company has been granted registration for certain patents in respect of our business operations.

Our Company has made applications for following patents:

Sr. No.	Particulars	Application Number	Date of application
1.	Visual indication system for alarms in patient monitoring systems	455/CHE/2009	March 2, 2009
2.	Automatic Device Configuration Management System For Patient Monitoring System	754/CHE/2009	March 31, 2009
3.	Temperature control and protection in patient monitoring system	758/CHE/2009	March 17, 2009
4.	Nurse call indication in CNS from various medical equipment manufacturers	756/CHE/2009	March 24, 2009
5.	Multi display central care giver station with physiological parameter acquisition method	1804/MUM/2011	June 21, 2011
6.	The Patient Monitor with Automatic Configuration of Display Format Based on the Cable & Sensor Detection	129/MUM/2012	January 13, 2012
7.	A device patient monitor with secure remote-control system	1534/MUM/2012	May 19, 2012
8.	An invasive blood pressure monitor with improved performance	1742/MUM/2012	June 16, 2012
9.	A patient monitoring apparatus with graphical and tabular trend representation.	3653/MUM/2012	December 27, 2012
10.	An integrated chassis for patient monitor and methods for assembling]	1520/CHE/2013	April 3, 2013
11.	Line current control system for Mobile X-Rays	955/CHE/2011	March 28, 2011
12.	X-Ray Radiation shielding mechanism for X-Ray tube heads	956/CHE/2011	March 28, 2011
13.	X-RAY collimator mechanism with precision aperture adjustment	4584/CHE/2014	September 20, 2014
14.	An X-RAY generation and radiation shielding apparatus for C-Arm unit.	201641008077	March 8, 2016
15.	A system and method for generation of high voltage in radiology and fluoroscopy	201641026705	August 4, 2016
16.	Man portable all terrain radiological apparatus	201941020253	May 22, 2019
17.	HF power generator with hysteretic control of X-Ray filament and tube load current	202041045129	October 16, 2020
18.	Pitch Varying System for Audio Signals in Non Patient Monitoring System	3340/CHE/2008	December 31, 2008

**APPROVALS OBTAINED BY SKANRAY HEALTHCARE GLOBAL PRIVATE LIMITED**

**(a) Tax related Approvals**

- (i) GST registration dated August 28, 2018; and
- (ii) Permanent Account Number issued under the Income Tax, Act, 1961.

**(b) Registration under employment laws**

- (i) Letter of applicability issued under the Employees' State Insurance Act, 1948;

(ii) Professional tax registration certificates, as issued under applicable professional tax legislations; and

(iii) Provident Fund Number issued by Employees' Provident Fund Organisation dated March 16, 2016.

**(c) Foreign Trade Related Approvals**

Certificate of Importer – Exporter Code, issued by the Joint Director General of Foreign Trade, Ministry of Commerce, Government of India dated February 26, 2016.

**(d) Registration under other statutes**

(i) Shops and Establishments license under applicable shops and establishment statutes;

(ii) Udyam registration certificate issued by the Ministry of Micro Small Medium Enterprises dated April 1, 2017; and

(iii) Registration with EEPC INDIA (Formerly Engineering Export Promotion Council) sponsored by Ministry of Commerce & Industry.

**(e) Approvals applied for but not yet received by Skanray Healthcare Global Private Limited**

There are no approvals for which applications have been made by Skanray Healthcare Global Private Limited but not yet received

**APPROVALS OBTAINED BY SKAN-X RADIOLOGY DEVICES S.P.A**

**(a) Business related approvals**

(i) ISO 13485:2016, 9001:2015, Quality Management Certification for the design, production and putting on the market of x-ray tubes for medical applications; and

(ii) Dichiarazione di approvazione del Sistema qualità certification from IMQ;

**(b) Intellectual Property**

**CEI Marks obtained by Skan-X Radiology Devices S.P.A**

Sr. No.	Particulars	Date of approval
1.	Incarico Studio Torta intestazione marchio	October 9, 2014
2.	Dichiarazione sostitutiva di appartenenza del Marchio CEI al complesso aziendale trasferito con Decreto di Assegnazione Tribunale di Bologna	May 16, 2014

**(c) Approvals applied for but not yet received by Skan-X Radiology Devices S.P.A**

There are no approvals for which applications have been made by Skan-X Radiology Devices S.P.A but not yet received

**APPROVALS OBTAINED BY CARDIA INTERNATIONAL A/S**

**(a) Business related approvals**

There are no approvals which have been obtained by Cardia International A/S which is material for carrying on its business and operations.

**(b) Intellectual Property**

### International Trademarks obtained by Cardia International A/S

Sr. No.	Particulars	Registration number	Category of registration	International classification number (Nice classification)	Date of approval
1.	Cardiaid	908555	Surgical and medical instruments and apparatus; defibrillators	10	November 29, 2006
2.	Cardiaid	005538616	Surgical and medical instruments and apparatus; defibrillators	10	December 13, 2007

**(c) Approvals applied for but not yet received by Cardia International A/S**

There are no approvals for which applications have been made by Cardia International A/S but not yet received.

### APPROVALS OBTAINED BY SKANRAY EUROPE SRL

**(a) Business related approvals**

- (i) ISO 13485:2016 certification from CISQ;
- (ii) Dichiarazione di approvazione del Sistema qualitia certification from IMQ; and
- (iii) EC Certificate on Full Quality Assurance System Approval Certificate from IMQ.

**(b) Approvals applied for but not yet received by Skanray Europe SRL**

There are no approvals for which applications have been made by Skanray Europe SRL but not yet received.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

#### *Corporate Approvals*

- Our Board of Directors has authorised the Offer by a resolution passed in their meeting held on March 26, 2021.
- Our Shareholders have approved and authorised the Offer by way of a special resolution passed by at their extraordinary general meeting held on March 27, 2021.
- This Draft Red Herring Prospectus was approved by our Board *vide* its resolution in its meeting dated June 27, 2021.

#### *Approval from the Selling Shareholders*

For details on the authorisations of the Selling Shareholders in relation to the Offer, see “*The Offer*” on page 59.

Our Board took on record the approval for the Offer for Sale for the Offered Shares by the Selling Shareholders pursuant to a resolution dated June 12, 2021. The Selling Shareholders specifically confirm that they have held the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus, and that they are the legal and beneficial owners of the Offered Shares.

### Prohibition by the SEBI or other Governmental Authorities

Our Company, the Selling Shareholders, our Promoters, our Directors, the members of the Promoter Group and the persons in control of our Company have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

### Compliance with the SBO Rules

Our Company, our Promoters, the Selling Shareholders and the members of the Promoter Group are in compliance with the SBO Rules, to the extent in force and as applicable.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there is no outstanding action initiated by SEBI against any of our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, which states as follows:

*“An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.”*

We are an unlisted company, not satisfying the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event that we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

Our Company shall not make an Allotment if the number or prospective allottees is less than one thousand in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. The details of compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) Neither our Company nor the Promoters, members of the Promoter Group, the Directors or the Selling Shareholders are debarred from accessing the capital markets by the SEBI.
- (b) None of the Promoters or the Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.
- (c) None of our Company, the Promoters, the Selling Shareholders and the Directors has been categorized as a wilful defaulter.
- (d) None of the Promoters or the Directors has been declared a fugitive economic offender.
- (e) Other than as disclosed in this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

The Selling Shareholders confirm that the Equity Shares offered by each Selling Shareholder as part of the Offer for Sale have been held in compliance with Regulation 8 of the SEBI ICDR Regulations.

#### **DISCLAIMER CLAUSE OF THE SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS BEING, MOTILAL OSWAL INVESTMENT ADVISORS LIMITED, ICICI SECURITIES LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. 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 THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 27, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of registering the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

## **Disclaimer from our Company, the Selling Shareholders and the BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.skanray.com](http://www.skanray.com), would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in (i) downloading the Bids due to faults in any software/ hardware system or otherwise, or (ii) the blocking of the Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on the account of any errors, omissions or non-compliance by various parties involved, or any other fault, malfunctioning, breakdown or otherwise, in the UPI Mechanism.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and 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, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and 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 the Offer will be subject to the jurisdiction of appropriate court(s) in Mysuru / Bengaluru only. The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, VCFs, AIFs, public financial institutions, scheduled commercial banks, state industrial development corporation, permitted national investment funds, NBFC-SIs, 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 shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an invitation to subscribe to, offer to sell or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus will be registered with the RoC. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery

of the Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholders from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

### **Eligibility and Transfer Restrictions**

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.**

The Company, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with the applicable laws.

### **Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

### **Disclaimer Clause of the NSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

### **Listing**

[●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

If the permission to deal in the Equity Shares are not granted by either BSE or NSE, our Company will forthwith repay, without interest, all monies received from the Bidders in pursuance of the Red Herring 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.

### **Consents**

Consents in writing of (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the legal counsels appointed for the Offer, lenders to our Company, CRISIL, the bankers to our Company, the BRLMs and Registrar to the Offer, in their respective capacities, have been obtained; and (b) the Syndicate Member, Monitoring Agency, Bankers to the Offer/Escrow Bank, Public Offer Bank, Sponsor Bank and Refund Bank to act in their respective



capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from the Statutory Auditors namely, Deloitte Haskins & Sells, Chartered Accountants, to include their name in this Draft Red Herring Prospectus, in respect of the examination report of the Statutory Auditors on the Restated Consolidated Financial Information dated June 12, 2021 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. Our Company has also received written consent dated June 21, 2021 from Gargesh & Co, Chartered Accountants to include to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their report dated June 21, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Expert opinions**

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

- (1) Our Company has received written consent dated June 27, 2021 from Deloitte Haskins & Sells, Chartered Accountants, to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) 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 June 12, 2021 on our Restated Consolidated Financial Information, and written consent dated June 27, 2021 from Deloitte Haskins & Sells, Chartered Accountants to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of their report dated June 12, 2021 on the Proforma Financial Information, and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof shall not be construed to mean an “expert” or consent as defined under the U.S. Securities Act.
- (2) Our Company has also received written consent dated June 21, 2021 from Gargesh & Co, Chartered Accountants to include to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their report dated June 21, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
- (3) In addition, our Company has received written consent dated June 18, 2021 from R S Prakash, Chartered Engineer, as chartered engineer to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of his certificate dated June 18, 2021 on the Company’s manufacturing capacity and its utilization at certain manufacturing facilities, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issue during the five years immediately preceding the date of this Draft Red Herring Prospectus.

### **Underwriting commission, brokerage and selling commission paid on previous issues of the Equity Shares in the last five years**

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in since incorporation.

### **Capital issue during the previous three years by our Company and/or listed Group Companies and/or listed Subsidiary and Associates of our Company**

None of the securities of any of our Subsidiaries or Group Company or Associates are currently listed on any stock exchange. For details in relation to the capital issuances by our Company since incorporation, see “*Capital Structure - Notes to the Capital Structure*” at page 73.

**Performance vis-à-vis objects – Public/ rights issue of our Company**

Our Company has not undertaken any public or rights issue (as defined under the SEBI ICDR Regulations) in the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Performance vis-à-vis objects – Public/ rights issue of the listed Subsidiaries/Promoters of our Company**

Our Subsidiaries and Promoters do not have securities listed on any stock exchange.

## Past price Information of past issues handled by the BRLMs

### A. Motilal Oswal

#### Price information of past public issues handled by Motilal Oswal (during current financial year and two financial years preceding the current financial year):

Motilal Oswal has not handled any initial public offering or further public offering during the current financial year and two financial years preceding the current financial year.

#### Summary statement of price information of past public issues handled by Motilal Oswal:

Motilal Oswal has not handled any initial public offering or further public offering during the current financial year and two financial years preceding the current financial year.

### B. Nomura

#### Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Nomura Financial Advisory & Securities (India) Private Limited

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Sona BLW Precision Forgings Limited	55,500	291	June 24, 2021	301.00	<i>Not applicable</i>	<i>Not applicable</i>	<i>Not applicable</i>
2	Nazara Technologies Limited	5,826.91	1,101 <sup>1</sup>	March 30, 2021	1,990.00	+62.57% [+0.13%]	<i>Not applicable</i>	<i>Not applicable</i>
3	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%]
4	Computer Age Management Services Limited <sup>1</sup>	22,421.05	1,230 <sup>2</sup>	October 1, 2020	1,518.00	+5.43% [+2.37%]	+49.52% [+23.04%]	+43.80% [+26.65%]
5	Happiest Minds Technologies Limited	7,020.16	166	September 17 2020	350.00	+96.05% [+2.14%]	+93.25% [+17.82%]	+221.27% [+29.64%]

6	SBI Cards & Payment Services Limited <sup>2</sup>	103,407.88	755 <sup>3</sup>	March 16, 2020	661.00	-33.05%, [-2.21%]	-21.79%, [+8.43%]	+12.50% [+24.65%]
7	Affle (India) Limited	4,590.00	745	August 8, 2019	926.00	+12.56%, [-0.78%]	+86.32%, [+8.02%]	+135.49%, [+6.12%]

Source: www.nseindia.com

1. Discount of INR110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
2. Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion
3. Price for Eligible Employees bidding in the Employee Reservation Portion was INR680.00 per equity share

Notes:

- a. Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index
- b. Price on NSE is considered for all of the above calculations except for Computer Age Management Services Limited.
- c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
- d. Not applicable – Period not completed

### Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by Nomura Financial Advisory & Securities (India) Private Limited

Financial Year	Total no. of IPOs	Total funds raised ( in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2021-2022	1	55,500.00	-	-	-	-	-	-	-	-	-	-	-	-
2020-2021	4	100,063.57	-	-	-	2	1	1	-	-	-	2	1	-
2019-2020	2	107,997.88	-	1	-	-	-	1	-	-	-	1	-	1

Source: www.nseindia.com

Notes:

- a) The information is as on the date of this document.
- b) The information for each of the financial years is based on issues listed during such financial year
- c) One deal of Financial Year 2020 – 2021 has not completed 180 days

### C. ISEC

#### Price information of past issues(during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
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1	Mrs. Bectors Food Specialities Limited	5,405.40	288.00 <sup>(1)</sup>	24-Dec-20	500.00	+37.69%, [+4.53%]	+19.93%, [+7.75%]	+40.59%, [+14.53%]
2	Indian Railway Finance Corporation Limited	46,333.79	26.00	29-Jan-21	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	NA*
3	Indigo Paints Limited	11,691.24	1,490.00 <sup>(2)</sup>	02-Feb-21	2,607.50	+75.72%, [+4.08%]	+55.40%, [-0.11%]	NA*
4	Home First Finance Company India Limited	11,537.19	518.00	03-Feb-21	618.80	+4.98%, [+1.97%]	-5.64%, [-1.05%]	NA*
5	Railtel Corporation of India Limited	8,192.42	94.00	26-Feb-21	109.00	+35.64%, [-0.15%]	+37.50%, [+5.32%]	NA*
6	Kalyan Jewellers India Limited	11,748.16	87.00 <sup>(3)</sup>	26-Mar-21	73.95	-24.60%, [-1.14%]	-7.07%, [+8.13%]	NA*
7	Suryoday Small Finance Bank Limited	5,808.39	305.00 <sup>(4)</sup>	26-Mar-21	292.00	-18.38%, [-1.14%]	-26.87%, [+8.13%]	NA*
8	Nazara Technologies Limited	5,826.91	1,101.00 <sup>(5)</sup>	30-Mar-21	1,990.00	+62.57%, [+0.13%]	+37.59%, [+6.84%]	NA*
9	Macrotech Developers Limited	25,000.00	486.00	19-Apr-21	436.00	+30.22%, [+5.21%]	NA*	NA*
10	Shyam Metals and Energy Limited	9,087.97	306.00 <sup>(6)</sup>	24-Jun-21	380.00	NA*	NA*	NA*

\*Data not available

- (1) Discount of Rs.15 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 288.00 per equity share.  
(2) Discount of Rs. 148 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,490.00 per equity share.  
(3) Discount of Rs. 8 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 87.00 per equity share.  
(4) Discount of Rs. 30 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 305.00 per equity share.  
(5) Discount of Rs. 110 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 1,101.00 per equity share.  
(6) Discount of Rs. 15 per equity share offered to eligible employees All calculations are based on Issue Price of Rs. 306.00 per equity share.

#### Summary statement of price information of past issues(during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount - 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at premium - 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 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*	2	34,087.97	-	-	-	-	1	-	-	-	-	-	-	
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	-	1	3	2	
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	

\*This data covers issues upto YTD

#### Notes:

- All data sourced from [www.nseindia.com](http://www.nseindia.com), except for Computer Age Management Services Limited for which the data is sourced from [www.bseindia.com](http://www.bseindia.com)
  - Benchmark index considered is NIFTY
- 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup>, 90<sup>th</sup>, 180<sup>th</sup> calendar day is a holiday, in which case we have considered the closing data of the previous trading day

## Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below.

BRLMs	Website
Motilal Oswal Investment Advisors Limited	<a href="http://www.motilaloswalgroup.com">www.motilaloswalgroup.com</a>
ICICI Securities Limited	<a href="http://www.icicisecurities.com">www.icicisecurities.com</a>
Nomura Financial Advisory and Securities (India) Private Limited	<a href="http://www.nomuraholdings.com/company/group/asia/india/index.html">www.nomuraholdings.com/company/group/asia/india/index.html</a>

## Stock Market Data of Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## Mechanism for redressal of investor grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹ 100 or 15% per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹ 100 or 15% per annum of the application amount.

**Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.**

Bidders may contact the BRLMs for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number (for Bidders other than RIIs bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of RIIs applying through the UPI Mechanism. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor. Bidders can contact the 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 shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company, the Selling Shareholders, BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Our Company has also 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 of our Stakeholders Relationship Committee, please see “*Our Management*” beginning on page 170.

Our Company has also appointed Bhagya MG, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see “*General Information*” beginning on page 66. The Selling Shareholder has authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and there are no outstanding investor complaints against our Company as on the date of this Draft Red Herring Prospectus.

None of our Subsidiaries are listed on any stock exchange.

#### **Disposal of investor grievances by our Company**

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. 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.

## SECTION VII: OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act 2013, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus and the Prospectus, the Bid-cum-Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

#### Ranking of Equity Shares

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the Companies Act 2013, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see “*Description of Equity Shares and Terms of Articles of Association*” on page 343.

#### Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act 2013, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale) in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. For more information, see “*Dividend Policy*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 196 and 343, respectively.

#### Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 and the Offer Price is ₹[●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹[●] and the Cap Price of the Equity Shares is ₹[●], being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Bengaluru, where our Registered Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

#### Rights of the Equity Shareholders

Subject to applicable law and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their 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 terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.



For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see “*Description of Equity Shares and Terms of Articles of Association*” on page 343.

**Market Lot and Trading Lot and Allotment of securities in dematerialised form**

In terms of Section 29 of the Companies Act 2013, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, tripartite agreements had been signed among the Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated March 27, 2021 amongst NSDL, our Company and the Registrar to the Offer;
- Agreement dated March 19, 2021 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of our Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Offer Procedure*” on page 328.

**Joint Holders**

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

**Nomination facility to investors**

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole or 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, will vest to the exclusion of the other persons, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. 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 the holder’s death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, will, on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, 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 dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

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

**Bid/Offer Programme**

<b>BID/OFFER OPENS ON</b>		[●] <sup>(1)</sup>
<b>BID/OFFER CLOSES ON</b>		[●] <sup>(2)</sup>

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

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable*

**This above timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.**

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each of the Selling Shareholders, severally and not jointly, confirm that they shall extend such reasonable support and co-operation required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date 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..

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 this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

#### **Submission of Bids (other than Bids from Anchor Investors):**

<b>Bid/Offer Period (except the Bid/Offer Closing Date)</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))
<b>Bid/Offer Closing Date</b>	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

#### **On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

- (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and
- (ii) until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors 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 are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks (“SCSBs”), other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

### **Minimum Subscription**

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; 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. 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 case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale on a proportionate basis; and (ii) through the issuance of balance part of the Fresh Issue.

Each of the Selling Shareholders shall, severally and not jointly, reimburse, in proportion to their respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that no Selling Shareholders shall be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

#### **Arrangement for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

#### **Restriction, if any, on transfer and transmission of Equity Shares**

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page 73, and except as provided in the Articles of Association as detailed in "*Description of Equity Shares and Terms of Articles Of Association*" on page 343, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting. Further, there are no restrictions on transmission of any shares/debentures of our Company and on their consolidation or splitting, except as provided in the Articles of Association.

#### **Withdrawal of the Offer**

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue, and each Selling Shareholder reserves the right to not 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 Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of RIBs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders (other than Anchor Investors) shall notify the Escrow Collection Banks 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 Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges

## OFFER STRUCTURE

The Offer of [●] Equity Shares for cash at price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] million comprising of a Fresh Issue of [●] Equity Shares aggregating ₹[●] million by our Company and an Offer of Sale of up to 14,106,347 Equity Shares, aggregating up to ₹[●] million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up equity share capital of our Company.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement for an aggregate amount not exceeding ₹3,500 million, consisting of a fresh issue of Equity Shares of an aggregate amount not exceeding ₹1500.00 million and a sale of Equity Shares by certain existing Shareholders of our Company for an amount not exceeding ₹2,000.00 million. The Pre-IPO Placement, if undertaken, will be at a price to be decided by our Company in consultation with the BRLMs and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, the amount raised from the Pre-IPO Placement will be reduced from the Offer, subject to the minimum Offer Size constituting at least 10% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through Book Building Process.

Particulars	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation <sup>*(2)</sup>	Not less than [●] Equity Shares	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not more than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/allocation	Not less than 75% of the Offer shall be available for allocation to QIB Bidders.  However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Investors will be available for allocation.	Not more than 10% of the Offer or Offer less allocation to QIBs and Non-Institutional Investors will be available for allocation.
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion):  (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and  (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.  Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which one-third shall be available for	Proportionate	Allotment to each Retail Individual Investor 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 is any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 328.

	allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Share thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share For Retail Individual Investors, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion		
Trading Lot	One Equity Share		
Who can apply <sup>(3)(4)</sup>	Mutual Funds, VCFs, AIFs, FVCIs, FPIs (other than individuals, corporate bodies and family offices), public financial institution as defined in Section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and NBFC-SI.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts, and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs
Terms of Payment	<p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p> <p><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form</p>		

\* Assuming full subscription in the Offer

<sup>(1)</sup> Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Procedure" on page 328.

<sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations.

<sup>(3)</sup> In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form

*and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

<sup>(4)</sup> *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

## OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to the circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the circular CIR/CFD/DIL/1/2016 dated January 1, 2016, the circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, the circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, the circular SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and the circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, and the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 (the “**General Information Document**”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date and (xii) 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 With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. 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 will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 (“UPI Streamlining Circular”) has instituted certain mechanisms towards the streamlining of applications made through the UPI Mechanism as well as redressal of investor grievances. This UPI Streamlining Circular shall come into force for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. . Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company, the Selling Shareholder and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.



*Further, our Company, the Selling Shareholders and the Members of the Syndicate do not accept any responsibility for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.*

### **Book Building Procedure**

The Offer is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein at least 75% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange and subject to applicable law. However, undersubscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of other categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

### **Phased implementation of UPI Mechanism**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto 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 RII 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 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs 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 continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

For further details, please refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered Office. The Bid cum Application Forms will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

<b>Category</b>	<b>Colour of Bid cum Application Form*</b>
Resident Indians, including resident QIBs, Non-Institutional Investors, RIIs and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions	[●]
Anchor Investors	[●]

\* Excluding electronic Bid cum Application Forms

Notes:

1. Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com))
2. Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other

than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date (“**Cut-Off Time**”). Accordingly, RIBs Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking of funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

### **Participation by Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non- Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, or AIFs sponsored by the entities which are associates of the BRLMs or FPIs, or FPIs (other than individuals, corporate bodies and family offices), sponsored by entities which are associates of the BRLMs, no BRLM or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the BRLM” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a QIB who has rights under a shareholders’ agreement or voting agreement entered into with the Promoters or Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

### **Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company reserves the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector

or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non- Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 342.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

### **Bids by FPIs**

In terms of the SEBI FPI Regulations, investment in the Equity Shares by a single FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control) must be below 10% of our post-Offer Equity Share capital on a fully diluted basis. Further, in terms of the applicable FEMA Rules the total holding by each FPI cannot exceed 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate holdings of all the FPIs, including any other direct and indirect foreign investments in our Company, shall not exceed 24 % of the total paid-up Equity Share 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 is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the GoI from time to time.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the capital of an Indian company is subject to certain limits, i.e. the individual holding of an FPI (including its investor group) is restricted to below 10% of the capital of the company. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity capital of our Company, 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 that may be issued by our Company, the total investment made by the FPI or investor group 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. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e. 100%). The aggregate limit may be decreased below the sectoral cap to a threshold limit of 24% or 49% or 74% as deemed fit by way of a resolution passed by our Board followed by a special resolution passed by the Shareholders of our Company. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all

registered FPIs shall be included. Our Company has increased the aggregate limit of investment by non-resident Indians in the Company from default limit of 10% to 24% of the paid-up equity share capital by a board resolution dated April 29, 2020 and shareholders' resolution May 13, 2020.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

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 is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); including the conditions to deal in overseas direct instruments and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents. Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

#### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. The holding in any company by any individual FVCI or VCF registered with SEBI should not exceed 25% of the corpus of the FVCI or VCF. An FVCI or VCF can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations).

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**Our Company, the Selling Shareholders or the BRLMs shall not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.**

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

#### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is less. 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 banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the 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 are required to comply with the terms of the circulars bearing no. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013, dated September 13, 2012 and January 2, 2013, respectively, issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

#### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority ("**IRDAI**"), a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with the BRLMs reserves the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"). In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company (through the Fund Raising Committee) in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 as amended are broadly set forth below:

- (a) Limit for the investee company: The lower of: (i) 10%\* of the outstanding equity shares (face value); and (ii) 10% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer), as the case may be;

- (b) Limit for the entire group of the investee company: Not more than: (i) 15% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer); or (ii) 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) Limit for the industry sector to which the investee company belongs: Not more than: (i) 15% of the such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including a re-insurer or a health insurer); or (ii) 15% of the investment asset, whichever is lower.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

#### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s) and such other approvals as may be required by the NBFC – SI, must be attached to the Bid-cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for NBFC – SI shall be prescribed by RBI from time to time.

#### **Bids under power of attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, 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 laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

#### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, with minimum corpus of ₹250 million, subject to applicable laws, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason therefor.

Under-subscription, if any, in any category including the, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

**The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, 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 only being offered and sold 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.

The above information is given for the benefit of the Bidders. Our Company, the respective 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, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Red Herring Prospectus, when filed.

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company will, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●] editions of [●] (a widely circulated English national daily newspaper) and [●] editions of [●] (a widely circulated Hindi national daily newspaper), [●] editions of [●] (a widely circulated Kannada newspaper, Kannada being the regional language of Bengaluru, where our Registered Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

### **Electronic Registration of Bid**

For information, please see the General Information Document.

### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

#### ***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;
2. Ensure that you have Bid within the Price Band
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form (with maximum length of 45 characters. Further, Retail Individual Investors using the UPI Mechanism must mention their UPI ID;
4. Retail Individual Investors Bidding using UPI 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. Retail Individual Investors 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;



5. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
6. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
7. 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;
8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;
9. If the first Bidder is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Bid cum Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
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;
12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;
20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
21. Bidders (except Retail Individual Investors Bidding using the UPI Mechanism) should instruct their respective

banks to release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank prior to 12:00 pm of the Working Day immediately after the Bid / Offer Closing Date;

22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
23. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the 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 at the time of submission of the Bid;
24. Retail Individual Investors Bidding using the UPI Mechanism 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 authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
25. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;
26. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner; and
27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers;
8. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Red Herring Prospectus;

11. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
13. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors);
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 (where 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 the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
17. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
18. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
19. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
20. 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;
21. 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);
22. Do not submit more than one Bid cum Application Form per ASBA Account;
23. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor; and
24. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Stock Exchanges, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

#### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any allotment in excess of the Equity Shares through the Offer except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor 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, the Promoter Selling Shareholders and the Investor Selling Shareholder in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: “[●]”
- (ii) In case of non-resident Anchor Investors: “[●]”

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collection of Bid Amounts from Anchor Investors.

### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see “*Terms of the Offer*” on page 320.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) The complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) That all steps will be taken 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 within six Working Days of the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI;
- (iii) That funds required for making refunds to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by the Company;
- (iv) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the unsuccessful Bidder within six Working Days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where the refunds shall be credited along with the amount and the expected date of electronic credit of refund;
- (v) The decisions with respect to the Price Band and the Minimum Bid lot as applicable, revision of Price Band, Offer Price, will be taken by our Company, the Promoter Selling Shareholders and the Investor Selling Shareholder, in consultation with the BRLMs.
- (vi) Except for Equity Shares that may be allotted pursuant to the Pre – IPO Placement, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.; and
- (vii) That adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Forms from Anchor Investor

### **Undertakings by the Selling Shareholders**

Each Selling Shareholder undertakes the following severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares offered by it in the Offer for Sale that:

- (i) the Equity Shares offered for sale by it in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;
- (ii) it is the legal and beneficial owner of and holds clear and marketable title to its respective portion of the Offered Shares, which are free and clear of any pre-emptive rights, liens, charges, pledges, or transfer restrictions, and shall be in dematerialized form, at the time of transfer;
- (iii) it shall provide all reasonable cooperation as requested by our Company in relation to completion of Allotment and dispatch of Allotment Advice and CAN, if required, and refund orders, to the extent of its offered Equity Shares offered pursuant to the Offer;
- (iv) it is not debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any authority or court;
- (v) it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;
- (vi) it shall not have recourse to the proceeds of the Offer until final approvals for listing and trading of the Equity Shares from the Stock Exchanges have been received; and
- (vii) it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer for Sale.

Only the statements and undertakings in relation to the Selling Shareholders and their portion of the Equity Shares offered in the Offer for Sale which are confirmed or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus, shall be deemed to be “statements and undertakings made or confirmed” by the Selling Shareholders. No other statement in this Draft Red Herring Prospectus will be deemed to be “made or confirmed” by a Selling Shareholder, even if such statement relates to such Selling Shareholder.

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholders from any liabilities to the extent of the statements specifically made or confirmed by themselves in respect of themselves and of their respective Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

#### **Utilisation of Offer Proceeds**

Our Board certifies that:

- (i) all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-Section (3) of Section 40 of the Companies Act 2013;
- (ii) details of all monies utilised out of the Fresh Issue 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
- (iii) 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

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“**DPIIT**”) issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020 (the “**FDI Policy**”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the FDI policy, FDI in companies engaged in manufacturing of medical devices, is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Offer Procedure – Bids by Eligible NRIs*” and “*Offer Procedure – Bids by FPIs*” both on page 332.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “*Offer Procedure*” on page 328.

**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 only being offered and sold 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.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

## SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

- (a) *The Regulations contained in Table 'F' of Schedule I to the Companies Act, 2013 shall apply only in so far as the same are not inconsistent with these Articles.*
- (b) *The Regulations for the management of the Company and for the observance of the members thereof, and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013. Notwithstanding anything contained herein, in the event of any conflict between the provisions of Part A and Part B of these Articles, the provisions of Part B of these Articles shall prevail. Part B shall automatically terminate, be deleted and cease to have any force and effect upon the listing of shares of the Company proposed to be transferred/ issued pursuant to an initial public offering of the shares of the Company without any further action by the Board of Directors or by the Shareholders.*

### PART A

#### 1. DEFINITIONS

*In the interpretation of these Articles, the following words and expressions shall have the following meaning unless repugnant to the subject or context.*

“**Act**” and any reference to any Section or provision thereof respectively means and includes the Companies Act, 2013, including any statutory amendments thereto, and the Rules made thereunder, and notified from time to time;

“**ADRs**” mean American Depository Receipts representing ADSs;

“**Annual General Meeting**” means an annual general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act;

“**ADSs**” mean American Depository shares, each of which represents a certain number of Equity Shares;

“**Agnus Entities**” mean Arun Kumar, the Agnus Group, and the SHPL Investor Group;

“**Agnus Group**” means Agnus Holdings Private Limited, Agnus Global Holdings Pte Ltd, and Agnus Capital LLP;

“**Articles**” mean these Articles of Association as adopted or as from time to time by the Company, and altered in accordance with the provisions of these Articles and the Act;

“**Ascent Capital**” shall mean Unit Trust of India Investment Advisory Services Limited A/C Ascent India Fund III, through its duly appointed manager, Ascent Capital Advisors India Private Limited;

“**Auditors**” mean and include those Persons appointed as such for the time being by the Company;

“**Board**” or “**Board of Directors**” means the board of directors of the Company, as constituted from time to time, in accordance with Law, and the provisions of these Articles;

“**Board Meeting**” means any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with Law and the provisions of these Articles;

“**Beneficial Owner**” means a beneficial owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act;

“**Business Day**” means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Bangalore, Karnataka, India, and, in the context of a payment being made to, or from a scheduled commercial bank in a place other than India, in such other place;

**“Capital” or “Share Capital”** means the share capital for the time being, raised or authorised to be raised, for the purposes of the Company;

**“Chairman”** means such Person as is nominated or appointed in accordance with Article 30 herein below;

**“Chief Executive Officer” or “CEO”** means an officer of the Company, who has been designated as such by it;

**“Chief Financial Officer” or “CFO”** means an officer of the Company, who has been designated as such by it;

**“Companies Act, 1956”** means the Companies Act, 1956 (Act I of 1956), as may be in force for the time being;

**“Chief Operating Officer” or “COO”** means the chief operating officer of the Company providing timely operational information and assistance to the CEO, or any Person of whatsoever designation performing the functions of a chief operating officer;

**“Company” or “this Company”** means **SKANRAY TECHNOLOGIES LIMITED**;

**“Committees”** means committees constituted by the Company, as laid out in Article 62 herein;

**“Debenture”** includes debenture stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not;

**“Depositories Act”** means the Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof;

**“Depository”** means a Depository as defined in Clause (e) of Sub-Section (1) of Section 2 of the Depositories Act;

**“Director”** means any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with Law and the provisions of these Articles;

**“Dividend”** includes interim dividends;

**“Employees’ Stock Option”** means the option given to the directors (except Independent Directors), officers or employees of a company, or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares at a future date at a pre-determined price;

**“E-voting”** means voting by electronic means as laid out in Article 36 herein;

**“Equity Share Capital”** means the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis;

**“Equity Share”** means fully paid -up equity shares having a par value of ₹10 (Rupees Ten) per equity share, or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares;

**“Executor” or “Administrator”** means a Person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or Transfer the Equity Share or Equity Shares of the deceased Shareholder, and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963;

**“Extraordinary General Meeting”** means an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the Act;

**“Financial Year”** means any fiscal year of the Company, beginning on April 1 of each calendar year, and ending on March 31 of the following calendar year;

**“Fully Diluted Basis”** means, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options,



warrants and other equity securities convertible into, or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof;

“**GDRs**” mean the registered Global Depository Receipts, representing GDSs;

“**GDSs**” mean the Global Depository shares, each of which represents a certain number of Equity Shares;

“**General Meeting**” means an Annual General Meeting or Extraordinary General Meeting of holders of Equity Shares and any adjournment thereof;

“**Independent Director**” means an independent director as defined under the Act, and under Regulation 16(1)(b) of the Listing Regulations;

“**India**” means the Republic of India;

“**Investors**” shall mean the Agnus Entities and Ascent Capital”;

“**KMP**” means key managerial person as defined under the Companies Act, 2013;

“**Law**” means all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of, or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian Accounting Standards, Indian GAAP, or any other generally accepted accounting principles;

“**Lien**” means any kind of security interest of whatsoever nature including any (i) mortgage, charge (whether fixed or floating), pledge, Lien, hypothecation, assignment, deed of trust, title retention, security interest, or other encumbrance of any kind securing or conferring a priority of payment in respect of, any obligation of any Person;

“**Listing Regulations**” mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and shall include any statutory modification or re-enactment thereof;

“**Managing Director**” shall have the meaning assigned to it under the Act;

“**MCA**” means the Ministry of Corporate Affairs, Government of India;

“**Members**” mean the duly registered holders in the Register of Shareholders, from time to time, of the Equity Shares of this Company;

“**Memorandum**” means the memorandum of association of the Company, as amended from time to time;

“**Office**” means the Registered Office for the time being of the Company;

“**Ordinary Resolution**” shall have the meaning assigned thereto under Section 114 of the Act;

“**Paid up**” shall include the amount credited as paid up;

“**Person**” means any natural Person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association, or other entity (whether registered or not and whether or not having separate legal personality);

“**Promoters**” shall mean Vishwaprasad Alva, Agnus Capital LLP, Chayadeep Properties Private Limited, and Skanray Healthcare Partners LLP;

“**Register of Shareholders**” means the Register of Shareholders to be kept pursuant to Section 88 of the Act;

“**Registrar**” means the Registrar of Companies, from time to time having jurisdiction over the Company;

“**Rules**” mean the rules made under the Act and notified from time to time;

“**Seal**” means the common seal(s) for the time being of the Company;

“**SEBI**” means the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992;

“**Secretary**” means a company secretary within the meaning of clause (c) of sub-section (1) of Section 2 of the Company Secretaries Act, 1980, and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Act, and any other administrative duties;

“**Securities**” mean any Equity Shares or any other securities, Debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares;

“**Shareholder**” means any shareholder of the Company, from time to time;

“**Shareholders’ Meeting**” means any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles;

“**SHPL Investor Group**” shall mean Karuna Ventures Private Limited, Chayadeep Properties Private Limited, Agnus Capital LLP, Chayadeep Ventures LLP, and Skanray Healthcare Partners LLP;

“**Special Resolution**” shall have the meaning assigned to it under Section 114 of the Act;

“**Stock Exchanges**” mean the National Stock Exchange of India Limited, BSE Limited, or such other recognised stock exchange; and

“**Transfer**” means (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion, or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to, or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word

“**Transferred**” shall be construed accordingly.

## 2. CONSTRUCTION

2.1. In these Articles (unless the context requires otherwise):

- (i) References to a Person shall, where the context permits, include such Person’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference, and are not intended as complete or accurate descriptions of the content thereof, and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and sub-Articles of, and to these Articles unless otherwise stated, and references to these Articles include references to the Articles and sub-Articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.

- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within, or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences, and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made, or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business day following.
- (viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning, and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation, or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

### **3. EXPRESSIONS IN THE ACT AND THESE ARTICLES**

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

### **4. SHARE CAPITAL AND VARIATION OF RIGHTS**

- 4.1. Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Persons, in such proportion, and on such terms and conditions and either at a premium, or at par and at such time as they may from time to time think fit and with the sanction of the Company in a General Meeting to give to any Person the option to call for, or be allotted shares of any class. The authorised, issued and paid up capital of the Company may be altered, subject to the provisions of the Act.
- 4.2. The authorised Share Capital of the Company shall be such amount, and be divided into such shares as may from time to time, be provided in Clause V of Memorandum with the power to reclassify, sub divide, consolidate and increase, and with the power from time to time, to issue any shares of the original capital or any new capital, and upon the sub-division of shares to apportion the right to participate in profits, in any manner as between the shares resulting from sub-division.
- 4.3. The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act and Law, from time to time.

- 4.4. All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- 4.5. The Company may issue shares with differential rights (as to voting, dividend or otherwise) attached to them in pursuance of the provisions of the Act and rules made thereunder. The Board of Directors may issue such shares subject to such limits, and upon such terms and conditions, and with such rights and privileges attached thereto, as thought fit and as may be permitted by law.
- 4.6. 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, as the case may be, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.
- 4.7. To every such separate meeting, the provisions of these Articles relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least 2 (two) Persons holding at least one-third of the issued shares of the class in question.
- 4.8. The Share Capital shall not be of more than 2 (two) kinds, namely:
- a. Equity Share Capital :
    - i. with voting rights; or
    - ii. with differential rights as to dividend, voting or otherwise in accordance with applicable Law; and
  - b. preference Share Capital (as defined in Section 43 of the Act).

#### **Creation or issue of further shares ranking pari passu**

- 4.9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith. Subject to the provisions of Section 55 of the Act, any preference shares may, with the sanction of an ordinary resolution, be issued on terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **Issuance of preference shares**

- 4.10. The Company may issue, from time to time, Redeemable Preference Shares as may be permissible to be issued as per the provisions of the Act and rules made thereunder, and for the time being in force and applicable to the Company.
- 4.11. Subject to the provisions of the Articles, the Company shall have power to issue Preference Shares and the Board may, subject to the provisions of the Act and Articles, exercise such powers as it thinks fit. Provided that the term “**Preference Shares**” in this Article has the same meaning as defined in explanation (ii) to section 43 of the Act.

#### **Share warrants**

- 4.12. The Company may issue share warrants subject to, and in accordance with, the relevant provisions of the Act and the rules and accordingly the Board may in its discretion, with respect to any Share which is fully paid up, on application in writing signed by the Person registered as holder of the Shares, and authenticated by such evidence (if any) of the Shares and payment of the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

- 4.13. The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a Shareholders Meeting, and of attending, and voting and exercising the other privileges of a Shareholder at any Shareholders Meeting held after the expiry of 2 (two) days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Shares included in the deposited warrant.
- 4.14. More than 1 (one) Person may be recognized as depositor of the share warrant.
- 4.15. The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- 4.16. Subject as herein otherwise expressly provided, no Person shall, as bearer of a share warrant, sign a requisition for calling a Shareholders Meeting, or attend or vote or exercise any other privilege of a Shareholder at a Shareholders Meeting, or be entitled to receive any notice from the Company.
- 4.17. The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Shares included in the warrant, and he shall be a Shareholder.
- 4.18. The Board may, from time to time, make rules as to the terms on which (if it thinks fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

#### **Share Equivalents**

- 4.19. The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

#### **5. COMMISSION**

- 5.1. The Company may exercise the powers of paying commissions conferred by sub-Section (6) of Section 40 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.
- 5.2. The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules made under sub-Section (6) of Section 40 of the Act.
- 5.3. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

#### **6. ADRS/GDRS**

The Company shall, subject to applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms, and in such manner as the Board deems fit, including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

#### **7. ALTERATION OF SHARE CAPITAL**

- 7.1. The Company may from time to time in General Meetings, and subject to the provisions of these Articles and Section 61 of the Act, alter the conditions of its Memorandum as follows. In achieving this, it may:
  - a. increase its Share Capital by such amount as it thinks expedient;
  - b. consolidate and divide all, or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and sub-division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the manner prescribed under the Act.

- c. sub-divide its existing shares into shares of smaller amount that is fixed by the Memorandum. However, in the event the Company carries out a subdivision, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as was in the case of the share from which the reduced share is derived; and
  - d. cancel any shares, which at the date of the passing of the resolution have not been taken, or agreed to be taken by the Person and diminish the amount of its Share Capital by the amount of the shares so cancelled.
- 7.2. Subject to the provisions of Sections 66 of the Act, the Board may accept from any member the surrender on such terms and conditions as shall be agreed of all or any of his shares.
- 7.3. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

## **8. REDUCTION OF SHARE CAPITAL**

The Company may, subject to the applicable provisions of the Act and the Companies Act, 1956, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law.

## **9. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES**

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Section 68, Section 69 and Section 70 of the Act and subject to compliance with applicable Law.

## **10. SHARE CERTIFICATES**

- 10.1. The Company shall issue, reissue and issue duplicate share certificates in accordance with the provisions of the Act and in a form and manner as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- 10.2. Every Person whose name is entered as a member in the register of members of the Company shall be entitled to receive within 2 (two) months after incorporation, in case of subscribers to the Memorandum, or after allotment, or within 1 (one) month after the application for the registration of Transfer or transmission, or within such other period as the conditions of issue shall be provided:
- a. 1 (one) certificate for all his shares without payment of any charges; or
  - b. several certificates, each for 1 (one) or more of his shares, upon payment of ₹20 (Indian Rupees Twenty) for each certificate after the first.

Every certificate shall be under the Seal, and shall specify the shares to which it relates to and the amount paid-up thereon.

In respect of any Equity Shares or other shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate, and delivery of a certificate for the Equity Shares or other shares (as the case may be) to 1 (one) of several joint holders shall be sufficient delivery to all such holders.

- 10.3. The Company shall permit the Shareholders for sub-division/consolidation of share certificates.
- 10.4. If any share certificate be worn out, defaced, mutilated or torn, or if there be no further space on the back for endorsement of Transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof. If any certificate is lost or destroyed, then, upon proof thereof

to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of ₹20 (Indian Rupees Twenty).

- 10.5. Except as required under Law, no Person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided), any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
- 10.6. The provisions of Articles 10.1 and 10.4 shall mutatis mutandis apply to debentures of the Company.

## **11. SHARES AT THE DISPOSAL OF THE DIRECTORS**

- 11.1. Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same, or any of them to Persons in such proportion, and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 and 54 of the Act) at such time as they may, from time to time, think fit.
- 11.2. If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the Person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.
- 11.3. Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- 11.4. In accordance with Section 46 and other applicable provisions of the Act and the Rules:
- a. Every Shareholder or allottee of shares shall be entitled without payment, to receive 1(one) or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or Persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other Person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other Person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a Person other than a Managing Director(s) or an executive Director(s). Particulars of every share certificate issued shall be entered in the Register of Shareholders against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rs. 2 (Rupees Two).
  - b. Every Shareholder shall be entitled, without payment, to 1(one) or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for 1 (one) or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of Transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 10 above and in respect of a Share or shares held jointly by several Persons, the Company shall not be bound to issue more than 1 (one) certificate and delivery of a share certificate to the first named joint holders shall be sufficient delivery to

all such holders.

- c. The Board may, at their absolute discretion, refuse any applications for the sub-division of share certificates or Debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision, or an order of a competent court of Law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
- d. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

## **12. UNDERWRITING AND BROKERAGE**

- 12.1. Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- 12.2. The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

## **13. CALLS ON SHARES**

- 13.1. Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares (whether on account of the nominal value of the shares, or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times. Each member shall, subject to receiving fourteen days' notice or such lesser period as may be decided by the Board at its meeting based on the requirements, 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.
- 13.2. A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The Board making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution, and in the absence of such a provision, a call shall be deemed to have been made on the same date as that of the resolution of the Board making such calls. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 13.3. Not less than 30 (thirty) days' notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call, the Directors may, by notice in writing to the members, extend the time for payment thereof.
- 13.4. If by the terms of issue of any Share or otherwise, any amount is made payable at any fixed times, or by instalments at fixed time, whether on account of the nominal value of the Share or by way of premium, every such amount or instalments shall be payable as if it were a call duly made by the Board, on which due notice had been given, and all the provisions contained herein, or in the terms of such issue, in respect of calls shall relate and apply to such amount or instalments accordingly.
- 13.5. If the sum called in respect of a Share is not paid on or before the day appointed for payment thereof, the holder for the time being of the Share in respect of which the call shall have been made or the instalments shall fall due, shall pay interest for the same at the rate of 10% (ten percent) per annum, from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board shall also be at liberty to waive payment of that interest wholly or in part.
- 13.6. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any such sum which by the terms of issue of a Share, become payable at a fixed time, whether on account of the amount of the Share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
- 13.7. The Board, may, if it thinks fit, receive from any member willing to advance all of or any part of the



monies uncalled and unpaid upon any shares held by him, and upon all or any part of the monies so advanced, the Board may (until the same would, but for such advance become presently payable) pay interest at such rate not exceeding, unless the Company in its General Meeting shall otherwise direct, 12% (twelve percent) per annum, as may be agreed upon between the Board and the member paying the sum in advance but shall not in respect of such advances confer a right to the dividend or participate in profits. The Directors may at any time repay the amount so advanced.

- 13.8. The members shall not be entitled to any voting rights in respect of the monies so paid by them until the same would, but for such payment, become presently payable.
- 13.9. Neither a judgment nor a decree in favour of the Company for calls or other monies due in respect of any Share, nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from, time to time, be due from any member in respect of any Share, either by way of principal or interest nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein after provided.
- 13.10. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures.

#### **14. COMPANY'S LIEN**

##### **Fully paid shares will be free from all Liens**

- 14.1. The fully paid shares will be free from all Liens, while in the case of partly paid shares, the Company's Lien, if any, will be restricted to monies called or payable at a fixed time in respect of such shares.

##### **First and paramount Lien**

- 14.2. The Company shall have a first and paramount Lien—
- a. on every Share (not being a fully paid-up Share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that Share; and
  - b. on all shares (not being fully paid shares) standing registered in the name of a single Person, for all monies presently payable by him or his estate to the Company:

*Provided that* the Board of Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

- 14.3. The Company's Lien, if any, on a Share shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

##### **Powers of the Company to sell the shares under Lien**

- 14.4. The Company may sell, in such manner as the Board of Directors thinks fit, any shares on which the Company has a Lien:

*Provided that* no sale shall be made—

- a. unless a sum in respect of which the Lien exists is presently payable; or
  - b. 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.
- 14.5. To give effect to any such sale, the Board of Directors may authorise some Person to Transfer the shares sold to the purchaser thereof.
- a. The purchaser shall be registered as the holder of the shares comprised in any such Transfer.

- b. 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.
- 14.6. 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.
- 14.7. The residue, if any, shall, subject to a Lien for sums not presently payable as existed upon the shares before the sale, be paid to the Person entitled to the shares at the date of the sale.

## **15. FORFEITURE OF SHARES**

- 15.1. If a member fails to pay any call or instalment of a call on the day appointed for the payment not paid thereof, the Board may during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any Share liable to forfeiture and so far as the Law permits of any other Share.
- 15.2. On the trial or hearing of any action or suit brought by the Company against any Shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Shareholders of the Company as a holder, or 1(one) of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call, nor that a quorum of Directors were present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- 15.3. The notice shall name a further day (not earlier than the expiration of 14 (fourteen) days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed, the shares in respect of which the call was made will be liable to be forfeited.
- 15.4. If the requirements of any such notice as aforementioned are not complied with, any Share in respect of which the notice has been given, may at any time thereafter, but before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 15.5. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
- 15.6. A forfeited or surrendered Share may be sold or otherwise disposed of on such terms and in such manner as the Board may think fit, and at any time before such a sale or disposal, the forfeiture may be cancelled on such terms as the Board may think fit.
- 15.7. A Person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay the Company all monies, which at the date of forfeiture is payable by him to the Company in respect of the Share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company received payment in full of all such monies due in respect of the shares.
- 15.8. The forfeiture of a Share shall involve the extinction of all interest in, and also of all claims and demands against the Company in respect of the shares and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.
- 15.9. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary, of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to

the Share; (ii) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a Transfer of the Share in favour of the Person to whom the Share is sold or disposed of; (iii) The transferee shall thereupon be registered as the holder of the Share; and (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

- 15.10. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of a Share, becomes payable at a fixed time, whether, on account of the amount of the Share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
- 15.11. Upon any sale after forfeiture or for enforcing a Lien in purported exercise of the powers herein before given, the Directors may cause the purchaser's name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such a purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.

## **16. FURTHER ISSUE OF SHARE CAPITAL**

- 16.1. Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
- a. to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:
    - .A. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
    - .B. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in Article 160.a.A above shall contain a statement of this right;
    - .C. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
  - b. to employees under a scheme of Employees' Stock Option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
  - c. to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in Article 0.a or Article 16.1.16b above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- 16.2. The notice referred to in Article 0.a.A shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- 16.3. Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:  
Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.

The provisions contained in this Article shall be subject to the provisions of the Section 42 and Section 62 of the Act and the applicable Rules.

## 17. TRANSFER AND TRANSMISSION OF SHARES

- 17.1. The Company shall maintain a “**Register of Transfers**” and shall record therein fairly and distinctly particulars of every Transfer or transmission of any Share, Debenture or other security held in a material form.
- 17.2. In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of Transfer of shares held in physical form shall be in writing. In case of Transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- 17.3. An application for the registration of a Transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
- 17.4. Where the application is made by the transferor and relates to partly paid shares, the Transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the Transfer within 2 (two) weeks from the receipt of the notice.
- 17.5. Every such instrument of Transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Shareholders in respect thereof.
- 17.6. The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a newspaper circulating in the city, town or village in which the Office of the Company is situated to close the Transfer books, the Register of Shareholders and/or Register of Debenture-holders or any other security holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
- 17.7. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the Transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of Transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a Transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a Lien on shares. Further, any contract or arrangement between 2 (two) or more Persons in respect of the Transfer shall be enforceable as a contract.

- 17.8. Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary Transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a Lien.
- 17.9. Subject to the provisions of these Articles, any Transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for Transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/Transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse Transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- 17.10. (i) On the death of a Shareholder, the survivor or survivors, where the Shareholder was a joint holder,

and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Persons recognised by the Company as having any title to his interest in the shares. (ii) Nothing in sub-Article (i) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.

- 17.11. The executors or administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being 1 (one) of 2 (two) or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such executors or administrators or holders of succession certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- 17.12. The Board shall not knowingly issue or register a Transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- 17.13. Subject to the provisions of Articles, any Person becoming entitled to a share in consequence of the death or insolvency of a Shareholder may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either: (a) to be registered himself as holder of the share; or (b) to make such Transfer of the share as the deceased or insolvent member could have made. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 17.14. If the Person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the Person aforesaid shall elect to Transfer the share, he shall testify his election by executing a Transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to Transfer and the registration of transfers of shares shall be applicable to any such notice or Transfer as aforesaid as if the death or insolvency of the Shareholder had not occurred and the notice or Transfer were a Transfer signed by that Shareholder.
- 17.15. A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company:  
Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.
- 17.16. Every instrument of Transfer shall be presented to the Company duly stamped for registration accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may require to show the title of the transferor, his right to Transfer the shares. Every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board.
- a. Where any instrument of Transfer of shares has been received by the Company for registration and the Transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall Transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.
- b. In case of Transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any

electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- 17.17. Before the registration of a Transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of Transfer in accordance with the provisions of Section 56 of the Act.
- 17.18. No fee shall be payable to the Company, in respect of the registration of Transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine Transfer receipts into denomination corresponding to the market unit of trading.
- 17.19. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any Transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Shareholders), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such Transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- 17.20. The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the Transfer or transmission by operation of Law to other Securities of the Company.

## **18. CAPITALISATION OF PROFITS**

- 18.1. The Company in general meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in sub-Article(ii) amongst the Shareholders who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to other applicable provisions, either in or towards: (A) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively; (B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Shareholders in the proportions aforesaid; (C) partly in the way specified in sub-Article(A) and partly in that specified in sub-Article(B); (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares; (E) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 18.2. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall: (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto.(ii) The Board shall have power: (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and (b) to authorise any Person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such Shareholders.
- 18.3. The Company, in a General Meeting, may subject to the provisions of the Act, resolve that any profits

or surplus moneys arising from the realization, and when permitted by law any appreciation in value of the capital assets of the Company, be utilized wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture stock of the Company or of any other Company or by paying up any amount for the time being unpaid on any shares of the Company or in any one or more of such ways. The Board of Directors shall give effect to such direction, and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular, may issue fractional certificates and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such assets in trustees upon trust for the persons entitled thereto as may deem expedient to the Board of Directors. Where required, the Board of Directors shall comply with Section 39 of the Act and the Board of Directors may appoint any person to sign such contract on behalf of the persons entitled.

## 19. DEMATERIALIZATION OF SECURITIES

19.1. De-materialization: Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or re-materialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

19.2. Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.

19.3. Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles.

19.4. Options for investors

Subject to the provision of Section 29 of the Act, every Person subscribing to securities offered by the Company shall have the option to receive security certificates, hold, or deal in the securities with a depository. Such a Person, who is the beneficial owner of the securities, can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a Person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

19.5. Securities in depositories to be in fungible form

All securities held by a depository shall be in electronic form and the certificates in respect thereof shall be dematerialised and be in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

19.6. Rights of depositories and beneficial owners:

a. Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting Transfer of ownership of security on behalf of the beneficial owner.

b. Save as otherwise provided in (a) above, the depository, as the registered owner of the securities, shall not have any voting rights or any other rights in respect of the securities held by it.

19.7. Every Person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

- 19.8. Service of documents - Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- 19.9. Transfer of securities - Nothing contained in Section 56 of the Act or these Articles shall apply to Transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- 19.10. Allotment of securities dealt with in a depository - Notwithstanding anything in the Act or these Articles, where securities are dealt with in a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- 19.11. Distinctive numbers of securities held in a depository - Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository.
- 19.12. Register and Index of Beneficial owners - The Register and Index of Beneficial Owners, maintained by a depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles with details of shares held in physical and dematerialized forms in any medium as may be permitted by law including in any form of electronic medium.
- 19.13. Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository.
- 19.14. Save as herein otherwise provided, the Company shall be entitled to treat the Person whose name appears on the register of members as the holder of any share, as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any *benami* trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person, whether or not it shall have express or implied notice thereof.

## **20. NOMINATION BY SECURITIES HOLDERS**

- 20.1. Subject to Section 72 of the Act, every holder of Securities or deposits of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- 20.2. Where the Securities of the Company are held by more than 1 (one) Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities of the Company shall vest in the event of death of all the joint holders.
- 20.3. The Company shall not be bound to register more than three persons as the holders of any share. The joint holders of any share shall be liable severally as well as jointly for and in respect of all instalments, calls and other payments which ought to be made in respect of partly paid-up shares.
- 20.4. Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- 20.5. Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint



in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.

- 20.6. The transmission of Securities of the Company by the holders of such Securities and Transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

## **21. NOMINATION IN CERTAIN OTHER CASES**

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a Transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of Transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

## **22. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS**

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

## **23. BORROWING POWERS**

- 23.1. Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this or any other Company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to Transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the monies to be borrowed, together with the money already borrowed by the Company apart from temporary loans obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company and its free reserves. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which monies may be borrowed by the Board of Directors.
- 23.2. The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other Person permitted by applicable law, if any, within the limits prescribed.
- 23.3. To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.
- 23.4. Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of

the Company in General Meeting accorded by a Special Resolution.

- 23.5. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

## **24. CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

- 24.1. The Company may, by Ordinary Resolution, convert all or any fully paid share(s) of any denomination into stock and vice versa.
- 24.2. The holders of stock may Transfer the same or any part thereof in the same manner as, and subject to the same regulations, under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- 24.3. The holders of the stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- 24.4. Such of the regulations contained in these presents, other than those relating to share warrants as are applicable to paid-up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stockholder respectively.

## **25. ANNUAL GENERAL MEETING**

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of 1(one) Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be an Extraordinary General Meetings.

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

## **26. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING**

- 26.1. Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situate, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- 26.2. Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in Person or by proxy and pursuant to Section 146 of the Act, the Auditor of the Company is mandated, unless otherwise exempted by the Company, to attend either by himself or his authorised representative, who shall also be a qualified auditor, any General Meeting of the Company and shall have the right to be heard at such General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

## **27. NOTICE OF GENERAL MEETINGS**

27.1. Number of days' notice of General Meeting to be given: Pursuant to Section 101 of the Act, a General Meeting of the Company may be called by giving not less than 21 (twenty-one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty-eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety-five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- a. every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
- b. Auditor or Auditors of the Company, and
- c. all Directors.

27.2. Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.

27.3. Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either Personally or electronically or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder

27.4. Special business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial Personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

27.5. Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.

27.6. Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.

27.7. Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

27.8. The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

## **28. REQUISITION OF EXTRAORDINARY GENERAL MEETING**

28.1. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.

- 28.2. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any 2(two) members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
- 28.3. Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by 1(one) or more requisitionists.
- 28.4. Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within 3 (three) months from the date of the delivery of the requisition as aforesaid.
- 28.5. Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- 28.6. The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- 28.7. No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- 28.8. The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

## **29. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT**

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

## **30. CHAIRMAN OF THE GENERAL MEETING**

The chairman of the Board shall be entitled to take the chair at every General Meeting ("**Chairman**"), whether Annual or Extraordinary. If there be no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect 1(one) of them as Chairman. If no Director be present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect 1 (one) of their number to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

## **31. CHAIRMAN CAN ADJOURN THE GENERAL MEETING**

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

## **32. QUESTIONS AT GENERAL MEETING HOW DECIDED**

- 32.1. At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, or voting is carried out electronically, be decided by a show of hands. Before or on the

declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.

- 32.2. In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- 32.3. If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than 48(forty-eight) hours from the time when the demand was made), and place within the city, town or village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- 32.4. Where a poll is to be taken, the Chairman of the meeting shall appoint 2(two)scrutinizers to scrutinize the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- 32.5. Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- 32.6. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- 32.7. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- 32.8. The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

### **33. PASSING RESOLUTIONS BY POSTAL BALLOT**

- 33.1. Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- 33.2. Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time to time.

### **34. VOTES OF MEMBERS**

- 34.1. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
  - a. on a show of hands, every member present in Person shall have 1(one) vote; and

- b. 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.
- 34.2. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.
- 34.3. In the case of joint holders, the vote of the senior who tenders a vote, whether in Person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
- 34.4. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
- 34.5. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 34.6. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of Lien.
- 34.7. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive and every vote not disallowed at such meeting shall be valid for all purposes.
- 34.8. Provided, however, if any Shareholder holding Preference Shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

### **35. PROXY**

- 35.1. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power a authority, shall be deposited at the Office not less than 48 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 35.2. An instrument appointing a proxy shall be in the form as prescribed in the Companies (Management and Administration) Rules, 2014.
- 35.3. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the Transfer of the shares in respect of which the proxy is given:  
  
Provided that no intimation in writing of such death, insanity, revocation or Transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **36. E-VOTING**

The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014 or any other Law, if applicable to the Company.

- 36.1. Company will follow the following procedure namely:
- 36.2. The notices of the meeting shall be sent to all the members, auditors of the Company, or Directors either
  - a. by registered post or speed post; or

- b. through electronic means like registered e-mail id; or
  - c. through courier service.
  - d. the notice shall also be placed on the website of the Company, if any and of the agency forthwith after it is sent to the members.
- 36.3. The notice of the meeting shall clearly mention that:
- a. the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means;
  - b. the facility of voting, either through electronic voting system of ballot or polling paper shall also be made available at the meeting and that the members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting;
  - c. that the members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- 36.4. The notice shall clearly indicate the process and manner for voting by electronic means and indicate the time schedule including the time period during which the votes may be cast by remote e-voting and shall also provide the login ID and specify the process and manner for generating or receiving password and casting of vote in a secure manner.
- 36.5. The Company shall cause a public notice by way of an advertisement to be published, immediately on completion of dispatch of notices for the meeting but at least 21(twenty one) days before the date of the general meeting, at least once in a vernacular newspaper in the principal vernacular language of the district in which the Office is situated, and having a wide circulation in that district, and at least once in English language in an English newspaper having a wide circulation in that district, about having sent the notice of the meeting and specifying therein, *inter alia*, the following matters, namely:
- a. statement that the business may be transacted through voting by electronic means;
  - b. the date and time of commencement of remote e-voting;
  - c. the date and time of end of remote e-voting;
  - d. a cut-off date;
  - e. the manner in which Persons who have acquired shares and become members of the Company after the dispatch of notice may obtain login ID and password;
  - f. the statement that:
    - .A. remote e-voting shall not be allowed beyond the said date and time;
    - .B. the manner in which the Company shall provide for voting by members present at the meeting;
    - .C. a member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting; and
    - .D. a Person whose name is recorded in the register of members or the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the general meeting.
  - g. website address of the Company and of the agency where notice of the meeting is displayed; and

- h. name, designation, address, e-mail id and phone number of the Persons responsible to address the grievances connected with facility for voting by electronic means.
- 36.6. The facility for remote e-voting shall remain open for not less than 3 (three) days and shall close at 5:00 PM on the date preceding the date of the general meeting.
- 36.7. During the period when facility for remote e-voting is provided, the Shareholders of the Company, holding shares in either the physical form or the dematerialised form, as on the cut-off date, may opt for remote e-voting.
- Provided that once the vote on a resolution is cast by a Shareholder, he shall not be allowed to change it subsequently or cast the vote again. Provided further that a shareholder may participate in a general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
- 36.8. At the end of the remote e-voting period, the facility shall forthwith be blocked.
- Provided that the Company opts to provide the same electronic voting system as used during remote e-voting during the general meeting, the said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting only by the Shareholders attending the meeting and who have not exercised their right to vote through remote e-voting.
- 36.9. The Board shall appoint 1 (one) scrutinizer, who may be Chartered Accountant in practice or Cost Accountant in practice, or Company Secretary in practice or an advocate, but not in employment of the Company and is a Person of repute who, in the opinion of the Board can scrutinize the remote e-voting process in a fair and transparent manner. The scrutinizer is required to be willing, to be appointed and should also be available for the purpose of ascertaining the requisite majority.
- 36.10. The Chairman shall at the general meeting, at the end of discussions on the resolutions on which voting is to be held, allow voting, as provided in this Article 36, with the assistance of the scrutinizer, by use of ballot or polling paper or by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
- 36.11. The scrutinizer shall, immediately after the conclusion of remote e-voting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least 2(two) witnesses not in the employment of the Company and make, not later than 3(three) days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, forthwith to the Chairman or a Person authorised by the Chairman in writing who shall countersign the same.
- 36.12. The scrutinizers shall maintain a register either manually or electronically to record the assent or dissent received, mentioning the particulars of name, address, folio number or Client ID of the Shareholders, numbers of shares held by them, nominal value of such shares and whether the shares have differential voting rights.
- 36.13. The register and all other papers relating to voting by electronic means shall remain in the safe custody of the scrutinizers until the Chairman considers, approves and signs the minutes and thereafter, the scrutinizer shall hand over the register and other related papers to the Company.
- 36.14. The result declared along with the report of the scrutinsiser shall be placed on the website of the Company and on the website of the agency immediately after the result is declared by the Chairman.
- 36.15. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed on the date of the relevant general meeting of members.

## **37. BOARD OF DIRECTORS**

- 37.1 Subject to the applicable provisions of the Act, the Board shall consist of not less than three and not more than 15 Directors.



37.3 Notwithstanding anything contained elsewhere in the Articles, Ascent Capital and the Agnus Entities shall each be entitled to nominate Directors to the Board, in the following manner:

- (A) Ascent Capital shall be entitled to nominate one Director to the Board, as long as Ascent Capital, together with its Affiliates holds 5% or more of the paid – up share capital of the Company; and
- (B) The Agnus Entities shall be entitled to nominate one Director to the Board, as long as the Agnus Entities, together with their Affiliates hold 5% or more of the paid – up share capital of the Company.

The provisions of this Article 37.3 shall apply only if approved by the members of the Company through a Special Resolution passed at the first general meeting of the Company held post listing of the shares of the Company.

### **38. ADDITIONAL DIRECTORS**

Subject to provisions of Article 51, the Board may appoint any Person other than a Person who fails to get appointed as a director in a general meeting, as an additional director, who shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

### **39. ALTERNATE DIRECTORS**

The Board may, appoint a Person, not being a Person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than 3 (three) months from India.

### **40. INDEPENDENT DIRECTORS**

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Regulation 17 of the Listing Regulations.

### **41. NOMINEE DIRECTORS**

41.1. Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company, 1(one) or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee Director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatever. The nominee Director shall hold office only so long as any monies remain owed by the Company to such lenders.

41.2. The nominee Director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee Director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee Director is an officer of any of the lenders, the sittings fees in relation to such nominee Director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

- 41.3. Any expenditure that may be incurred by the lenders or the nominee Director in connection with the appointment or Directorship shall be borne by the Company.
- 41.4. The nominee Director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.
- 41.5. The nominee Director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.
- 41.6. If at any time, the nominee Director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

#### **42. CASUAL VACANCY**

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the Articles, be filled by the Board at a meeting of the Board.

#### **43. WOMAN DIRECTOR**

The Company shall have such number of Woman Director (s) on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable.

#### **44. REMUNERATION OF DIRECTORS**

- 44.1. Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by 1 (one) way and partly by the other, subject to the limits prescribed under the Act. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- 44.2. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them: (a) in attending and returning from meetings of the Board or any committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.
- 44.3. Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- 44.4. The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- 44.5. All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of Employees' Stock Options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any Employees' Stock Options.

#### **45. POWERS OF THE BOARD TO KEEP A FOREIGN REGISTER**

The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register containing the names and particulars of the Shareholders, Debenture-holders, other security holders or Beneficial Owners residing outside India; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

#### **46. SIGNING OF CHEQUES, HUNDIES, ETC.**

46.1. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such Person and in such manner as the Board of Directors shall from time to time by resolution determine.

46.2. Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

#### **47. CONTINUING DIRECTORS**

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 51 hereof, the continuing Directors not being less than 3 (three) may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

#### **48. VACATION OF OFFICE BY DIRECTOR**

48.1. Subject to relevant provisions of Sections 167 of the Act, the office of a Director, shall ipso facto be vacated if:

- a. he incurs any of the disqualifications specified under Section 164 of the Act; or
- b. he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6(six) months, provided that the office shall not be vacated for 30(thirty) days from the date of conviction or order of disqualification; or where an appeal or petition is preferred within 30(thirty) days as aforesaid against the conviction resulting in sentence or order, until expiry of 7(seven) days from the date on which such appeal or petition is disposed of; or where any further appeal or petition is preferred against order or sentence within 7(seven) days, until such further appeal or petition is disposed of; or
- c. he absents himself from all the meetings of the Board of Directors held during a period of 12 (twelve) months with or without seeking leave of absence of the Board; or
- d. he, having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
- e. he acts in contravention of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested; or
- f. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184; or
- g. he becomes disqualified by an order of the court, provided that the office shall not be vacated for 30(thirty) days from the date of conviction or order of disqualification; or where an appeal or petition is preferred within 30(thirty) days as aforesaid against the conviction resulting in sentence or order, until expiry of 7(seven) days from the date on which such appeal or petition is disposed of; or where any further appeal or petition is preferred against order or sentence within 7(seven) days, until such further appeal or petition is disposed of.; or
- h. he is removed pursuant to the provisions of the Act.

48.2. Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in

writing addressed to the Board and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar in such manner, within such time and in such form as may be prescribed and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the Company.

**49. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not 3 (three) or a multiple of 3 (three) then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

**50. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP**

50.1. If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

50.2. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:

- a. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
- b. retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
- c. he is not qualified or is disqualified for appointment; and
- d. a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

**51. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.**

Subject to Article 49 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, subject to a minimum of 3 (three) directors and maximum of fifteen directors, and by a Special Resolution increase the number to more than fifteen directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The Person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

**52. REGISTER OF DIRECTORS ETC.**

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

**53. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.**

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any Company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

**54. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time Director or executive

Director or manager of the Company. The Managing Director(s) or the whole time Director(s) manager or executive Director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time Director(s) or manager or executive Director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time Director or executive Director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act.

**55. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT**

Notwithstanding anything contained herein, a Managing Director(s)/whole time Director(s)/executive Director(s)/manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s)/whole time Director(s)/executive Director(s)/manager, and if he ceases to hold the office of a Managing Director(s)/whole time Director(s)/executive Director(s)/ manager he shall ipso facto and immediately cease to be a Director.

**56. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER**

The remuneration of the Managing Director(s)/whole time Director(s)/executive Director(s)/manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

**57. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S)/EXECUTIVE DIRECTOR(S)/ MANAGER**

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time Director(s)/executive Director(s)/ managers in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time Director(s)/executive Director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**58. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING**

58.1. The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board:

- a. to make calls on Shareholders in respect of money unpaid on their shares;
- b. to authorise buy-back of securities under Section 68 of the Act;
- c. to issue securities, including debentures, whether in or outside India;
- d. to borrow money(ies);
- e. to invest the funds of the Company;
- f. to grant loans or give guarantee or provide security in respect of loans;
- g. to approve financial statements and the Board's report;
- h. to diversify the business of the Company;
- i. to approve amalgamation, merger or reconstruction;
- j. to take over a company or acquire a controlling or substantial stake in another company;
- k. fees/ compensation payable to non-executive Directors including independent Directors of the Company; and
- l. any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Regulations.

- 58.2. The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any Person permitted by Law the powers specified in sub-Articles (d) to (f) above.
- 58.3. The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Act.
- 58.4. In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:
- a. to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
  - b. to borrow money; and
  - c. any such other matter as may be prescribed under the Act, the Listing Regulations and other applicable provisions of Law.

## **59. PROCEEDINGS OF THE BOARD OF DIRECTORS**

- 59.1. Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between 2 (two) consecutive Board Meetings. Meetings shall be held in Mysuru, Karnataka, India or such a place as may be decided by the Board.
- 59.2. The participation of Directors in a meeting of the Board may be either in Person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- 59.3. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.
- 59.4. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the directors present may choose 1 (one) of their number to be Chairperson of the meeting.
- 59.5. The Company Secretary shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- 59.6. The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- 59.7. At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by 1 (one) independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.

- 59.8. At any Board Meeting, each Director may exercise 1 (one) vote. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.
- 59.9. Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company

## **60. QUORUM FOR BOARD MEETING**

Subject to the applicable provisions of the Act, the quorum for a meeting of the Board shall be one-third of the total strength of the Board, and in any meeting, there shall be no quorum unless at least one (1) Promoter Director and Investor Director are present at the commencement of, and throughout, such meeting. In the event either the Promoter or the Investor, as the case may be, is no longer entitled to nominate any Directors to the Board, then the foregoing quorum requirement set out above shall cease to operate with respect to such shareholder but shall continue to operate for the other shareholder till such time that they retain the right to nominate Director(s) on the Board.

In the event that a Director nominated by either Promoters or the Investor, as the case may be, is unable to attend a Board Meeting, then the relevant shareholder may, at its sole discretion, provide a written waiver to the Company for excluding the presence of its nominee Director from constitution of valid quorum.

The provisions of this Article 60 shall apply only if approved by the members of the Company through a Special Resolution passed at the first general meeting of the Company held post listing of the shares of the Company.

## **61. POWERS OF THE BOARD**

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- 61.1. The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- 61.2. The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- 61.3. The Board of Directors may, at any time and from time to time by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in and exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit. Such power of attorney may be made in favour of the members, Directors, nominees, or managers of our Company or otherwise in favour of any body or persons whether nominated directly or indirectly by the Directors. Such power of attorney may contain powers for the protection or convenience of persons dealing with such attorneys as the persons granting such attorneys may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all / or any of the powers, authorities and directions for the time being vested in them.

## **62. COMMITTEES AND DELEGATION BY THE BOARD**

- 62.1. The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive Director(s) or manager or the Chief Executive Officer of the Company. The Managing Director(s), the executive Director(s) or the manager or the Chief Executive Officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

- 62.2. Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
- 62.3. The meetings and proceedings of any such Committee of the Board consisting of 2 (two) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- 62.4. A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose 1 (one) of their members to be Chairperson of the meeting.
- 62.5. A committee may meet and adjourn as it thinks fit. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
- 62.6. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any 1(one) or more of such directors or of any Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such Person had been duly appointed and was qualified to be a director.
- 62.7. The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

### **63. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT**

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any Person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such Person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

### **64. PASSING OF RESOLUTION BY CIRCULATION**

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

### **65. OFFICERS**

- 65.1. The Company shall have its own professional management and such officers shall be appointed from



time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.

- 65.2. The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- 65.3. The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- 65.4. Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- 65.5. The Board shall appoint with the approval of the Chairman and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as Persons who will be appointed to the posts of senior executive management.

#### **66. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY**

If the Director or any Person, shall become Personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

#### **67. THE SECRETARY**

- 67.1. The Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- 67.2. The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

#### **68. DIRECTORS' & OFFICERS' LIABILITY INSURANCE**

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive Directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- 68.1. on terms approved by the Board;
- 68.2. which includes each Director as a policyholder; and
- 68.3. is from an internationally recognised insurer approved by the Board.

#### **69. SEAL**

- 69.1. The Board shall provide for the safe custody of the seal.
- 69.2. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or any one of the KMP, or such other Person as the Board may appoint for the purpose; and

those 1 (one) director or KMP or other Person aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

## **70. DIVIDENDS AND RESERVE**

- 70.1. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 70.2. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the Shareholders such interim dividends as appear to it to be justified by the profits of the Company.
- 70.3. (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.
- 70.4. (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.
- 70.5. The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 70.6. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that 1(one) of the joint holders who is first named on the register of Shareholders, or to such Person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
- 70.7. Any 1 (one) of 2 (two) or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
- 70.8. 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.
- 70.9. No dividend shall bear interest against the Company.

## **71. RELATED PARTY TRANSACTIONS**

- 71.1. Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no Company shall enter into any contract or arrangement with a 'related party' with respect to:
- a. sale, purchase or supply of any goods or materials;
  - b. selling or otherwise disposing of, or buying, property of any kind;
  - c. leasing of property of any kind;

- d. availing or rendering of any services;
- e. appointment of any agent for purchase or sale of goods, materials, services or property;
- f. such Director's or its relative's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company; and
- g. underwriting the subscription of any securities or derivatives thereof, of the Company:

without the consent of the Shareholders by way of a resolution in accordance with Section 188 of the Act.

- 71.2. No Shareholder of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- 71.3. nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis or to transactions entered into between the Company and its wholly owned subsidiaries whose accounts are consolidated with the Company and placed before the Shareholders at a Shareholders Meeting for approval.
- 71.4. The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- 71.5. The audit committee of the Board may provide for an omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed by applicable law.
- 71.6. The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- 71.7. The term 'related party' shall have the same meaning as ascribed to it under the Act.
- 71.8. The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.  
Subject to the Provision of Section 188 of Act, Non-executive Director of the Company will eligible for fees with respect to the Consultancy and Advisory services provided by the Non-Executive Directors to the Company.

## **72. ACCOUNTS**

- 72.1. The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.
- 72.2. Where the Board decides to keep all or any of the Books of Accounts at any place other than the office of the Company the Company shall within (seven) days of the decision file with the Register a notice in writing given the full address of that other place.
- 72.3. The Company shall preserve in good order the Book/s of Account relating or period of not less 8 (eight) years preceding the current year together with the vouchers relevant to any entry in such books of Account.
- 72.4. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board.
- 72.5. The Directors shall from time to time, in accordance with Sections 129,133 and 134 of the Act, cause to be laid before the Company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.

- 72.6. A Copy of every Balance Sheet and statement of profit and loss (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Act as the Company may deem fit, shall not less than 21(twenty-one) days before the Meeting at which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every Person entitled thereto pursuant to the provisions of the Section 136 of the Act provided this Article shall not require a copy of the documents to be sent to any Person of whose address the Company is not aware of or to more than 1(one) of the joint holders of any shares.

### **73. DOCUMENTS AND NOTICES**

- 73.1. A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either Personally or by sending it by post to him to his registered address.
- 73.2. Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of 48(forty eight) hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- 73.3. A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Shareholders in respect of the Share.
- 73.4. Every Person, who by operation of Law, Transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- 73.5. Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed or lithographed.
- 73.6. All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- 73.7. Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfil all conditions required by Law, in this regard.

### **74. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- 74.1. To the Shareholders of the Company as provided by these Articles.
- 74.2. To the Persons entitled to a share in consequence of the death or insolvency of a Shareholder.

74.3. To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

## **75. NOTICE BY ADVERTISEMENT**

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

## **76. UNPAID OR UNCLAIMED DIVIDEND**

- 76.1. If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, Transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "Unpaid Dividend of Skanray Technologies Limited".
- 76.2. Any money so transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such Transfer, shall be transferred by the Company to the Fund established under sub-Section (1) of Section 125 of the Act, viz. "Unpaid Dividend of Skanray Technologies Limited" and the Company shall send a statement in the prescribed form of the details of such Transfer to the authority which administers the said Fund and that authority shall issue a receipt to the Company as evidence of such Transfer.
- 76.3. All shares in respect of which unpaid or unclaimed dividend have been transferred under sub-section (5) of Section 124 of the Act shall also be transferred by the Company in the name of "Investor Education and Protection Fund" along with a statement containing such details as prescribed under the Act.
- 76.4. No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.
- 76.5. If any shares stands in the name of 2 (two) or more Persons, the Person first named in the register shall, as regards payment of dividend or bonus or service of notice and all or any other matters connected with the Company, except voting at meetings be treated as the holders of the shares but the joint holders of a Share shall be severally as well as jointly liable for the payment of all instalments and call due in respect of such shares and for all the other incidence thereof according to the Company's Regulations.

## **77. CAPITALIZATION OF PROFITS**

- 77.1. The Company may in a General Meeting, upon recommendation of the Board, resolve:
- a. That it is desirable to capitalise any part of the amounts for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss accounts or; and
  - b. That such sum be accordingly set free for distribution in the manner specified in sub-Article 77.2 amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- 77.2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-Article 77.1 either in or towards:
- a. Paying up any amount for the time being unpaid on shares held by such members respectively ; or
  - b. Paying up in full unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportion aforesaid ; or
  - c. Partly in the way specified in sub-Article(i) and partly in that specified in sub-Article(ii).
- 77.3. A share premium account and a capital redemption fund may be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

#### Powers of Directors for declaration of Bonus

- 77.4. Whenever such a resolution as aforesaid shall have been passed by the Board shall:
- a. make all appropriations and applications of the undistributed profits to be capitalised thereby and issue of fully paid shares or debentures, if any ; and
  - b. generally do all acts and things required to give effect thereto.
- 77.5. The Board shall have full power:
- a. to make such provision, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit in the case of shares becoming distributable in fraction ; and also
  - b. to authorise any Person to enter on behalf of all the members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures of which they may be entitled upon such capitalisation or as the case may require, for the payment of by the Company on their behalf, by the application thereto of their respective proportion of the profits resolved to be capitalised or the amounts or any part of the amounts remaining unpaid on the shares.
- 77.6. Any agreement made under such authority shall be effective and binding on all such members.

#### **78. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP**

Subject to the provisions of Chapter XX of the Act and rules made thereunder:

- 78.1. If the Company shall be wound up, the Liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- 78.2. For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.
- 78.3. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability

#### **79. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY**

- 79.1. Subject to the provisions of Section 197 of the Act every Director, manager, Secretary and other officer or employee of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the assets of the Company to pay all costs, losses, and expenses (including travelling expenses) which any such Director, officer or employee may incur or becomes liable to by reason of any contract entered into or act or deed done by him or any other way in the discharge of his duties, as such Director, officer or employee.
- 79.2. Subject as aforesaid, every Director, Manager, Secretary, or other officer/employee of the Company shall be indemnified against any liability, incurred by them or him in defending any proceeding whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court and without prejudice to the generality of the foregoing, it is hereby expressly declared that the Company shall pay and bear all fees and other expenses incurred or which may incur by or in respect of any Director for filing any return, paper or document with the Registrar of Companies, or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.

#### **80. DIRECTORS ETC., NOT LIABLE FOR CERTAIN ACTS**

Subject to the provisions of Section 197 of the Act, no Director, Manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any money(ies), Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

## **81. INSPECTION BY SHAREHOLDERS**

The register of charges, register of investments, register of Shareholders, books of accounts and the minutes of the meetings of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during Business hours, for such periods not being less in the aggregate than 2(two) hours in each day as the Board determines, for the inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of Law.

## **82. SECRECY**

- 82.1. No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, will be inexpedient in the interests of the Company to communicate to the public.
- 82.2. Every Director, Managing Director, Manager, Secretary, Auditor, trustee, Members of a Committee, Officers, Servant, Agent, Accountant or other Person employed in the business of the Company, shall, if so required by the Directors before entering upon his duties, or at any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the Persons to whom such matters relate and except so far as may be necessary, in order to comply with any of the provisions contained in these Articles.

## **83. DUTIES OF OFFICERS TO OBSERVE SECRECY**

Every Director, Managing Directors, Manager, Secretary, Auditor, trustee, members of committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors or by a resolution of the Company in a General Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the Government to require or to hold an investigation into the Company's affairs.

## **MISCELLANEOUS**

### **Directors, Officers, etc. bound by "Secrecy Clause":**

84. The Managing Director and every Director, Manager, Auditor, Member of a Committee, KMP, Officer, Servant, Accountant or other person employed in the business of the Company, shall pledge himself to observe strict

secrecy respecting all transactions of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall always be bound not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by a Court of Law or by the person to whom such matters relate and except in so far as may be necessary in order to comply with any of the provisions in these Articles contained.

**Directors and others right to indemnity:**

- 85.** Subject to the provisions of the Act, it shall be the duty of the Directors to indemnify, out of the funds of the Company, the Managing Director/Deputy Managing Director/Whole Time Director, every Director and Key Managerial Personnel of the Company, in relation to all costs, losses and expenses (including traveling expenses) which they may incur or become liable to incur by reason of any contract entered into or act or deed done by him as such Managing Director/Deputy Managing Director/Whole Time Director, Director and Key Managerial Personnel in any way in the discharge of his duties. The amount for which such indemnity is provided, shall immediately attach as a lien on the property of the Company and have priority between the members over all other claims.

**Directors and other Officers not responsible for acts of others:**

- 86.** Subject to the provisions of the Act, no Director, Managing Director, Deputy Managing Director, Key Managerial Personnel or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities, or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatsoever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

**87. GENERAL AUTHORITY**

Where the Act requires that a company cannot undertake any act or exercise any rights or powers unless expressly authorized by its articles, these Articles shall in relation to the Company, be deemed to confer such right, authority or power.



## PART B

### INTERPRETATION

#### 2.

(i) In these Regulations: --

- a) "**Act**" means the Companies Act, 2013, and any statutory modification thereof;
- b) *Deleted*<sup>1</sup>;
- c) "**Affiliate**" shall mean any Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with a Person and shall include a subsidiary or a holding company of such Person, and, in case of a natural person, the Relative of such natural person;
- d) "**Agnus**" shall refer to the following entities:
  - i. Agnus Holdings Private Limited;
  - ii. Agnus Global Holdings Pte Ltd, Singapore; and
  - iii. Angus Capital LLP.
- e) "**Agreement**" shall mean the Share Subscription and Shareholders' Agreement dated August 14, 2013 executed between the AK, Agnus, SHPL Investor Promoter Group, Company, SHPL, the Investor and the Promoters;
- f) "**AK**" shall refer to Mr. Arun Kumar;
- g) "**Articles**" shall mean the Articles of Association of the Company;
- h) "**Ascent Transferees**" shall mean the investors to whom Ascent Capital shall transfer a portion of the CCPS held by it prior to the completion of the IPO;<sup>2</sup>
- i) "**BK**" shall refer to Mr. Balasubramanian Kandankumarath;
- j) "**Business**" shall mean the business of design, manufacturing, marketing and trading of digital and film medical X Ray systems and subsystems, ECG, multi parameter monitoring, C Arm and cath Lab, anesthesia delivery systems, ultrasound, syringe pumps and mobile healthcare device packages in vans, Primary Health Centres (PHC) and kiosks;
- k) "**CCPS**" shall mean compulsorily convertible preference shares of the Company, having the terms as set out under Article 17;
- l) "**Company**" means "**Skarray Technologies Limited**"<sup>3</sup>;
- m) "**Control**", "**Controlling**" or "**Controlled**" shall mean the beneficial ownership directly or indirectly of more than 50% of the voting shares or securities of such entity or the power to control the majority of the composition of the board of directors of

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<sup>1</sup> Deleted by way of the special resolution passed by the shareholders of Skarray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>2</sup> Inserted by way of the special resolution passed by the shareholders of Skarray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>3</sup> Amended by way of the special resolution passed by the shareholders of Skarray Technologies Limited at the extraordinary general meeting held on 8 March 2021.

such entity or the power to direct the management or policies of such entity by contract or otherwise;

- n) **“Cut Off Date”** shall mean the date 15 months from the date of execution of the amendment agreement to the share subscription and shareholders agreement, being 9 March 2021<sup>4</sup>;
- o) **“Damages”** shall mean:
- i. Actual amounts paid in settlement, interest, court costs, costs of investigation, reasonable fees and expenses of attorneys, accountants, actuaries and other experts and other expenses of litigation or of any claim, default, or assessment,
  - ii. Any and all monetary (or where the context so requires, monetary equivalent of) damages, fines, fees, penalties as applicable under the Laws, losses, and reasonable out-of-pocket expenses (including without limitation any liability imposed under any award, writ, order, judgment, decree or direction passed or made by any Person), and
  - iii. Subject to Laws, any punitive, or other exemplary or extra contractual damages payable or paid in respect of any contract;
- p) **“Directors”** means the Directors of the Company and includes persons occupying the position of the Directors by whether names called;
- q) **“Effective Date”** shall mean August 14, 2013;
- r) **“Employees”** shall mean any individuals who are the confirmed/permanent employees of the Company;
- s) **“Encumbrance”** means any form of legal or equitable security interest, including but not limited to any mortgage, assignment of receivables, debenture, lien, charge, pledge, title retention, right to acquire, lease, sub-lease, license, voting agreement, security interest, hypothecation, option, right of first refusal, restrictions or limitation, purchase agreement, any preference arrangement (including title transfers and retention arrangements or otherwise), and any other encumbrance or similar condition whatsoever or an agreement to do any of the foregoing or any other arrangements having similar effect;
- t) **“Equity Share”** shall mean an equity Share of the Company;
- u) **“First Closing Date”** shall mean August 29, 2013;
- v) **“First Tranche Investment Amount”** shall mean the amounts payable by the investor under the agreement: (i) to the Company to subscribe for the First Tranche Investor Shares and (ii) to certain existing shareholders to purchase the Purchase Shares, at First Closing Date;
- w) **“First Tranche Investor Shares”** shall mean 66,171 equity shares and 19,78,713 CCPS issued to the Investor as against the First Tranche Investment Amount;
- x) **“Fully Diluted Share Capital”** shall mean the aggregate of the existing paid-up equity share capital of the Company and shall assume for such computation that all outstanding convertible securities (whether or not by their terms then currently convertible, exercisable or exchangeable) share options, sweat equity, warrants, including but not limited to any outstanding commitments to issue shares at a future date, have been so converted, exercised or exchanged;
- w (i)) **“Individual Promoter”** shall mean VA;<sup>5</sup>

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<sup>4</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021.

<sup>5</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8

- y) “**Investment Amount**” shall mean collectively refer to the First Tranche Investment Amount and the Second Tranche Investment Amount, payable by the Investor;
- z) “**Investor**” shall mean Unit Trust of India Investment Advisory Services Limited A/c Ascent India Fund III, through its duly appointed manager, Ascent Capital Advisors India Private Limited;
- aa) “**Investor Directors/Nominee Directors**” shall mean the nominee director(s), appointed by the Investor, on the Board of the Company;
- bb) “**Investor Promoters**” shall collectively refer to AK and Agnus;
- cc) “**Investor Shares**” shall mean 500,000 equity shares of the face value of Rs. 10/--, and 3,957,425 CCPS of the face value of Rs. 30/-- of the Company issued to the Investor and purchased by the Investor against payment of the Investment Amount, consisting of the First Tranche Investor Shares, the Second Tranche Investor Shares, the Purchase Shares and any other securities in the Company into which any of the above may be converted or for which they may be exchanged, and any rights and/or bonus shares which may at any time hereafter be issued by the Company in connection with the securities referred to above;
- dd) “**IPO**” shall mean the initial public offering of Shares or other securities (including depository receipts), either domestic or overseas, of the Company and consequent listing of the Shares or other securities of the Company with the Bombay Stock Exchange/National Stock Exchange or any other national or international exchange as may be agreed to between the Investor/Investor Promoters;
- ee) “**IPR**” or “**Intellectual Property**” shall mean all rights in and in relation to all intellectual property rights subsisting in the products developed, being developed and/or proposed to be developed by the Company including all patents, patent applications, moral rights, trademarks, trade names, service marks, service names, brand names, internet domain names and sub--domains, inventions, processes, formulae, copyrights, business and product names, logos, slogans, trade secrets, industrial models, processes, designs, methodologies, computer programs (including all source codes), technical information, manufacturing, engineering and technical drawings, know--how and all pending applications for and registrations of patents, entity models, trademarks, service marks, copyrights and internet domain names and sub--domains;
- ff) “**IRR**” with respect to the Investor, shall mean an internal rate of return on the Investment Amount, calculated using the Microsoft Excel 2007, XIRR function;; provided that for purposes of computing the IRR, any payments made to the Investor for reimbursement of costs or towards any indemnification payments shall not be taken into account;
- gg) “**Key Employees**” shall mean employees whose cost to the Company exceeds Rs. 1,500,000/-- (Rupees One Million Five Hundred Thousand only) per annum;
- hh) “**KV**” shall mean *NIL*<sup>6</sup>;
- ii) “**Law**” shall mean any applicable national, provincial, local or other law, regulations, administrative orders, ordinance, constitution, decree, principles of common law, binding governmental policies, statute or treaty, and shall include notifications, guidelines, policies, directions, directive and orders of any statutory authority, board, tribunal or recognised stock exchange;

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<sup>6</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

- jj) **“Liquidation Event”** shall mean occurrence of one or more of the following events:
- (a) Any dissolution, liquidation or Winding Up of the Company, either voluntary or involuntary;
  - (b) Sale of all or substantially all of the shares of the Company, or sale, lease, license or other transfer of all or substantially all of the assets or undertakings of the Company, or any similar transaction; or
  - (c) Any merger or consolidation, of the Company into or with any other company, corporation or body corporate, or acquisition, change of control, consolidation, or other transaction or series of transactions in which the Shareholders of the Company (at the time of such merger or consolidation) will not hold or retain a majority of the voting power in the surviving company, corporation or body corporate. For the avoidance of doubt, this Article will not apply to the merger of SHPL with the Company as contemplated in the Agreement;
- kk) **“Liquidation Preference”** shall mean subject to applicable Laws, the right given to the Investor to receive a return on their investment as provided under these Articles in preference to the other Shareholders, in the event of a Liquidation Event;
- ll) **“Listing”** shall mean the admission of the shares of the Company to the official list of Stock Exchanges and **“Listed”** shall be construed accordingly;
- mm) **“Net Proceeds”** shall mean the total amount received by the Investor through an exit mechanism after excluding all the expenses (including any applicable income tax and / or capital gains tax on the sale of the Investor Shares) directly attributable to such exit;
- nn) **“Office”** means the Registered Office of the Company;
- oo) **“Person”** shall mean any natural person, limited or unlimited liability company, corporation, general partnership, limited partnership, proprietorship, trust, union, association, or other entity, enterprise, authority, or business organisation;
- pp) **“Post Money Equity Valuation”/ “Base Valuation”** shall mean Rs. 3,250 Million;
- qq) **“Preferred Return”** shall mean the Investment Amount with an IRR of 25% thereon calculated from the date of investment of these amounts to the date of receipt of these amounts or an amount equal to 3.0 times the Investment Amount, whichever is higher, at the relevant point in time;
- rr) **“Promoters”** shall collectively refer to VA, Agnus Capital LLP, Chayadeep Properties Private Limited, and Skanray Healthcare Partners LLP<sup>7</sup>;
- ss) **“Promoter Associates”** shall refer to all the shareholders of the Company, as on the Effective Date, with the exception of the Promoters and Agnus;
- tt) **“Promoter Shares”** shall mean the Shares of the Company held by each of the Promoters, together with any rights and/or bonus shares which may at any time hereafter be issued by the Company in connection with the securities referred to in these Articles and any other securities in the Company into which any of the above may be converted or for which they may be exchanged and shall include any shares issued to or purchased by the Promoters;

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<sup>7</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

- uu) **“Purchase Shares”** shall mean 374,910 equity shares purchased by the Investors from the existing shareholders;
- vv) **“Related Party”** in relation to any person shall mean (i) any entity or person, which Controls, is Controlled by, or is under the common Control of such person and in respect of the Company;; and (ii) in relation to any natural person, any Relative (as such term is defined in the Act) of such natural person;
- ww) **“Representations and Warranties”/ “Warranties”** means the representations and warranties made/provided by the Promoters, the Company and SHPL to the Investor as contained in the Agreement;
- xx) **“Rupees”** or **“Rs.”** shall mean the lawful currency of the Republic of India;
- yy) **“Second Closing”** shall mean the infusion of the Second Tranche Investment Amount by the Investor into the Company and the simultaneous issue of the Second Tranche Investor Shares by the Company to the Investor;
- zz) **“Second Closing Date”** shall mean the date on which the Second Closing takes place;
- aaa) **“Second Tranche Investment Amount”** shall mean Rs. 320,000,000/-- (Rupees Three Hundred Twenty Million Only) payable by the Investor to the Company to subscribe for the Second Tranche Investor Shares at Second Closing Date;
- bbb) **“Second Tranche Investor Shares”** shall mean 58,919 equity shares and 1,978,712 CCPS issued to the Investor as against the Second Tranche Investment Amount invested as per the terms of these Articles;
- ccc) **“Share”** shall mean any share of the Company that forms part of the Fully Diluted Share Capital of the Company;
- ddd) **“Seal”** means the Common Seal of the Company;
- eee) **“SHPL”** shall refer to Skanray Healthcare Private Limited;
- fff) **“SHPL Investor Promoter Group”** shall refer to the following entities:
- i. Karuna Ventures Private Limited;
  - ii. Chayadeep Properties Private Limited;
  - iii. Agnus Capital LLP;
  - iv. Chayadeep Ventures LLP; and
  - v. Skanray Healthcare LLP;
- ggg) **“Stock Exchanges”** shall mean only the National Stock Exchange and/or Bombay Stock Exchange and any other stock exchange, either international or domestic, which may be jointly agreed to in writing by the Investor or approved in a meeting of the Board of the Company;
- hhh) **“Subscription Shares”** shall collectively mean the First Tranche Investor Shares and Second Tranche Investor Shares issued to the Investor;
- ggg(i) **“Selling Shareholders”** shall mean the shareholders of the Company participating in an IPO by offering all or a portion of the Shares held by them in the offer for sale component of the IPO<sup>8</sup>;

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<sup>8</sup> Inserted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

- iii) **“Transaction” or “Investment”** shall mean the subscription by the Investor to the Subscription Shares and purchase of the Purchase Shares against the Investment Amount;
  - jjj) **“VA”** shall mean Vishwaprasad Alva; and
  - kkk) **“Winding Up”** shall mean winding up of the Company in accordance with the provisions of the act.
- (ii) Unless the context otherwise requires words or expressions contained in these Articles shall be the same meaning as in the Act, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.
  - (iii) The headings and titles in these Articles are indicative only and shall not be deemed part thereof or be taken into consideration in the interpretation or construction hereof.

#### **PUBLIC LIMITED COMPANY**

- (i) The Company is a Public Limited Company within the meaning of Section 2(68) of the Companies Act, 2013.<sup>9</sup>

#### **SHARE CAPITAL AND VARIATION OF RIGHTS**

- 3. The share capital of the Company shall be such amount divided into such number of shares as mentioned in Clause 5 of Memorandum of Association of the Company with the power to increase and to reduce the capital of the Company and to divide or consolidate the shares in the capital for the time being divided into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined by or in accordance with the Regulations of the Company.
- 4. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
- 5.
  - (i). Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, —
    - (a). One certificate for all his shares without payment of any charges; or
    - (b). Several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - (ii). Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - (iii). In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 6.
  - (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company

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<sup>9</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

- (ii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the Company.
7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
  8.
    - (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, 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.
    - (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.
  9.
    - (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, 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 two persons holding at least one-third of the issued shares of the class in question.
  10. 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.
  11. Except as stipulated under these Articles, the Investor Shares and Shares held by the Investor Promoters shall rank pari passu with the subsisting Shares or any future issue of Shares by the Company. Till such time as the Investor and/or Agnus is a shareholder in the Company, any rights, privileges or protections attaching to any Shares (whether currently held or issued in the future) on terms more favourable than those herein afforded to the Investor Shares and Shares allotted to Agnus shall be deemed to automatically vest in the Investor Shares and Shares allotted to Agnus respectively, and the Investor and Agnus respectively shall be entitled to the benefits of such more favourable terms. Post the merger of SHPL into the Company, the term "Investor Promoters" shall include the SHPL Investor Promoter Group, and the shares held by the Investor Promoters shall include the shares held by the SHPL Investor Promoter Group.
  12. **Subject** to the provisions of section 55, any preference shares may, with the sanction of an 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.

### **13 A Dematerialization of Shares \*\***

*(a) The provisions of this Article shall apply only in respect of securities held in depository mode and the provisions of*

*the other Articles shall be construed accordingly.*

- (b) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Shares, debentures and other securities as also rematerialize its shares, debentures and other securities held in depository mode and/or offer securities in a dematerialized / rematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder.*
- (c) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates in accordance with provisions of the other Articles or to hold the same with a Depository. Such a person who is the beneficial owner of the securities may/can at any time opt out of the Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed therein, issue to the beneficial owner the required certificates of securities.*
- (d) If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.*
- (e) The Board of the Company shall have the power to fix a fee payable by the investor to the Company for the services of dematerializing and / or rematerializing of the Company's securities as they in their discretion may determine.*
- (f) (i) All the securities held by a Depository shall be dematerialized and be fungible form.*
  - (ii) Nothing contained in Sections 88, 89, 112, and 186 of the said Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.*
- (g) (i) Notwithstanding anything to the contrary contained in these Articles, a Depository shall deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.*
  - (ii) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.*
  - (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member of the Company.*
  - (iv) The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities of a Member in respect of his securities, which are held by a Depository.*
- (h) Notwithstanding anything contained in the Act and these Articles where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or in such other manner as may be practicable.*
- (i) (i) Nothing contained in Section 108 of the said Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.*
  - (ii) In the case of transfer or transmission of Shares or other marketable securities where the Company has not issued any certificates and where such Shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.*
- (j) Nothing contained in the said Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held with a Depository. Every fortified or surrendered Share held in a material form shall continue to bear the number by which the same was originally distinguished.*

*The Register and index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and index of Members and security holders as the case may be for the purposes of these Articles.”*

## **LIEN**

- 13.** (i) The company shall have a first and paramount lien—
  - (a) On every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) On all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:



Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

(ii) The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

14. 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—

a) Unless a sum in respect of which the lien exists is presently payable;;

or

b) Until the expiration of 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.

15. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(iii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iv) 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.

16. (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.

(v) 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**

17. (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 one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least 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.

18. 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 installments.

19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

20. (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 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.

21. (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.

22. The Board—
- (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him;; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

## TRANSFER OF SHARES

- 23. *Deleted*<sup>10</sup>
- 24. *Deleted*.<sup>11</sup>
- 25. *Deleted*.<sup>12</sup>
- 26. *Deleted*.<sup>13</sup>
- 27. *Deleted*<sup>14</sup>.
- 28. *Deleted*.<sup>15</sup>
- 29. *Deleted*.<sup>16</sup>
- 30. *Deleted*.<sup>17</sup>
- 31. *Deleted*.<sup>18</sup>
- 32. *Deleted*<sup>19</sup>.
- 33. No fee shall be charged for transfer of shares.

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<sup>10</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>11</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>12</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>13</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>14</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>15</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>16</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>17</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>18</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>19</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

## LOCK IN & NON--DISPOSAL UNDERTAKING

34. So long as the Investor and/or Investor Promoters hold any shares in the Company:
- (a) the Promoters shall not be entitled to transfer, assign, dispose of, pledge, charge or create any Encumbrance on all or any of the Shares held by the Promoters except with the prior written consent of both the Investor and Investor Promoters and in the manner set forth in these Articles, and
  - (b) Prior to the Cut Off Date, the Investor Promoters shall not be entitled to transfer, assign, dispose of, pledge, charge or create any Encumbrance on all or any of the Shares held by them in the Company, except with the prior written consent of Investor in the manner set forth in these Articles, provided that the Investor Promoters shall be entitled to transfer inter se the shares held by them.
35. Any transfer by the Promoters and/or the Investor Promoters shall be in the manner set out in Articles 35 to 49 and any transfer in violation of Articles 35 to 49 shall be void. Any transfer of Shares shall require the transferee to execute a deed of adherence in substantially the form set out in the Agreement.
36. Any inter se transfer of shares by the Promoters shall be subject to the consent of the Investors. The Promoters shall inform the Investor of any purchase of shares by them in the Company, including any purchase of shares from Promoter Associates. Any shares purchased by the Promoters shall be subject to the terms and conditions of these Articles.

## RIGHT OF FIRST REFUSAL

37. Subject to Article 35 to 37, in the event of any of the Promoters (the "Selling Shareholder") proposing to transfer to any third party all or part of such Selling Shareholder's Shares or convertible securities ("Offer Shares"), the Investor and Investor Promoters shall have the right but not the obligation to acquire such Offer Shares, in proportion to their respective shareholding in the Company, on the same terms and the same price ("Right of First Refusal") as offered to the Selling Shareholder by any third party ("Prospective Acquirer").
38. In the event that the Selling Shareholder has negotiated firm terms of transfer of the Offer Shares with any Prospective Acquirer, the Selling Shareholder shall not conclude the transfer of the Offer Shares without first making an irrevocable offer to Transfer the Offer Shares to the Investor and Investor Promoters, in proportion to their respective shareholding in the Company, by sending a notice in writing ("ROFR Notice"). The ROFR Notice shall clearly stipulate, inter alia, (A) the price and terms on which the Selling Shareholder wishes to Transfer the Offer Shares ("Offer Terms"), (B) all other arrangements, understandings and agreements between the Selling Shareholder and the Prospective Acquirer, whether oral or in writing, and (C) the details of the Prospective Acquirer, including without limitation the identity of the Prospective Acquirer.
39. Within 30 (thirty) days of the receipt of the ROFR Notice ("ROFR Period"), the Investor and/or Investor Promoters, as the case may be, if they or either of them wish to exercise its Right of First Refusal shall send a notice in writing to the Selling Shareholder and the Company accepting the Offer Terms contained in the ROFR Notice ("ROFR Acceptance Notice"). In the event either of the Investor or Investor Promoters choose not to exercise its Right of First Refusal it shall, not later than 15 (fifteen) days from the receipt of the ROFR Notice, send a notice in writing to the other party informing the other party that it does not wish to exercise its Right of First Refusal and the party willing to exercise its Right of First Refusal shall be free to acquire the all the Offer Shares offered by the Selling Shareholder. If both the Investor and Investor Promoters choose not to exercise their respective Right of First Refusal, the Selling Shareholder shall be free to transfer the Offer Shares to the Prospective Acquirer on the Offer Terms within 3 (three) months after the expiry of the ROFR Period.
40. Subject to Article 44 to 49, if the transfer of the Offer Shares to the Prospective Acquirer does not occur within 3 (three) months following the expiry of the ROFR Period, the Selling Shareholder may not make the Transfer without again complying with the requirements

of this Article.

41. Notwithstanding anything to the contrary contained in these Articles, the right of any Promoter or its Affiliate to transfer its Shares to any other person under this Article is subject to and conditional upon the express waiver by the Investor and Investor Promoters of the non-disposal undertaking provided by the Promoters under Article 35 to 37 hereof.
42. Any Transfer in contravention of this Article shall be void. Any transfer of Shares shall require the transferee to execute a deed of adherence in substantially the form set out in the Agreement.

#### **TAG ALONG RIGHTS OF THE INVESTOR AND INVESTOR PROMOTERS**

43. Subject to Article 35 to 43, upon receipt of the ROFR Notice, the Investor/ Investor Promoters shall, during the ROFR Period, instead of delivering the ROFR Acceptance Notice, have the right ("Tag-Along Right") (but not the obligation) to require the Promoters to arrange for a sale of all or part of the Investor Shares/ and shares held by Investor Promoters, at the sole discretion of the Investor or Investor Promoters as the case may be, for the same consideration per Share and upon the same terms and conditions as to be paid and given to the Promoter by the Prospective Acquirer.
44. Notwithstanding anything contained herein, in the event of the Investor/ Investor Promoters exercising its Tag-Along Right, the Prospective Acquirer shall first purchase the Investor Shares/ shares held by the Investor Promoters, as the case may be, from the Investor/ Investor Promoters, as the case may be, prior to the purchase of the Promoter Shares from the Promoters.
45. Within thirty (30) days following the receipt of the ROFR Notice as per Article 39 above, if the Investor/ Investor Promoters elects to exercise its Tag-Along Right (as against its right of first refusal under Article 37 to 43), it shall (instead of a ROFR Acceptance Notice), deliver a written notice of such election to the Promoters ("Tag Along Notice"). The Promoters shall cause such sale to be completed within a period of three (3) months following the expiry of the ROFR Period.
46. In the event the Investor / Investor Promoters have elected to exercise its Tag-Along Right and the Prospective Acquirer fails to purchase the Shares of the Investor/ Investor Promoters, the Promoters shall not transfer any of the Offer Shares to the Prospective Acquirer.
47. In the event the Investor/ Investor Promoters do not issue a Tag Along Notice within the time period as stipulated in Article 45, it shall be deemed to have elected not to sell its Shares, and the Promoters shall be entitled to sell all the Offer Shares to the Prospective Acquirer mentioned in the ROFR Notice on the same terms and conditions (including the Offer Terms) set out in the ROFR Notice. If completion of the sale and Transfer to the Prospective Acquirer does not take place within three (3) months following the expiry of the ROFR Period, the Promoters' right to sell the Offer Shares to the Prospective Acquirer shall lapse and the provisions of this article shall once again apply to the Offer Shares. Any transfer of Shares shall require the transferee to execute a deed of adherence in substantially the form set out in the Agreement.
48. Subject to Articles 35 to 43, the Investor/ Investor Promoters shall have free transferability of any shares held by them, and be entitled to transfer its shares to any third party. Provided however, in the event that such sale takes place before the Cut Off Date, the sale shall not be to a Competitor of the Company. For the purposes of these Articles, the term "Competitor" shall mean entities engaged in the business of design, manufacturing, marketing and trading of digital and film medical X Ray systems and subsystems, ECG, multi parameter monitoring, C Arm and cath Lab, anesthesia delivery systems, ultrasound, syringe pumps and mobile healthcare device packages in vans, Primary Health Centres (PHC) and kiosks.

#### **49A. Transfer of Shares \*\***

- (i) *Nothing contained herein in these Articles including the rights set out in Articles 35 to 49 shall be applicable to any*

*transfer of shares made pursuant to the terms of the finance documents executed with any bank/financial institution/security trustee/security agent/securitization company/ reconstruction company including as a result of enforcement of pledge in terms of such finance documents. All request for transfer of shares made by any bank/financial institution/security trustee/security agent/securitization company/reconstruction company and/or any person/entity claiming under the pledge/lien/charge, etc., over the securities and Shares of the Company provided as security for any financial assistance availed by the Company and/or any entity or person, shall be duly recognised and taken on record by the Company and all its shareholders without any delay, demur or objection in accordance with applicable laws and regulations.*

*(ii) Notwithstanding anything contained in these Articles, if any provisions of the Articles, at any time conflicts with any provisions of the respective finance documents executed with any bank/financial institution/security trustee/security agent/securitization company/ reconstruction company and/or any person/entity claiming under them, with respect to the aforesaid restriction on the transfer of shares of the Company, the provisions of the Articles of Association shall be amended to give effect to transfer restrictions set out in such finance documents and the Company shall not recognize any purported transfer of its securities including its Shares (other than transfer undertaken as per the terms of the finance documents).”*

## **TRANSMISSION OF SHARES**

- 49.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share, which had been jointly held by him with other persons.
- 50.** (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.
- 51.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 52.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
- 53.** If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have

accrued.

54. The notice aforesaid shall—
- a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made;; and
  - b) state that, in the event of non--payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
55. If the requirements of any such notice as aforesaid is 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.
56. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
57. (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.
58. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
- (iv) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
- (v) The transferee shall thereupon be registered as the holder of the share; and
- (vi) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
59. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment 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.
60. No fee shall be charged for transmission of shares.

#### **ALTERATION OF CAPITAL**

61. 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.
62. Subject to the provisions of section 61, the Company may, by ordinary resolution, —
- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b) convert all or any of its fully paid--up shares into stock, and reconvert that stock into fully paid--up shares of any denomination;
  - c) sub--divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

- 63.** Where shares are converted into stock, —
- a) The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:  
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose;; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - c) such of the regulations of the Company as are applicable to paid--up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock--holder” respectively.
- 64.** The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —
- a) its share capital;
  - b) any capital redemption reserve account; or
  - c) any share premium account.

#### **FURTHER ISSUE**

- 65.** Other than grants of stock or options or warrants therefore to employees, and the issuance of Shares in an IPO, and provided that the relevant action has been duly approved by the Board of Directors with the affirmative vote of the Investor and Investor Promoters (collectively, “Permitted Issuances”), in the event the Company proposes to make a fresh issue of securities, either convertible or non convertible (other than a rights or bonus issue), the Investor and Investor Promoters will have the first right to subscribe to such securities at the same price at which those securities are offered to the third party, pro rata to their respective shareholding in the Company at such time. At this stage, there exists no commitment by the Investor and/or Investor Promoters to subscribe to any future issue of securities of the Company. The Investor and Investor Promoters shall communicate their decision, within thirty (30) Business Days of receipt of the offer/intimation as to such proposed further issue in writing from the Company. Alternatively, at their sole option, the Investor and Investor Promoters shall, during such fresh allotment to a third party, be entitled to (but not obligated to) subscribe to such number of securities, as is required to maintain their respective shareholding in the Fully Diluted Share Capital as existing immediately prior to such issue, on terms not less favorable than those on which such issue is to be made. The Investor“s / Investor Promoters“ exercise of their entitlement, pursuant to this Article, shall be communicated to the Company within thirty (30) Business Days of receipt of the offer from the Company.
- 66.** In the event either of the Investor or Investor Promoters deciding not to exercise their rights under Article 66 above the other party (who is willing to exercise its rights) shall have the right to subscribe to such number of Shares as the non--exercising party was entitled to subscribe.
- 67.** In the event both the Investor and Investor Promoters decide not to exercise their rights under Article 66, the Company may, subject to the terms of these Articles, including those applicable to such allotment, offer such allotment to a third party on terms not more favourable than those on which the offer was made to the Investor and Investor Promoters for the future issue of securities. The allotment of the securities pursuant to this Article shall be completed within One Hundred and Twenty (120) days of receipt of communication from the Investor and/or Investor Promoters, as the case may be, in this regard. If the allotment is not completed within the said period of One Hundred and Twenty (120) days , the Company is required to comply again with the requirement of this Article, as regards the right of first

refusal of the Investor and Investor Promoters, for such allotment.

68. Notwithstanding anything contained herein, in the event of the Company making a fresh issue of Shares/securities, with the consent of the Investor and Investor Promoters, at terms more favorable than those offered to the Investor and/or Investor Promoters, the Company shall be required to grant such favorable right to the Investor Shares and the shares held by Investor Promoters.
69. **Bonus Issue:** Any bonus issue of securities shall, without exception, be offered or issued by the Company to all Shareholders, proportionately on identical terms. It is clarified that for the purpose of this Article, "Shareholders" shall include the Investor and Investor Promoters.
70. **Rights Issue:** Other than Permitted Issuances, any issue of Shares or other securities on a rights basis, including the issue of any instrument convertible into Shares, offered or issued by the Company, shall be offered on identical terms to all the Shareholders pro rata as per their then existing shareholding.

#### USE OF MONEY, BORROWINGS AND FUNDING

71. The Investment Amount shall be utilised by the Company only for such activities as listed under the Business Plan relating to usage of funds.
72. In the event the Company proposes to borrow funds from any Person, including but not limited to banks and financial institutions, the Investor and Investor Promoters shall not be asked, or be required to give any warranties, letter of comfort and/or guarantees, of any nature whatsoever. The Investor and Investor Promoters shall also not be asked to pledge their respective Shares or any part thereof, or create any other kind of Encumbrance, in relation to or as security for the borrowings of the Company.

#### ANTI-DILUTION RIGHTS

73. If the Company undertakes any transactions involving the issue of additional shares (such as raising funds by issuing fresh Shares or instruments convertible into Shares otherwise than through IPO), wherein the Shares are being issued for a price ("Issue Price") lower than the Investor's Investment Amount per Share/conversion price as adjusted from time to time as per the terms of these Articles for the Investor or the average subscription price paid by Investor Promoters to SHPL and the Company for the shares held by the Investor Promoters, then the Investor and Investor Promoters shall have an option to (a) subscribe to additional equity shares at no consideration (if permitted by Law), or (b) if not so permitted by applicable Law then at par or at the lowest price permissible under applicable Law, or (c) by the transfer of requisite number of Shares from the Promoters to the Investor and Investor Promoters in proportion to their respective shareholding in the Company, or (d) in case of Investor, by necessary adjustments to the conversion price of the CCPS held by the Investor, such that the average price per share held by the Investor is reduced to the proposed Issue Price. For the purposes of calculating the anti dilution protection, the conversion price of the Investor Shares prior to the Cut Off Date and post the Cut Off Date shall be as detailed under Article 76 to 85.

74. *Deleted<sup>20</sup>.*

#### TERMS OF CONVERSION

75. **Dividend Preference:** Each Financial Year, subject to the availability of distributable profits, each holder of the CCPS shall be entitled to a cumulative preferential dividend of 0.001 % per annum of the subscription price paid for the CCPS by the Investor ("CCPS Subscription Price"). In any given Financial Year, the Company may not declare any dividend or other distribution to its holders of Equity Shares unless it has first declared the preferential dividend for such Financial Year to the holders of the CCPS.

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<sup>20</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021



- 76. Liquidation Preference:** In the event of a Liquidation Event, each holder of the CCPS will convert into such number of equity shares as calculated in Article 79 below.
- 77. Voting:** Each holder of the CCPS shall be entitled to receive notice of all shareholders' meetings and shall be entitled to voting rights on as "as if converted basis".
- 78. Conversion:** The Investors shall have the right to convert 3,957,425 CCPS held by them into 10,589,041 Equity shares upon completion of the pre – IPO placement of equity shares contemplated by the Company, in the following manner:

<i>Name of the Investor</i>	<i>Number of CCPS held</i>	<i>Number of Equity Shares that the CCPS shall convert into</i>
<i>Ascent Capital / Investor</i>	<i>2,366,766</i>	<i>6,332,851</i>
<i>Ascent Transferee</i>	<i>1,590,659</i>	<i>4,256,190</i>

*Provided however, that such conversion shall be completed prior to the filing of the red herring prospectus (or a draft thereof) with the Securities and Exchange Board of India in connection with an IPO.<sup>21</sup>*

- 79. Mechanics of Conversion:** In order to effect a conversion into Equity Shares, the holder of the CCPS shall give written notice to the Company (the "Conversion Notice") at its principal corporate office, of the election to convert the same and shall state therein the number of shares to be converted, such calculation being in accordance with these Articles. The Conversion Notice may include a request (a "Conversion Request") addressed to the Company to (x) apply for any Government Approval for the issue of the Equity Shares to be issued upon conversion of the CCPS as set forth in the Conversion Notice and/or (y) take any corporate and/or shareholder proceedings or action, as may be reasonably required by the holder, to allot such Equity Shares to the holder or, subject to the terms and conditions hereof to such other persons as the holder may designate. If the Conversion Notice is accompanied by a Conversion Request, the Company will (i) obtain as soon as practicable after receipt of the Conversion Request all Governmental Approvals, if any, specified in the Conversion Request and (ii) within ten days of the date of the obtaining Government Approval (where such approval is necessary) or the Conversion Notice, subject to the terms and conditions hereof, take any corporate and/or shareholder proceedings or action to allot the Equity Shares as specified in the Conversion Request. In the event any Government Approval is required, then the Company and the Promoters shall ensure that all other actions required to be carried out by them are performed within the time specified herein. The Company will promptly advise the holder of the CCPS giving the Conversion Notice of the obtaining of such Governmental Approvals, of the taking of any such corporate and/or shareholder action and of any development relevant to such obtaining or such proceedings or action. Any holder converting the CCPS shall surrender the certificate or certificates representing the CCPS to be converted at the principal corporate office of the Company either at the time the Conversion Notice is given to the Company or, if the Conversion Notice is accompanied by a Conversion Request, after receipt by the Company of all Governmental Approvals specified in the Conversion Request and after the taking of the corporate and/or shareholder proceedings or action specified in the Conversion Request (the date of such surrender, the "Conversion Date", provided that if the CCPS certificate(s) are received by the Company on a day which is not a Business Day or after the close of business on a Business Day, the Conversion Date shall be deemed to occur on the Business Day following the date such certificate(s) are received). Failure to surrender such certificate(s) shall not affect the conversion of any holder's CCPS, provided that any holder failing to surrender its certificate(s) shall deliver to the Company a duly executed declaration of lost share certificate in a form reasonably acceptable to the Company, which holder shall, indemnify and hold harmless the Company from any cost or expense incurred by any person as a result of the lost certificate(s). As soon as practicable after the Conversion Date, and in any event within ten (10) Business Days thereafter (after accounting for any time for issue of duplicate certificates, in case the

<sup>21</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

original certificates are lost), the Company at its expense will cause to be issued in the name of, and delivered to, the holder, or, subject to the terms and conditions hereof, a certificate or certificates for the number of Equity Shares to which such holder shall be entitled upon such exercise. The holder shall be deemed to be the holder of record of the Equity Shares on the Conversion Date, notwithstanding that the register of members of the Company shall then be closed or that certificates representing such Equity Shares shall not then be actually delivered to the holder. The Company shall pay any and all documentary, stamp or similar issue Taxes payable in respect of the issue of the Equity Shares.

**80. Conversion Price Adjustment Based on Other Events:**

*Deleted<sup>22</sup>.*

**81. Impairment:** The Company will not, by amendment of these Articles or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the CCPS against impairment.

**82. No Fractional Shares and Certificate as to Adjustments:** No fractional share shall be issued upon the conversion of any CCPS, and the number of Equity Shares to be issued shall be rounded to the next whole share. Whether or not fractional shares are issuable upon such conversion shall be determined on the basis of the total number of CCPS the holder is at the time converting into Equity Shares and the number of Equity Shares issuable upon such aggregate conversion.

Upon the occurrence of each adjustment of the conversion price of the CCPS pursuant to this Article, the Company, at its expense, shall promptly compute such adjustment in accordance with the terms hereof and prepare and furnish to each holder of the CCPS a certificate setting forth such adjustment and showing in detail the facts upon which such adjustment is based. The Company shall, upon the written request at any time of any holder of CCPS, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment and readjustment, (ii) the conversion price for such CCPS at the time in effect, and the number of Equity Shares and the amount, if any, of other property that at the time would be received upon the conversion of a share of CCPS.

**83. Reservation of Shares Issuable Upon Conversion:** The Company shall at the discretion of the Investor, reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the CCPS, such number of Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding CCPS;; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Preference Shares (taking into account the issuance of Equity Shares pursuant to any existing convertible security), the Company will take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging to obtain the requisite shareholder approval of any necessary amendment to the Company's Memorandum of Association.

**84. Tenure of Preference Shares:** Notwithstanding the other terms of issue of the CCPS, any CCPS which is outstanding on the completion of a period of 10 years from the date of its issue shall immediately and automatically be converted into Equity Shares of the Company at the Floor Valuation.

In the event that, for any reason whatsoever, the above transactions are not possible, then the parties shall endeavour in good faith to achieve the commercial intent of the above provisions and for this purpose shall take all such actions as the Investor may request.

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<sup>22</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

Impairment: The Company will not, by amendment of its Memorandum of Association and/or its Articles of Association or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 85 and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of the CCPS against impairment.

In respect of each holder of the CCPS, the provisions as to conversion set out herein and in the characteristics of the CCPS shall apply pro-rata to each holder's holding of CCPS.

## **CAPITALISATION OF PROFITS**

- 85.** (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.
- 86.** (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**

- 87.** Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time

being in force, the Company may purchase its own shares or other specified securities.

#### **MANAGEMENT TEAM SHAREHOLDING**

88. Till the Cut Off Date, or the date of any new round of funding (whichever is earlier), the Investor agrees that the voting rights of the Promoters and Promoter Associates shall not be less than 26% of the total voting rights in the Company.
89. Following the Cut Off Date, the shareholding and voting rights of the Promoters and Promoter Associates shall be based upon the equity shares held by the Promoters and Promoter Associates, taking into account any employee stock options that may have vested in them.

#### **ESOPS**

90. *Deleted*<sup>23</sup>.

#### **GENERAL MEETINGS**

91. All general meetings other than annual general meeting shall be called extraordinary general meeting.
92. An annual general meeting of the Shareholders of the Company shall be held within six months of the end of the financial year as provided under the Act
93. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.  
(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.
94. At least 2 (two) Shareholders including the authorized representative of the (i) the Investor;; and (ii) any one member of the Investor Promoters, shall be necessary to form a quorum for a valid general meeting unless the authorized representative of the Investor and/or Investor Promoters, as the case may be, provides written notice prior to commencement of any general meeting or adjourned meeting waiving the requirement of his presence to constitute valid quorum for a particular general meeting or adjourned meeting, as the case may be.  
If a quorum is not present within 30 (thirty) minutes of the scheduled time for any Shareholders meeting or ceases to exist at any time during the meeting, then the meeting shall be adjourned, to the same day, place and time in the next succeeding week (it being understood that the agenda for such adjourned meeting shall remain unchanged and the quorum for such adjourned meeting shall be the Shareholders present thereat, not being less than two)  
Provided that if the authorized representative of the Investor and/or Investor Promoters is not present at such further adjourned meeting as is required under this Article, the Shareholders shall not take such action or pass such resolutions in respect of matters referred to in Article 143 specified in the notice of the meeting (consequently the adjourned meeting), unless the Investor and/or Investor Promoters, as the case may be, has/have consented in writing to such action being taken or such resolution(s) being passed, prior to the convening of such meeting.
95. Except as otherwise required by the relevant applicable Laws, all decisions of the Shareholders of the Company shall be made by simple majority. Provided however till such time (i) the Investor;; and/or (ii) Investor Promoters hold any shares in the Company or during the subsistence of the Agreement, whichever is later, no decision shall be taken by the Shareholders of the Company at a general meeting of the Shareholders, in respect of any of the matters mentioned in Article 143, unless the affirmative vote of the respective authorized representative of the Investor and/or Investor Promoters, as the case may be, has been taken as has been provided therein.

#### **PROCEEDINGS AT GENERAL MEETINGS**

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<sup>23</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

96. (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 section 103.
97. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
98. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
99. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
100. Notwithstanding anything contrary contained in the Articles of Association, the Company may provide Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings of the Company. Such participation by the Shareholders at General Meetings of the Company through Video Conference facility and/or use of other permissible electronic or virtual facilities for communication shall be governed by such legal or regulatory provisions as applicable to the Company for the time being in force.

#### **ADJOURNMENT OF MEETING**

101. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.  
(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  
(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.  
(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

102. Subject to any rights or restrictions for the time being attached to any class or classes of shares, —  
a) on a show of hands, every member present in person shall have one vote;; and  
b) 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.
103. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
104. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.  
(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
105. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
106. Any business other than that upon which a poll has been demanded may be proceeded with,

pending the taking of the poll.

- 107.** 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.
- 108.** (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.
- 109.** The Investor shall have voting rights on the Investor Shares at all times on an as if converted basis. All Shares of the Company (including those arising after conversion of CCPS) shall rank pari passu with the existing issued equity shares with respect to all stock activities including voting rights, dividends and rights issuance.
- 110.** The CCPS shall attract a dividend of 0.001% per annum. The dividends would be payable annually based on the free cash flows of the Company. The dividends would be cumulative, if not paid on specific annual dates and would be paid prior to any dividend with respect to the equity shares. Any accrued but unpaid dividend on the CCPS till the date of conversion shall be paid by the Company in accordance with the provisions contained in this Article notwithstanding the fact that such CCPS have, as on the date of payment, already been converted to Shares. The Board shall recommend the dividends payable on the CCPS to the Investor in time and at the agreed dates provided the Company has the required reserves to declare such dividend.

#### **PROXY**

- 111.** The instrument appointing a proxy and the power--of--attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
- 112.** An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
- 113.** 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.

#### **BOARD OF DIRECTORS**

- 114.** Until and unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 3 [three] and not more than 15 [Fifteen] including all kinds of Directors.<sup>24</sup>
- 115.** Following are the first Directors of the Company:
- a) VISHWAPRASAD ALVA
  - b) HEROOR RAJARAM ALVA
  - c) SURESH KAYANADATH
  - d) BIJU SWAMI NATHAN

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<sup>24</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

- 116.** The First Directors, mentioned above, hold office for life unless he resigns or vacates the office.
- 117.** A Director need not hold any qualification Shares.
- 118.** The number of Directors on the Board of the Company shall not exceed the maximum number as permitted under the provisions of the Companies Act, 2013. The composition of the Board of the Company shall at all times be in compliance with the requirements of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Companies Act, 2013. Provided that so long as Agnus holds 5% or more of the shareholding of the Company and the Investor holds 5% or more of the shareholding of the Company, they shall each have the right to nominate one director each to the Board of the Company.<sup>25</sup>
- 119.** Deleted.<sup>26</sup>
- 120.** The Director/s nominated and appointed by the Investor shall hereinafter be referred to as the “Investor Director/s”. The Investor Director(s) and Agnus Director shall at all times have the right to appoint alternate director(s). In the event the Investor/Agnus chooses not to appoint the Investor Director/s/Agnus Director, as the case may be, the Investor/Agnus shall continue to retain such right and may appoint such Director/s at any time as it deems fit.
- 121.** In the event that the Investor/Agnus does not wish to nominate Investor Director/s/Agnus Director on the Board of the Company, each of the Investor and Agnus shall be entitled to appoint at any time its respective representative (an “Observer”) to be present at all Board and Committee meetings. Such Observer shall have the right to attend all meetings of the Board and any committee(s) and observe the proceedings of those meetings. The Company shall invite the Observer to attend all such meetings and provide the Observer with an agenda and other relevant documents circulated to Directors and committee members for consideration at the meetings at the same time as these papers are provided to the Director and committee members. The Observer shall also be entitled to receive certified true copies of minutes of all meetings. The Observer will have no right to vote at those meetings.
- 122.** (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day--to--day.  
(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—  
(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company;; or  
(b) in connection with the business of the Company.
- 123.** The Board may pay all expenses incurred in getting up and registering the Company.
- 124.** The Company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register;; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
- 125.** All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
- 126.** Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

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<sup>25</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>26</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

- (i) Subject to the provisions of section 149, 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.
- (ii) 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.
- 127.** (i) The Board of Directors shall meet at least four (4) times in every calendar year and at least once in every calendar quarter. Meetings of the Board shall be held at such place, within India, as the Directors including the Investor Directors and Agnus Director agree, from time to time.
- (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
- (iii) A Board meeting may also be held by teleconference or video conferencing and/or the presence of a Director at a meeting may be recorded if he is present over telephone or video conferencing, as far as such meeting or presence, as the case may be, is not contrary to applicable Law. Such meetings over videoconferences shall be conducted in compliance with the provisions of the act.
- 128.** Any Director may, and the secretary of the Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out in Articles. Every notice convening a meeting of the Board shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate Directors. The draft resolutions and other documents for all matters to be considered at the Board meeting must be furnished to all the Directors at least five (5) days prior to the date of the proposed Board meeting, except where such meeting is called on shorter notice, in which case these must be furnished to all Directors as much in advance of the meeting as reasonably practical. The secretary of the Company of the Company shall prepare the notice for the meetings. If the secretary is unavailable, unwilling or unable to do so, the Director that summoned the meeting shall prepare the notice.
- 129.** At least 7 (seven) days prior written notice shall be given to each of the Directors of any meeting of the Board by way of a letter by registered Speed Post, facsimile with "OK Transmission" or e-mail with receipt acknowledged. A meeting of the Board may be held at shorter notice with the written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of a majority of the Directors including the written consent of the Investor Director and Agnus Director.<sup>27</sup>
- 130.** The quorum for a Board meeting shall be one third of the total strength of the Board at the relevant point in time, or three (3) Directors (whichever is higher), which shall comprise of at least (i) one Investor Director (or his alternate, as the case may be);; and (ii) Agnus Director (or his alternate, as the case may be), unless such Director has accorded absence and waived the requirement of attendance for the purposes of quorum expressly in writing to the Company. For the purposes of calculating the aforesaid one third of the total strength of the Board, any fraction shall be rounded off to the next higher integer. A meeting of the Board shall not be held or continued without the presence, at all times, of the quorum unless such Director has expressly waived the requirement for his presence either in writing or by facsimile transmission.
- If a quorum is not present within 30 (thirty) minutes of the scheduled time for any meeting of the Board or ceases to exist at any time during the meeting, then the meeting shall be adjourned, for a period determined by the Chairman, which period shall not be less than 7 days (it being understood that the agenda for such adjourned meeting shall be the same as the

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<sup>27</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021



agenda for the original meeting and the quorum for such adjourned meeting shall be the Directors present thereat, not being less than two). Notice of the adjourned meeting shall be given to all Directors by facsimile transmission or e--mail with receipt acknowledged.

Provided that if at least (i) one of the Investor Directors;; and (ii) the Agnus Director is not present at such adjourned Board meeting as is required, the Board shall not take such action or pass such resolutions in respect of matters referred to in Article 143 specified in the notice of the Board meeting (consequently the adjourned meeting), unless the Investor and Agnus, as required, have consented in writing to such action being taken or such resolution(s) being passed, prior to the convening of such meeting.

- 131.** (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
- 132.** The continuing directors may act notwithstanding any vacancy in the Board;; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
- 133.** (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting.
- 134.** (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.  
(iii) The Investor and Agnus shall have the right to appoint 1 (one) respective nominee as member(s) of any such committee.
- 135.** (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 136.** (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote. Any matters covered under Article 143 and delegated to any such committees shall continue to be subject to the specific approval rights of the Investor Director and Agnus Director set forth in Article 143 and elsewhere in these Articles. It is clarified that the Board shall lay down the provisions pertaining to the conduct of the meetings of any committee constituted under this Article.
- 137.** All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
- 138.** Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
- 139.** The Board or Committee may, if the circumstances warrant, meet and / or discuss by means

of Telephone, Fax, E--mail, Television or through any other audio visual links known as Video conferencing instead of physical meetings. The provisions relating to notice, agenda, quorum and minutes stated hereinafter shall, mutatis mutandis apply to the meetings held through such audio--visual links known as Video Conferencing and meetings held in such manner will be considered to have been held in compliance with Section 173 and 174 of the Act and subject to the compliance of the rules framed under Act.

- 140.** The Board may act by written resolution, or in any other legally permissible manner, on any matter, except as set forth in Article 143 hereof and except for matters, which by law may only be acted upon at a meeting. Subject to any restrictions imposed by law, no written resolution shall be deemed to have been duly adopted by the Board, unless such written resolution shall have been approved by the requisite majority of Directors, as provided in various sub-Articles of these Articles, including where applicable Article Notwithstanding the above, if a Director, does not convey his acceptance or rejection of the proposed resolution within 15 (fifteen) days from the date of receipt of the requisite documentation including explanatory statements and supporting documents, he shall be deemed to have rejected the proposed resolution.
- 141.** The Company and the Promoters shall take all necessary steps to cause the Board, at the request of the Agnus Director, to accept the appointment of an alternate Director recommended by the Agnus Director, to act in such Agnus Director's absence.
- 142.** Notwithstanding any other provision of these Articles or any power conferred upon the Board by the Act or these Articles, the Company shall obtain the written consent of (i) the Investor and (ii) Investor Promoters in order to take a decision on any of the matters specified herein below, till such time as the Investor and/or Investor Promoters, as the case may be, hold any shares in the Company:
- a) Merger, consolidation, restructuring, amalgamations, re--organization or compromise with the creditors or shareholders of the Company, including the valuation for any merger including the proposed merger with SHPL;
  - b) Voluntary commencement of winding up proceedings for insolvency or bankruptcy of the Company, or general assignment for the benefit of its creditors or any consent to the entry of decree or order for relief from creditors under any applicable Law, or any admission by the Company of (a) its inability to pay its debts or (b) any other action constituting a cause for the involuntary declaration of insolvency or bankruptcy;
  - c) Acquisition of other businesses (by way of share purchase, business transfer, slump sale, asset purchase or any other mode of acquiring a business);
  - d) Creation of joint ventures or partnerships or creation of subsidiaries, or disposing off or dilution or encumbrance of the Company's interest, directly or indirectly, in any of its subsidiaries or joint ventures;
  - e) Sale of all or substantially all of the Company's assets or closure of an existing business or commencement of any business beyond the purview of the Business Plan of the Company;
  - f) Sale, transfer, lease or Encumbrance of any material part of the Business of the Company;
  - g) Any increase, decrease, buy back or other alteration or modification of authorized or issued share capital or any terms of such issue, creation or issue of any dilution instruments or other securities (including equity shares, preference shares, non-- voting shares, warrants, options, debentures, bonds and such other instruments) and terms thereof, or authorization, creation and/or issuance of any class of equity with rights or privileges senior to Investor Shares / Shares held by Investor Promoters, or undertaking any transaction resulting in a change of Control of the Company;
  - h) Any amendments to the Memorandum or Articles of Association of the Company, or any restructuring or change in the Business of the Company;
  - i) Any appointment, engagement, termination or increase in compensation or changes in the terms of employment of the Directors, key management team, chief executive officer, chief operating officer, chief financial officer, chief technology officer, heads of departments, vice president (by whatever name called) and other persons whose remuneration is in excess of Rs. 1,500,000/-- (Rupees One Million Five Hundred Thousand Only) per annum;
  - j) Any disposal, transfer, Encumbrance or any dealing with the proprietary rights (including Intellectual Property Rights) of the Company other than in the ordinary course of Business;

- k) Approval of, or amendment to, the annual Business Plan (including the budget);
- l) Approval of the annual accounts of the Company;
- m) Appointment or change of the Auditor, or internal auditors of the Company;
- n) Availing of any debt by the Company, where „debt“ includes without limitation short and long term debt and guarantees in excess of Rs. 50 Million, or raising funds through any sources;
- o) Making any inter corporate investments or providing loans or guarantees;
- p) Declaration or payment of any dividend or distribution of profits or commissions to the shareholders, employees or directors;
- q) Change in the name of the Company/brand name of the Company, or the transfer of any brand names, service marks and trademarks or other proprietary rights (including Intellectual Property Rights) used by the Company, unless such transfer is between the Company and its wholly owned subsidiary, if any, transfer of any technology/source code and other software possessed or owned by the Company or its subsidiary (ies), by way of lease, franchising, sale, assignment or otherwise;
- r) Increasing or decreasing the size of the Board;
- s) Approval, adoption or amendment of any Employees Stock Option Plan, and granting of any options under any such Employee Stock Option Plan;
- t) Any decision with regard to the listing of shares of the Company, or any other capital instruments;
- u) Any strategic or financial or other alliance with a third party which result in investments by the Company or offer certain exclusive rights to such third party in material Intellectual Property Rights of the Company;
- v) Any material variation in the capital expenditure or operating expenditure of the Company approved by the Investor for each quarter of any Financial Year exceeding 10% of the approved limits;
- w) Any change in the accounting year, accounting policy or the registered office of the Company outside such location as is agreed to between the Company and the Investor;
- x) Entering into any Related Party transactions between the Company on the one hand and the Promoters, shareholders, Directors or their relatives or Affiliates or any of them on the other;
- y) Amendment of any terms relating to the restrictions on Promoters“ shareholding in the Company, including release, transfer and/or forfeiture of their shares;
- z) Any amendment to the powers, privileges and rights granted to the Investor and/or Investor Promoters;
- aa) Entering into commercial transactions involving a transaction value exceeding Rs. 10 million or any commercial contracts having value exceeding Rs. 10 million in a financial year, other than in the ordinary course of business;
- bb) Capitalization of reserves; and
- cc) Any deviation of more than 10% from the fund utilization plan provided to the Investor.

**143.** Notwithstanding anything contrary provided in these Articles, where any consent or approval is requested in writing from (i) the Investor Director(s);; and/or (ii) the Agnus Director, such consent or approval shall also be deemed to have been given if:--

- a) Investor Director (s) and Agnus Director, vote(s) in favour of such matter at a duly convened meeting of the Board or of the compensation and audit committee;; or
- b) Authorised representative of (i) the Investor;; and (ii) Investor Promoters vote in favour of such matter at a duly convened meeting of the Shareholders of the Company.

Grant of consent by any member of the Investor Promoters shall be considered as the grant of consent by all the Investor Promoters and the Company shall not be obliged to seek separate consent from each member of the Investor Promoters, under any of the provisions of these Articles.

**144A. Board of Directors \*\***

*The Board may appoint any person as a director nominated by any financial institution, bank, corporation or any other statutory body, or if the Company has entered into any obligation with any such institution, bank, corporation or body in relation to any financial assistance by way of loan advanced to the Company, debenture*

*issued by the Company or guarantee or given of any loan borrowed or liability incurred by the Company or so long as the Company is indebted in accordance with the terms of the relevant finance documents. Such Nominee Director/s shall not be required to hold any share qualification in the Company, and such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.”*

#### **CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

- 144.** Subject to the provisions of the Act, —
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- 145.** A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

- 146.** (i) The Board shall provide for the safe custody of the seal.  
(ii) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

- 147.** The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 148.** Subject to the provisions of section 123, 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.

*149A. Subject to the provisions of the sections 123, 124, 125 and 126 of the Act, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. All such dividend payment shall be subject to the terms of the finance documents entered into by the Company with its lenders.” \*\**

- 149.** (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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. (ii) The Board may also carry forward any profits, which it may consider necessary not, to divide, without setting them aside as a reserve.
- 150.** (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.
151. 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.
152. (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 of members, 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.
153. 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.
154. 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.
155. No dividend shall bear interest against the Company.

## LISTING

156. The Company, Investor Promoters and the Promoters shall work towards listing of the Company's shares on the National Stock Exchange, Bombay Stock Exchange and/or any other Indian/international Stock Exchanges approved by the Investor and Investor Promoters on or before the Cut Off Date. The IPO shall be based on the advice of a renowned Merchant Banker (one of the top merchant bankers of India), to be appointed with the written approval of the Investor and Investor Promoters. Determination of the price at which IPO shall be made by the Company shall be in accordance with the prevailing regulations at the time of the IPO.
157. The IPO may be either through (i) a fresh issue of shares of the Company and/or (ii) an offer for sale of the shares held by the Shareholders of the Company. The nature of the public issue shall be determined by the Promoters, Investor Promoters and the Investor with mutual consultation. The Promoters shall not unreasonably withhold approval and shall do all acts and deeds reasonably required to effectuate such IPO.
158. Subject to the applicable Laws, the Promoters and the Company shall ensure that the Investor and Investor Promoters shall have the right but not the obligation to include 100% of its shareholding in the Company in the proposed IPO, provided that the Investor shall have the first right to include the Investor Shares as part of the offer for sale in the proposed IPO. The Promoters will offer such further number of Shares as may be required by law to be offered to public as a condition for obtaining listing on any registered Stock Exchange. In the event of the shares held by the Promoters not being sufficient to meet the requirements under applicable law, the Investor Promoters shall contribute their shares to meet the shortfall.
159. Subject to applicable Laws and Clause 30.3, the Investors shall not be considered a 'promoter of the Company'. The Shares held by the Investors shall also be subject to the statutory lock – ins as prescribed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), subject to exemptions available under applicable law. The Promoters shall offer such number of shares from their shareholding for lock – in

towards minimum promoters contribution as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”)<sup>28</sup>.

- 160.** All expenses in connection with the IPO shall be shared among the Selling Shareholders and the Company in accordance with applicable law. The Individual Promoter and the Company shall obtain all relevant statutory and other approvals that are necessary for the public offering and the listing of the shares.<sup>29</sup>
- 161.** The Company must obtain permission from the banks/ financial institutions, other approvals as may be necessary to make an IPO.
- 162.** The listing price for any IPO of the Company shall be determined according to the book – building process prescribed under the SEBI ICDR Regulations. The price band for any such aforementioned IPO shall be determined by the Company and the Selling Shareholders in consultation with the book running lead managers appointed for the purpose of such IPO.<sup>30</sup>
- 163.** In the event the Company is unable to provide an exit to the Investor through IPO within the Cut Off Date, the Promoters, the Investor Promoters and the Company shall render all necessary assistance to the Investor in making an offer for sale of the Investor Shares on the National Stock Exchange, Bombay Stock Exchange and/or any other Indian/international Stock Exchanges at such price, time and other terms as may be decided by the Investor. The Promoters shall offer for sale to the public their shareholding in the Company to the extent required by law for securing listing of the shares on a recognized stock exchange, provided that in the event of the shares held by the Promoters not being sufficient to meet the requirements under applicable law, the Investor Promoters shall contribute their shares to meet the shortfall. All expenses for such offer for sale shall be borne by the Company. It is clarified that in the event of an offer for sale, the Investor shall have the first right to offer the Investor Shares.
- 164.** The Company and the Promoters shall comply with all formalities required for the offer for sale under the Act, regulations and guidelines issued by Securities and Exchange Board of India and the concerned Stock Exchange(s) from time to time and other applicable Laws for the time being in force.
- 165.** If the Equity Shares of the Company are not listed on recognized stock exchanges under the terms of this Article due to any reason whatsoever, all rights available to the Investor / Investor Promoters because of their shareholding in the Company, under these Articles shall continue to survive in full. The Promoters and Company shall support any decisions and actions in this regard by exercising their voting and other rights, to procure the Company to pass necessary Board and shareholders resolutions, to effect the actions contemplated above, which steps shall include without limitation:
  - a) Re--conversion of the Company into a private limited company;;
  - b) Modification and reclassification of the Equity Shares of the Investor into Shares of different classes, which rank in preference to the remainder of the issued, paid--up and subscribed share capital at and from that point in time. Upon such modification and re--classification, the Shares of the Investor and/or Investor Promoters shall, subject to applicable Laws, have all rights that were attached to the Investor Shares and/or shares of the Investor Promoters immediately prior to any conversion referred to above;;
  - c) Alteration of the Memorandum and Articles of Association of the Company to include all of the rights attaching to the Investors Shares and/or shares of the Investor Promoters that are set out under these

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<sup>28</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>29</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>30</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

Articles;; and

d) Entry into any contractual arrangements for the purposes of ensuring all of the above.<sup>31</sup>

**166.** The right of the Investor and/or Investor Promoters under this Article, to obtain an exit through offer for sale, is optional and the Investor and/or Investor Promoters may, at its sole discretion, waive such right and require the Company and the Promoters to provide an exit through any other means detailed under these Articles.<sup>32</sup>

#### **ACCOUNTS**

**167.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.

(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the Company in general meeting.

#### **STATUTORY AUDITOR AND INTERNAL AUDITOR**

**168.** The Company shall appoint a reputed accounting firm, as the statutory auditor of the Company, which is acceptable to the Investor and Investor Promoters, and which appointment shall be with the prior written approval of the Investor and Investor Promoters. Such statutory auditor shall not be removed without the prior written consent of the Investor and Investor Promoters. The fees payable to such auditor shall be payable by the Company, and shall not be changed without the prior written approval of the Investor and Agnus. The Company and the Promoters shall provide to such auditor full co--operation, assistance and access to the Company's records as may be required by such auditor.

**169.** The Company shall also appoint an internal auditor to conduct internal audit which shall be acceptable to the Investor and which shall be with the consent of the Investor and Investor Promoters. Such internal auditor shall be provided with full co--operation, assistance and access to records. Such auditor shall not be removed without the prior written consent of the Investor and Investor Promoters. All expenses towards appointment of the internal auditor shall be borne by the Company.

#### **INFORMATION RIGHTS**

**170.** The Company shall furnish to the Investor and the Investor Promoters, the following information:

- a) Quarterly, semi--annual and annual unaudited financial statements within 30 (thirty) days of the end of each quarter, half--year and annual period respectively. financial statements shall be accompanied by a report from the CEO and a discussion of key issues and variances to the budget and to the previous period;
- b) The audited annual financial statements within 90 (ninety) days of the end of each Financial Year to which such statements relate; and
- c) MIS information / reports (in agreed format) within a mutually acceptable reasonable timeframe from the end of each month;

**171.** The prior written approval of the Board shall be obtained on the following, on an annual basis (approval to be completed prior to the commencement of the Financial Year to which the budget applies):

- a) Estimated sources and applications of funds;
- b) Estimated profit and loss account;
- c) Estimated balance sheet;
- d) Projected cash flows; and

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<sup>31</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>32</sup> Amended by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

e) Detailed assumptions underlining the forecasts for the above.

172. The Investor and Investor Promoters shall be entitled to reasonable inspection and visitation rights.

173. During the term of the Agreement and subject to prior written intimation of at least one (1) day, the Company will allow (i) each the Investor and its counsel, accountants and other consultants and representatives;; and (ii) Investor Promoters and their counsel, accountants and other consultants and representatives (collectively, "Advisors"), access during normal business hours to all of its properties, books, contracts and records, books of accounts, statutory minute books, pertaining to the Company, as also the premises and assets of the Company, and will furnish to the Advisors such information concerning the affairs of the Company as such persons may reasonably request and will make available to the Advisors, any of the officers, directors, employees, counsel, accountants, or other consultants of the Company as the Advisors may reasonably request.

#### **WINDING UP**

174. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(i) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

175. In the event of occurrence of a Liquidation Event, subject to applicable laws, the total proceeds from such an event will be distributed to the Investor in preference to all the other Shareholders of the Company (including the Promoters) from the assets, cash and/or property of the Company and/or cash or other consideration payable on the occurrence of the Liquidation Event, as the case may be, prior and in preference to payment of any dividend or distribution of any of the assets or surplus funds of the Company to other Shareholders of the Company by reason of their ownership thereof so that the Investor receives the Preferred Return ("Liquidation Preference Amount")--

However, in the event that the Liquidation Preference Amount is not at least equal to the Preferred Return, the Post Money Equity Valuation of the Company shall be adjusted to:

(a) One that provides the Investor the Preferred Return as the Liquidation Preference Amount;; or

(b) Rs. 1750 Million ("Floor Valuation"), whichever is higher.

#### **RELATED PARTY TRANSACTIONS**

176. Any transactions with Related Parties shall in addition to the compliances under the law, be conducted at commercially justifiable terms and the relationship will be conducted at an arms length basis and any transaction or series of transactions with aggregate contract value in excess of Rs. 1 Million per annum shall be entered into only with the prior approval of the Investor and Investor Promoters in writing, provided that prior written consent shall not be required for any transaction between the Company and SHPL

177. The shareholding of the Company shall be disclosed to the Investor and Investor Promoters along with the details of inter se relationships between such shareholders.

#### **INDEMNITY**



178. 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 the court or the Tribunal grants relief to him.

#### **LIABILITY OF THE INVESTOR DIRECTORS**

179. Unless otherwise specified in the Act,
- a) The Investor Director(s) and the Agnus Director will be non-executive Director.
  - b) The Investor Director and Agnus Director shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be “officers in default” as the term is defined in the Act or “occupier” of any premises used by the Company or an employer of the Employees, and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any applicable laws.
  - c) The Company shall indemnify and keep indemnified (i) the Investor, its respective officers, employees, Affiliates, and the Investor Director(s); and (ii) the Agnus Director, its respective officers, employees, Affiliates, and Agnus Director (collectively, the “Indemnified Persons”) to the maximum extent permitted under applicable Law against any actual losses (excluding loss of profit, remote and consequential losses) that any Indemnified Person may have incurred at any time or liable for in connection with claims brought against any of them on behalf of the Company or by a third party in connection and due to default of the Promoters and/or the Company in terms of these Articles in the capacity as a holder of Shares, Director or officer of the Company or on behalf of the Company except to the extent Losses are determined by a court of competent jurisdiction to have arisen out of the gross negligence, willful misconduct or fraud of such Indemnified Person(s).
  - d) The Company shall obtain an appropriate and adequate Directors & Officers
  - e) Liability insurance for the members of its Board of Directors (including the Investor Directors and Agnus Director) and key person insurance for its Key Employees.

#### **ESG COMPLIANCE**

180. The Company shall ensure that it:
- a) provides safe and healthy working conditions for its employees and contractors;;
  - b) encourages the efficient use of natural resources and promotes the protection of the environment;;
  - c) treats all employees fairly in terms of recruitment, progression, remuneration and conditions of work, irrespective of gender, race colour, language, disability, political opinion, age, religion or national/social origin;;
  - d) provides forums for employees to present their views to the management;;
  - e) takes account of the impact of its operations on the local community and seeks to ensure that potentially harmful occupational health safety, environmental and social effects are properly assessed addressed and monitored;; and
  - f) uphold high standards of business integrity and honesty, and operates in accordance with local laws and international good practices (including those intended to fight extortion, bribery and financial crime).

#### **LISTING**

181. Deleted<sup>33</sup>

182. Deleted.<sup>34</sup>

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<sup>33</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>34</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8

183. Deleted.<sup>35</sup>

184. Deleted.<sup>36</sup>

185. Deleted.<sup>37</sup>

186. Deleted.<sup>38</sup>

187. Deleted.<sup>39</sup>

188. Deleted.<sup>40</sup>

189. Deleted.<sup>41</sup>

190. Deleted.<sup>42</sup>

191. Deleted.<sup>43</sup>

### STRATEGIC SALE AND BUY BACK

192. In the event that the Company and the Promoters fail to provide an exit to the Investor by way of an IPO, within the Cut Off Date, then within a period of 30 (thirty) days from the Cut Off Date, at the option of the Investor, the Company, the Investor Promoters and the Promoters shall identify a third party purchaser to purchase the Investor Shares at a price and terms acceptable to the Investor, at its sole discretion, which shall secure the Investor the Preferred Return.

193. Notwithstanding anything contained in these Articles, in the event of no exit being provided to the Investor by the Company, Investor Promoters and/or the Promoters within 30 (thirty) days of the Cut Off Date, to the satisfaction of the Investor, the Investor shall be entitled, at its discretion, to require the Company to buy back all the Shares held by the Investor in the Company, at Investor's option, at such time decided by the Investor and at such price that provides the Investor the Preferred Return.

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March 2021

<sup>35</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>36</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>37</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>38</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>39</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>40</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>41</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>42</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

<sup>43</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

- 194.** In the event that applicable laws do not permit the buyback by the Company of all the Investor Shares in one financial year, the Investor shall have the option to require the Company to buyback the remainder of the Investor Shares in the subsequent financial years. The Promoters and Investor Promoters shall not tender their Shares for buy back nor shall they raise any objection to the Company accepting the tender by the Investor of the Investor Shares held by them under such buy back by the Company.
- 195.** In the event that the Investor does not receive at least the Preferred Return upon exercising its exit rights under this Article, the Post Money Equity Valuation of the Company shall be adjusted to:
- a) One that provides the Investor the Preferred Return;; or
  - b) Rs. 1750 Million (“Floor Valuation”), Whichever is higher.
- 196.** Notwithstanding anything to the contrary in these Articles, if the Investor has not been provided an exit by the Cut Off Date which secures the Investor the Preferred return, then the Investor shall have the right, exercisable at its sole discretion, to convert the CCPS forming part of the Investor Shares into equity shares at the Floor Valuation or in the event of CCPS having being converted into equity shares, such other methods as may be decided by the Investor, subject to applicable laws.
- 197.** Deleted<sup>44</sup>.

#### **DRAG--ALONG RIGHTS AND INVESTOR PROMOTERS’ RIGHT OF PURCHASE**

- 198.** Without prejudice to any other rights that the Investor may have under Law or these Articles, if the Investor has not been provided an exit from the Company on or before December 31, 2017, the Investor shall have the right (but not the obligation) to sell all the Investor Shares along with attendant rights to a third party / strategic investor, including in a situation where the third party/strategic investor is desirous of purchasing up to 100% of the Company.
- 199.** In the event of the Investor deciding to sell the Investor Shares to the third party purchaser as stated under this Article, the Investor shall have the right (‘Drag Along Right’) to issue notice (the ‘Drag--Along Notice’) to the Promoters and Investor Promoters stating the intention of the Investor to sell all the Investor Shares to such third party purchaser. For such a transfer the Investor may require the Promoters and Investor Promoters to transfer such proportion of their holdings in the Company, on same terms as those offered to the Investor, to such a bona fide purchaser as may be sought by the Investor/such third party purchaser. Along with the Drag Along Notice, the Investor Promoters shall then be offered a right to purchase all the Investor Shares, in place of the third party purchaser on the same terms as offered by the said third party purchaser. The said Drag Along Notice shall set out the price the third party purchaser is willing to pay for purchase of the Shares of the Company and any other terms as issued by the third party purchaser.
- 200.** The Investor Promoters shall communicate their consent within 15 (fifteen) days from the date of receipt of the Drag Along Notice to buy out all the Investor Shares, on the same terms as offered by the third party purchaser. In the event that the Investor Promoters consent to purchasing all the Investor Shares on the same terms as the said third party purchaser, the Investor Promoters shall be obliged to purchase all the Investor Shares and remit the required payment to the Investor, within 60 (sixty) of the issue of the Drag Along Notice.
- 201.** In the event of the Investor Promoters declining or failing to respond within the stipulated timeline, the Investor Promoters shall be required to provide their shares as part of the Drag Along Right issued by the Investor. For such a transfer, the Investor may require the Promoters and Investor Promoters to transfer such proportion of their holdings in the Company, (at the sole discretion of the Investor) on same terms as those offered to the Investor. The Promoters and

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<sup>44</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

Investor Promoters shall transfer such proportion to the bona fide purchaser / such third party purchaser, provided that the Investor Promoters shall, at all times be required to provide only such number of shares as part of the Drag Along Right of the Investor, so as to enable the Investor to sell 51% of the Fully Diluted Share Capital of the Company. The said 51% of the Fully Diluted Share Capital of the Company shall not include any shares that may be provided by the Promoters and Promoter Associates, and shall comprise of the Investor Shares (which would include the CCPS as though the same were converted at Floor Valuation). The balance will be provided by the Investor Promoters to overcome the shortfall to achieve 51% of the Fully Diluted Share Capital of the Company. The Promoters and the Promoter Associates shall provide such number of shares as may be sought by the Investor/third party purchaser for the enforcement of this Article.

## **INTELLECTUAL PROPERTY RIGHTS**

- 202.** All the IP Rights arising out of the performance by the Company of its Business and the inputs of the Promoters in the course of their association with the Company, shall be owned by the Company and all parties will assist the Company in securing the same by filing for appropriate protection under applicable laws in the name of the Company. The Promoters and the Company shall not act in any manner derogatory to the proprietary rights of the Company over such IP Rights.
- 203.** All IP Rights arising from development of solutions, projects executed, databases, copyrights, trademarks, brand name, and other IP Rights are registered exclusively in the name of the Company.
- 204.** The Promoters shall not manufacture/ develop any new product or any variations/improvements of the existing products other than through the Company.
- 205.** All intellectual property (IP) filing rights of any product developed by the Company shall vest with the Company and all such filings shall be made in the name of the Company.

## **CONSEQUENCES OF BREACH**

- 206.** In the event of:
  - a) the Promoters (“Defaulting Promoter/s”) and/or the Company committing breach of the Agreement, or engaging in an act of misrepresentation or fraud, or
  - b) Defaulting Promoter/s and/or the Company committing breach of Representations and Warranties, under the Agreement, which breach is not cured within 30 (thirty) days of the receipt of notice thereof given to the Defaulting Promoter/ Company by the Investor, as the case may be, or
  - c) a Promoter being convicted or prevented in any manner from conducting business, for any reason whatsoever or
  - d) initiation of winding up/liquidation proceedings against the Company, the Investor/Investor Promoters, as the case may be, without prejudice to its other rights and remedies provided for specifically under these Articles, shall have the right to seek specific performance and in the event that such specific performance is not enforceable or available under any provision of law, seek Damages on account of the breach committed by the Promoters/Company or, at the sole and absolute discretion of the Investor/ Investor Promoters, as the case may be, require the Company to buy back the Investor Shares/shares of the Investor Promoters as the case may be, so that the Investor/ Investor Promoters receive at least the Preferred Return.Alternatively, the Investor/Investor Promoters shall have the right to jointly drag the Promoters, as per the provisions of Article 198 to 201.
- 207.** In the event that any breach under this Article is committed by the Promoters and/or the Company or in the event of misconduct/fraud/mismanagement/misappropriation of funds by the Promoters, the Investor/ Investor Promoters shall, without prejudice to any other rights that it may have under these Articles or in law, have the right (but not the obligation) to compel the Company to buy back the Shares held by the Investor/Investor Promoters, as the case may be, (with or without the liquidation of the Company or its assets to fund such buy back of the

Shares held by Investor / Investor Promoters) at a price that secures the Preferred Return and further:

- i. In case the Investor/Investor Promoters exercise the buy back option, the Company shall have a time of 90 (ninety) days to buyback the said Shares. The Promoters shall not tender their Shares for buy back in such buy back offer nor shall they raise any objection to the Company accepting the tender by the Investor/Investor Promoters of the shares held by them under such buy back offer made by the Company. Further, Investor/Investor Promoters shall also have the right to jointly drag the Promoters, as per the provisions of Article 198 to 201.
  - ii. In addition to the aforementioned rights, the Investor / Investor Promoters shall also have the option to remove the Promoters from their role in the Company as employees and directors, provided the allegation relating to misconduct/fraud/mismanagement/misappropriation of funds is determined by a jurisdictional court of law.
- 208.** The exercise of the remedy under this Article is in addition to and shall not, in any way, affect or prejudice any right or remedy accrued to the Investor/ Investor Promoters against the Promoters or the Company under the other provisions of these Articles.

**209.** Deleted<sup>45</sup>.

#### MISCELLANEOUS

- 210.** In the event that Second Tranche Investment Amount is not invested by the Investor, even though (a) the second tranche conditions precedent (as agreed to in the Agreement between the Company, SHPL, Investor, Promoters and Investor Promoters) have been satisfied to the satisfaction of the Investor;; and (b) there are no material breaches by any party under the terms of the Agreement, the parties (Company, SHPL, Investor, Promoters and Investor Promoters) may mutually agree on any amendments to be made to the Agreement.
- 211.** Notwithstanding Article 210 above, in the event that Second Tranche Investment Amount is not invested by the Investor the following terms shall stand amended, as applicable:
- a) the term “Investment Amount” shall mean the First Tranche Investment Amount;
  - b) The term “Post Money Equity Valuation / Base Valuation” shall mean Rs. 2,930 million; and
  - c) The term “Floor Valuation” shall mean Rs. 1,430 million.
- 212.** Notwithstanding anything contained herein, in the event of any amendment made to the Agreement, as contemplated in Article 24.1 above, these Articles shall be amended to reflect the revised understanding between the Company, SHPL, Investor, Promoters and Investor Promoters.

#### GENERAL CLAUSE

- 213.** Wherever in the Act, it has been provided that any company shall have any right, privilege or authority or that any company cannot carry out any transaction unless it is so authorised by its Articles then and in that case, this Article hereby authorises and empowers this company to have such right, privilege or authority;; and to carry out such transaction as have been permitted by the Act without there being any other specific Article in that behalf herein provided.

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<sup>45</sup> Deleted by way of the special resolution passed by the shareholders of Skanray Technologies Limited at the extraordinary general meeting held on 8 March 2021

## **SECTION IX: OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, will be attached to the copy of the Red Herring Prospectus delivered to the Registrar of Companies for registration. Copies of the aforementioned contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office, between 10.00 am and 5.00 pm on all Working Days 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).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### ***Material Contracts to the Offer***

1. Offer Agreement dated June 27, 2021 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated June 27, 2021 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash Escrow and Sponsor Bank Agreement dated [●] entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Escrow Collection Bank(s), the Public Offer Bank(s), the Refund Bank(s) and Sponsor Bank.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholders and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into among our Company, the Registrar to the Offer, the Selling Shareholders and the BRLMs.

#### ***Material Documents in relation to the Offer***

1. Certified copies of updated Memorandum of Association and Articles of Association of our Company as amended until date.
2. Certificate of incorporation dated February 14, 2007.
3. Certificate of incorporation dated March 19, 2021 consequent upon change of name of our Company pursuant to its conversion to a public company.
4. Resolution passed by our Board in relation to the Offer and other related matters dated March 26, 2021.
5. Resolution passed by our Shareholders in relation to the Offer and other related matters dated March 27, 2021.
6. Consent letters from the Selling Shareholders in relation to the Offer for Sale of its Offered Shares authorizing the Offer for Sale.
7. Scheme of amalgamation of Skanray Healthcare Private Limited with our Company.
8. Business transfer agreement dated November 15, 2012 executed between Skanray Healthcare Private Limited and Larsen & Toubro.
9. Business transfer agreement dated November 14, 2013 executed between Pricol Engineering Industries Limited and our Company.

10. Share transfer agreement dated March 2, 2021 executed by and amongst Karuna Ventures Private Limited, Chayadeep Properties Private Limited, Agnus Capital LLP, Agnus Ventures LLP, Skanray Healthcare Partners LLP, Ascent Capital and our Company.
11. Binding term sheet dated March 8, 2021 executed between Irillic Private Limited and our Company.
12. Share subscription and shareholders agreement dated August 14, 2013 executed by and amongst our Company, Vishwaprasad Alva, Balasubramanian Kandankumarath, Dr Kasi Vishwanathan, Arun Kumar, the Agnus Group (consisting of Agnus Holdings Private Limited, Agnus Global Holdings Pte Ltd, Singapore, and Agnus Capital LLP), the SHPL Investor Group (consisting of Karuna Ventures Private Limited, Chayadeep Properties Private Limited, Agnus Capital LLP, Chayadeep Ventures LLP and Skanray Healthcare LLP) and Unit Trust of India Investment Advisory Services Limited A/c Ascent India Fund III, as amended by the amendment agreement to the shareholders agreement, and the second amendment agreement to the shareholders agreement dated September 26, 2018
13. Copies of annual reports of our Company for the last three Fiscals, *i.e.*, Fiscals 2020, 2019 and 2018.
14. Consent letter from our Statutory Auditors dated June 27, 2021 to include its name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of the reports of the Statutory Auditors on the Restated Consolidated Financial Information dated June 12, 2021 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” and consent thereof shall not be construed to mean an “expert” or consent as defined under the U.S. Securities Act.
15. Consent letter dated June 21, 2021 from Gargesh & Co, Chartered Accountants to include to include their name as required under the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus and as an “expert” as defined under section 2(38) of the Companies Act, 2013 in respect of their report dated June 21, 2021 on the statement of tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.
16. Consent dated June 27, 2021 from Deloitte Haskins & Sells, Chartered Accountants, to include their name under the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “expert” as defined under the Companies Act, 2013 in respect of their report dated June 12, 2021 on the Proforma Financial Information.
17. The reports of our Statutory Auditors dated June 12, 2021 on our Restated Consolidated Financial Information.
18. Industry report titled “*Market Assessment of the Medical Device Industry in India*” dated March 2021, prepared by CRISIL Limited.
19. Statement of Special Tax Benefits dated June 21, 2021.
20. Consents of the BRLMs, the Syndicate Members, Registrar to the Offer, Bankers to the Offer, Escrow Banks, Refund Banks, legal advisors, our Directors, Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
21. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
22. Tripartite Agreement dated March 27, 2021 among our Company, NSDL and the Registrar to the Offer.
23. Tripartite Agreement dated March 19, 2021 among our Company, CDSL and the Registrar to the Offer.
24. Due diligence certificate dated [●] to SEBI from the BRLMs.
25. SEBI observation letter dated [●]

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Vishwaprasad Alva**  
*(Chairman and Managing Director)*

**Date:** June 27, 2021

**Place:** Mysore



## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Balasubramanian Kandankumarath**  
*(Executive Director)*

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Deepak Komaregowda**  
*(Nominee Director)*

**Date:** June 27, 2021

**Place:** Bengaluru

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Doddaballapur Prasanna Achutarao**  
*(Independent Director)*

**Date:** June 27, 2021

**Place:** Bengaluru

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Harish Hassan Visweswara**  
*(Independent Director)*

**Date:** June 27, 2021

**Place:** Bengaluru

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Reena Pandey**  
*(Independent Director)*

**Date:** June 27, 2021

**Place:** New Delhi

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTOR OF OUR COMPANY**

---

**Jayashree Satagopan**  
*(Additional Director (Independent))*

**Date:** June 27, 2021

**Place:** Hyderabad

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

---

**Lakshmi Kamath**  
*(Chief Financial Officer)*

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being sold by it pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Ascent Capital**

**Date:** June 27, 2021

**Place:** Bengaluru



## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being sold by it pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Chayadeep Ventures LLP**

**Date:** June 27, 2021

**Place:** Bangalore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being sold by it pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Agnus Holdings Private Limited**

**Date:** June 27, 2021

**Place:** Bangalore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being sold by it pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Chayadeep Properties Private Limited**

**Date:** June 27, 2021

**Place:** Bangalore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself and the Equity Shares being sold by it pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Axis Dot Ventures Pte Ltd**

**Date:** June 27, 2021

**Place:** Singapore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Vishwaprasad Alva**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Girish T R**

**Date:** June 27, 2021

**Place:** Rhode Island, United States of America

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Suresh Subramanyam**

**Date:** June 27, 2021

**Place:** Irvine – CA, United States of America

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Balasubramanian Kandankumarath**

**Date:** June 27, 2021

**Place:** Mysore



## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Vijendra Nath Malhotra**

**Date:** June 27, 2021

**Place:** United Arab Emirates

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Sebastian Swamy**

**Date:** June 27, 2021

**Place:** Surrey, United Kingdom

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Sreedhara N**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Parasuramappa Belur**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**K S Chandrashekara Raju**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Sudheendra B Varna**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

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---

**Prashant A**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

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---

**Janardhan Bhat**

**Date:** June 27, 2021

**Place:** Mysore



## **DECLARATION**

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---

**Ajay Balaram Achath**

**Date:** June 27, 2021

**Place:** Malappuram

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Mohith Manoj**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Sunil Rao**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being sold by her pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Uma Reddy**

**Date:** June 27, 2021

**Place:** Bengaluru

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being sold by her pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Deepika K R**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Lingaraju P**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being sold by her pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Jayashree Balasubramanian**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Santosh Kumar Mohan**

**Date:** June 27, 2021

**Place:** Surat



## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Koteppa Gatti**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Signed by Y Usha Rani (as the power of attorney holder for Ravishankar R K)**

**Date:** June 27, 2021

**Place:** Bangalore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Arun Kumar Pillai**

**Date:** June 27, 2021

**Place:** Bangalore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Dipjyoti Bharali**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by her in this Draft Red Herring Prospectus in relation to herself and the Equity Shares being sold by her pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Prema S**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Siddaraju A**

**Date:** June 27, 2021

**Place:** Mysore

## **DECLARATION**

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings specifically made or confirmed by him in this Draft Red Herring Prospectus in relation to himself and the Equity Shares being sold by him pursuant to the Offer for Sale are true and correct, provided however, the undersigned Selling Shareholder assumes no responsibility for any other statement including statements made by our Company or any other person(s) in this Draft Red Herring Prospectus.

---

**Thirumaleshwara Hasandka**

**Date:** June 27, 2021

**Place:** Mysore